Youth Leadership Academy

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2026

YOUTH LEADERSHIP ACADEMY

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2026

	Page
Financial Section	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14-21
Required Supplemental Information Other than Management's Discussion and Analysis	
Budgetary Comparison Schedule - General Fund	22
Notes to Required Supplemental Information	23
Supplemental Information	
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	24-26
Special Revenue Fund - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	27
Special Revenue Fund - Summary Schedule for Designated State Restricted Grants	28
Special Revenue Fund - Education Improvement Act Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs	29
Special Revenue Fund - Education Improvement Act - Summary Schedule by Program	30
Detailed Schedule of Due to South Carolina Department of Education/Federal Government	31
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	32-33
Schedule of Findings and Responses	34

Member of the
American Institute of
Certified Public Accountants

PAYNE, WHITE & SCHMUTZ
CERTIFIED PUBLIC ACCOUNTANTS, PA
114 West North 1st Street, Seneca, SC 29678 (864)882-1937

Mark A. Payne, CPA
Jason S. White, CPA/PFS, CFP
Christian J. Schmutz, CPA

Independent Auditor's Report

The Governing Body
Youth Leadership Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Youth Leadership Academy, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Youth Leadership Academy'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, each major fund, and the aggregate remaining fund information of Youth Leadership Academy, as of June 30, 2026, and the respective changes in financial position 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, 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 Youth 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 opinions.

Responsibilities of Management for the Financial Statements

Youth Leadership Academy 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 Youth Leadership Academy'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.

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 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 a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Youth Leadership Academy'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 Youth Leadership Academy'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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Youth Leadership Academy's basic financial statements. The other supplementary financial information is presented for purposes of additional analysis and is 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 October 14, 2026, on our consideration of Youth Leadership Academy'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 solely 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 the effectiveness of 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 Youth Leadership Academy's internal control over financial reporting and compliance.

Payne, White & Schmutz, CPA, PA

Payne, White & Schmutz, CPA, PA

Seneca, South Carolina

October 14, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

YOUTH LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2026

As management of Youth Leadership Academy (the School), we offer readers of the School's audited financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2026. We encourage readers to read the information presented herein in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The liabilities of the School exceeded its assets at the close of the fiscal year by $38,775 (*net position*). Liabilities exceeded assets by $29,722 in the prior year.
- Governmental activities decreased the School's net position by $9,053, versus a decrease of $65,304 in the prior year.
- The School's governmental funds reported combined ending fund balances of ($153,226), versus ($157,820) in the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements consist of two kinds of statements that present different views of the School. The first two statements are known as the government-wide financial statements that provide both short-term and long-term information about the School's overall financial status in a format similar to that of a regular business. The remaining statements are fund financial statements that focus on individual segments of the School's finances by sources and uses of funds. The governmental funds statements tell how basic services such as education were financed in the short-term as well as what remains for future spending. Fiduciary funds statements provide information about the financial relationships in which the School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School's budget for the year.

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. Immediately following the fund financial statements are the Notes to the Financial Statements (the 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 financial statements are designed to provide the reader with a broad overview of the School's finances, similar in format to the financial statements of a private-sector business. The government wide statements provide short and long-term information about the School's financial status as a whole. The two government-wide statements report the School's net position and how it has changed. Net position equals the difference between the School's total assets and total liabilities. Measuring net position is one way to gauge the School's financial condition. The government-wide statements include most of the School's basic functions such as instructional services and support services. These functions are funded almost entirely through state, county, and federal educational funds.

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 requirements, such as the School's budget, where and when applicable. 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 governmental 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 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 the 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a School's financial condition. The liabilities of the School exceeded assets by $38,775 as of June 30, 2026. $114,451 reflects the School's investment in capital assets (e.g. building, furniture and fixtures, and equipment), less any related debt still outstanding that was 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. Although the School's investment in its capital assets is reported net of any outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining net position of ($153,226) is unrestricted.

Youth Leadership Academy's Condensed Statement of Net Position

	FY 2026	FY 2025
Current Assets	$699,218	$439,148
Capital Assets - Net	114,451	128,098
Total Assets	813,669	567,246
Current Liabilities	852,444	596,968
Total Liabilities	852,444	596,968
Net Investment in Capital Assets	114,451	128,098
Unrestricted	(153,226)	(157,820)
Total Net Position	($38,775)	($29,722)

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

• Expenses related to the School's General Revenue Programs were greater than the related revenues for these programs.

Youth Leadership Academy's Changes in Net Position

	FY 2026	FY 2025
Operating Revenues		
County, State, Federal Funds	$3,612,637	$3,599,533
Charges for Services	209,497	174,622
Non-Operating Revenues		
Interest and Miscellaneous	7,528	23,664
Total Revenue	3,829,662	3,797,819
Operating Expenses		
Instruction	3,491,357	3,508,644
Support Services	347,358	354,479
Total Expense	3,838,715	3,863,123
Increase (Decrease) in Net Position	(9,053)	(65,304)
Total Net Position, Beginning of Year	(29,722)	35,582
Total Net Position, End of Year	($38,775)	($29,722)

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 ($153,226).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The School's investment in capital assets for its governmental activities as of June 30, 2026, totals $114,451 (net of accumulated depreciation). Capital assets include any building, building improvements, curriculum and equipment.

Youth Leadership Academy's Capital Assets

	FY 2026	FY 2025
Capital Assets being Depreciated:		
Buildings and Improvements	$278,659	$278,659
Equipment and Curriculum	111,235	94,209
Total Capital Assets being Depreciated	389,894	372,868
Less: Accumulated Depreciation	(275,443)	(244,770)
Total Capital Assets being Depreciated, Net	$114,451	$128,098

Additional information about the School's capital assets can be found in Note 3 of the Notes to basic financial statements.

ECONOMIC FACTORS

The following key economic indicators reflect the growth and prosperity of the School:

• The School continues to see community support as evidenced by the volunteerism, local organizations donating classroom and office supplies, private donations, and support through fund raising.

• The School has a returning staff of professionals that are committed to the School.

• The School continues to seek both federal and private grant funds to supplement its EFA funding.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Principal, Youth Leadership Academy, 698 Concord Church Road, Pickens, South Carolina, 29671, telephone number (864) 878-1103.

GOVERNMENT - WIDE FINANCIAL STATEMENTS

YOUTH LEADERSHIP ACADEMY

STATEMENT OF NET POSITION

JUNE 30, 2026

	Primary Government	
	Governmental Activities	Total
Assets		
Cash and Cash Equivalents	$ 690,176	$ 690,176
Due from Other Governmental Units	9,042	9,042
Capital Assets, Net of Depreciation	114,451	114,451
Total Assets	813,669	813,669
Liabilities		
Accounts Payable and Other Current Liabilities	852,444	852,444
Total Liabilities	852,444	852,444
Net Position		
Net Investment in Capital Assets	114,451	114,451
Unrestricted Net Position	(153,226)	(153,226)
Total Net Position	$ (38,775)	$ (38,775)

The accompanying notes are an integral part of the financial statements.
See accompanying independent auditor's report.

YOUTH LEADERSHIP ACADEMY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2026

Functions/ Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes In Net Position: Governmental Activities	Net (Expense) Revenue and Changes In Net Position: Total
Governmental Activities:					
Instruction	$ 3,491,357	$ 209,497	$ -	$ (3,281,860)	$ (3,281,860)
Support Services	347,358	-	-	(347,358)	(347,358)
Intergovernmental	-	-	3,612,637	3,612,637	3,612,637
Total Governmental Activities	3,838,715	209,497	3,612,637	(16,581)	(16,581)
Total Primary Government	$ 3,838,715	$ 209,497	$ 3,612,637	(16,581)	(16,581)
General Revenues:					
Investment Earnings				2,071	2,071
Miscellaneous				5,457	5,457
Total General Revenues				7,528	7,528
Change in Net Position				(9,053)	(9,053)
Net Position - Beginning Balance				(29,722)	(29,722)
Net Position - Ending Balance				$ (38,775)	$ (38,775)

The accompanying notes are an integral part of the financial statements.
See accompanying independent auditor's report.

FUND FINANCIAL STATEMENTS

YOUTH LEADERSHIP ACADEMY

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2026

	General	Special Revenue	Education Improvement Act	Total Governmental Funds
Assets				
Cash and Investments	$ 690,176	$ -	$ -	$ 690,176
Due from:				
Other Funds	9,042	-	-	9,042
Other Governmental Units	-	9,042	-	9,042
Total Assets	$ 699,218	$ 9,042	$ -	$ 708,260
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	$ 852,444	$ -	$ -	$ 852,444
Due to:				
Other Funds	-	9,042	-	9,042
Total Liabilities	852,444	9,042	-	861,486
Fund Balances:				
Unassigned	(153,226)	-	-	(153,226)
Total Fund Balances	(153,226)	-	-	(153,226)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 699,218	$ 9,042	$ -	$ 708,260

The accompanying notes are an integral part of the financial statements.
See accompanying independent auditor's report.

YOUTH LEADERSHIP ACADEMY

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2026

Total Fund Balances - Governmental Funds	$ (153,226)
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets was $389,894 and the accumulated depreciation was $275,443	114,451
Total Net Position - Governmental Activities	$ (38,775)

YOUTH LEADERSHIP ACADEMY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2026

	General	Special Revenue	Education Improvement Act	Total Governmental Funds
Revenues				
Earnings on Investments	$ 2,071	$ -	$ -	$ 2,071
Student Fees	209,497	-	-	209,497
Other Local	5,457	-	-	5,457
Total Local	217,025	-	-	217,025
State Sources	2,858,242	56,792	630,808	3,545,842
Federal Sources	-	66,795	-	66,795
Total Intergovernmental	2,858,242	123,587	630,808	3,612,637
Total Revenues	3,075,267	123,587	630,808	3,829,662
Expenditures				
Current:				
Instruction	3,309,941	123,587	32,370	3,465,898
Support Services	342,144	-	-	342,144
Capital Outlay	17,026	-	-	17,026
Total Expenditures	3,669,111	123,587	32,370	3,825,068
Excess (Deficiency) of Revenues Over Expenditures	(593,844)	-	598,438	4,594
Other Financing Sources (Uses)				
Transfers In	598,438	-	-	598,438
Transfers Out	-	-	(598,438)	(598,438)
Total Other Financing Sources (Uses)	598,438	-	(598,438)	-
Net Change in Fund Balances	4,594	-	-	4,594
Fund Balances - Beginning of Year	(157,820)	-	-	(157,820)
Fund Balances - End of Year	$ (153,226)	$ -	$ -	$ (153,226)

The accompanying notes are an integral part of the financial statements.
See accompanying independent auditor's report.

YOUTH LEADERSHIP ACADEMY
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, 2026

Net Change in Fund Balances - Governmental Funds	$ 4,594

Amounts reported for the governmental activities in the statement of activities are different because:

The governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of $30,673 exceeded capital asset additions of $17,026 in the current period.	(13,647)
Change in Net Position - Governmental Activities	$ (9,053)

The accompanying notes are an integral part of the financial statements.
See accompanying independent auditor's report.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Youth Leadership Academy (the School) was created in 2011 through a charter granted by the South Carolina Public Charter School District (SCPCSD). The School began operations in 2012. The School is a discretely presented component unit of SCPCSD.

The School's mission is to help each student discover and come into confident possession of his/her unique abilities, demonstrate mastery of the academic foundational standards necessary for a successful future, and establish qualities that will enable him/her to become a healthy, productive citizen and community leader. The School seeks to offer this format of education to 6th through 8th grade students.

A. The Reporting Entity

The Board of Directors (the "Board") of the School determines the operating policies and such policies are implemented by the School's staff. As of June 30, 2026, the School's volunteer Board is as follows:

Betsy Anthony	Sydney Cox
Nick McLellan	Kayla Knowles
Tasha Gilstrap	Kathy Brazinski
Jason Lucas	Jason Holcombe
Shannon Ellenburg	Brandon McCurley
Dawn Powell	

These financial statements present the School, which is a component unit of South Carolina Public Charter School District. The School is a legally separate entity that is in substance part of the School District's operation.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial 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 engage in any material *business-type* activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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. Other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School.

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. Non-exchange transactions, in which the School gives or receives value without directly receiving or giving equal value in exchange, includes intergovernmental revenues, grants, and donations. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The government-wide financial statements are prepared using a different measurement focus from the manner in which the governmental fund financial statements are prepared (see further detail below).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued):

Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

The government-wide financial statements are prepared using a different measurement focus from the manner in which the governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

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. Intergovernmental revenues, external service reimbursements and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of certain reimbursement expenditure grants for which a twelve month availability period is generally used.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease purchase expenditures, capital lease expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt, lease purchase obligations, and acquisitions under capital leases are reported as other financing sources. Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. When both restricted and unrestricted resources are available for use, it is the School's practice to use restricted resources first, then unrestricted resources as they are needed.

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. The following major funds and fund types are used by the School.

Governmental Fund Types are those through which most governmental functions of the School are financed. The School's expendable financial resources and related assets and liabilities are accounted for through governmental funds. The governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The School's only governmental funds and its major funds are as follows:

The ***General Fund, a major fund and a budgeted fund,*** 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.

The ***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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued):

The ***Education Improvement Act 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 School did not have any non-major funds as of June 30, 2026.

C. Cash

The School considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments.

D. Receivables and Payables

During the course of its operations, the School has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers in (out). To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund receivables or payables have been recorded.

All trade receivables are shown net of an allowance for uncollectible amounts (if material). Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services.

E. Prepaid Items

The costs of prepaid items are accounted for using the consumption method (expensed when consumed).

F. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

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

Assets	Years
Buildings and Improvements	10 - 40
Equipment and Curriculum	5 - 7

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G. Accrued Liabilities

All payables and accrued liabilities are reported in the government-wide financial statements.

In the governmental fund financial statements, payables and accrued liabilities are recognized in the period in which the related liability is incurred, in accordance with the fund's measurement focus and basis of accounting.

In general, payables and accrued liabilities that will be paid from the governmental funds are reported in the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, obligations such as claims and judgments, compensated absences, and other similar items that will eventually be paid from the governmental funds are not reported as a liability in the fund financial statements until due and payable.

H. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

I. Due from Other Governmental Units

Amounts due from other governmental units represents amounts owed to the School from the District for grant/contractual funding related to the School year ending June 30, 2026 that has been earned but not yet received as of June 30, 2026. The receivable balances totaled $9,042 at year-end.

J. Fund Balance

In accordance with GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" ("GASB #54"), the School classifies its governmental fund balances as follows:

> **Nonspendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).
>
> **Restricted –** includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Fund Balance (continued):

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (School Board) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and for which such assignments are made before the report issuance date. The School Board formally granted the School Administrator the right to make assignments of fund balance for the School.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of 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.

The School generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

K. Net Position

Net position represents the difference between assets and deferred outflows (if any) and liabilities and deferred inflows (if any) in the statement of net position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consist 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 their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the governmental funds during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

M. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS:

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

A) Obligations of the United States and agencies thereof;
B) General obligations of the State of South Carolina, or any of its political units;
C) Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation (FDIC);
D) Deposits in Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (A) and (B) above, held by a third party as escrow agent or custodian, or a market value not less than the amount of the Certificate of Deposit so secured, including interest;
E) 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);
F) Repurchase agreements.

At June 30, 2026, the carrying amount of the School's cash was $690,176 and the bank balance was $1,007,436.

Custodial credit risk for deposits - 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. From time to time during the year, the School may have cash on deposit with banks that exceeds the balance insured by the FDIC.

Custodial credit risk for investments – Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

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

Interest rate risk for Investments - 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 for Investments - Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investments in a single issuer. The School does not have a policy that limits the amount that may be invested in any one issuer.

NOTE 3 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2026, is as follows:

	June 30, 2025	Increases	Decreases	June 30, 2026
Governmental Activities:				
Capital Assets, Being Depreciated				
Building and Structures	$ 231,570	$ -	$ -	$ 231,570
Building Improvements	47,089	-	-	47,089
Equipment	94,209	17,026	-	111,235
Total capital assets, being depreciated	372,868	17,026	-	389,894
Total capital assets, cost	372,868	17,026	-	389,894
Less accumulated depreciation:				
Building and Structures	139,235	20,519	-	159,754
Building Improvements	47,089	-	-	47,089
Equipment	58,446	10,154	-	68,600
Total accumulated depreciation	244,770	30,673	-	275,443
Total capital assets, being depreciated, net	128,098	(13,647)	-	114,451
Total Governmental Activities Capital Assets, Net	$ 128,098	$ (13,647)	$ -	$ 114,451

Depreciation expense of $25,459 and $5,214 is charged to instruction and support services, respectively.

NOTE 4 – INTERFUND ACTIVITY:

Transfers from and to other funds for the year ended June 30, 2026 consisted of the Education Improvement Act transferring $598,438 to the General Fund.

NOTE 5 - RELATED PARTIES:

The School is a component unit of the SCPCSD's financial statements. Annual funding allocated from the SCPCSD to the School during the year ended June 30, 2026 is approximately $3,686,000. The District additionally provides services to the School at fair market value. The School paid the District $73,727 for these services.

NOTE 6 - 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.

NOTE 6 – CONTINGENCIES (CONTINUED):

Litigation

The School may be party to various legal proceedings incidental to its operation. Certain claims, suits and complaints arising in the ordinary course of business may be filed or are pending. In the opinion of management, all such matters are adequately covered by insurance or if not so covered, are without merit, or involve such amounts as would not have a significant effect on the financial position of the School if disposed of unfavorably.

NOTE 7 – SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 14, 2026 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A

YOUTH LEADERSHIP ACADEMY

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		
	Original	**Final**	**Actual**
Revenues			
Local	$ -	$ -	$ 217,025
State	3,541,124	3,541,124	2,858,242
Total Revenues	3,541,124	3,541,124	3,075,267
Expenditures			
Current:			
Instruction	2,306,128	2,306,128	3,309,941
Support Services	1,206,169	1,206,169	359,170
Total Expenditures	3,512,297	3,512,297	3,669,111
Excess (Deficiency) of Revenues Over Expenditures	28,827	28,827	(593,844)
Other Financing Sources (Uses)			
Transfers In (out)	-	-	598,438
Total Other Financing Sources (Uses)	-	-	598,438
Net Change In Fund Balance	28,827	28,827	4,594
Fund Balances - Beginning of Year	(157,820)	(157,820)	(157,820)
Fund Balances - End of Year	$ (128,993)	$ (128,993)	$ (153,226)

YOUTH LEADERSHIP ACADEMY

REQUIRED SUPPLEMENTAL INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2026

NOTE 1 – BASIS OF ACCOUNTING AND BUDGETARY PROCESS:

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 the EIA Fund are approved by the appropriate granting agencies, and as such, these budgets are not part of the School's legally adopted budget and are not presented in the Budgetary Comparison Schedule.

SUPPLEMENTAL INFORMATION

YOUTH LEADERSHIP ACADEMY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED JUNE 30, 2026

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	$ -	$ 2,071	$ 2,071
1700 Pupil Activities			
1740 Student Fees	-	209,497	209,497
1900 Other Revenue from Local Sources			
1920 Contributions & Donations Private Sources	-	5,236	5,236
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	221	221
Total Local Sources	-	217,025	217,025
3000 Revenue from State Sources			
3130 Special Programs:			
3103 State Aid to Classrooms	3,541,124	2,858,242	(682,882)
Total Revenue from State Sources	3,541,124	2,858,242	(682,882)
Total Revenue All Sources	3,541,124	3,075,267	(465,857)

YOUTH LEADERSHIP ACADEMY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED JUNE 30, 2026

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
100 Instruction			
110 General Instruction			
113 Elementary Programs			
100 Salaries	1,557,084	-	1,557,084
200 Employee Benefits	724,044	-	724,044
300 Purchased Services	-	3,255,826	(3,255,826)
400 Supplies and Materials	25,000	54,115	(29,115)
Total Instruction	2,306,128	3,309,941	(1,003,813)
200 Support Services			
210 Pupil Services			
212 Guidance Services			
100 Salaries	74,775	-	74,775
200 Employee Benefits	34,770	-	34,770
213 Health Services			
100 Salaries	58,860	-	58,860
200 Employee Benefits	27,370	-	27,370
400 Supplies and Materials	-	110	(110)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development			
400 Supplies and Materials	-	8,400	(8,400)
224 Improv. of Instr. - In-svc and Staff Training			
300 Purchased Services	-	959	(959)
230 General Administration Services			
231 Board of Education			
300 Purchased Services	-	14,216	(14,216)
600 Other Objects	-	10,475	(10,475)
233 School Administration			
100 Salaries	167,636	-	167,636
200 Employee Benefits	77,951	-	77,951
300 Purchased Services	-	8,228	(8,228)
400 Supplies and Materials	-	57,551	(57,551)
600 Other Objects	-	89	(89)
250 Finance and Operations Services			
252 Fiscal Services			
300 Purchased Services	15,000	-	15,000
600 Other Objects	15,000	-	15,000
253 Facilities Acquisition and Construction			
100 Salaries	115,520	-	115,520
200 Employee Benefits	53,717	-	53,717
254 Operation and Maintenance of Plant			
300 Purchased Services	354,100	37,509	316,591
400 Supplies and Materials	28,984	-	28,984
500 Capital Outlay		17,026	(17,026)
259 Internal Auditing Services			
300 Purchased Services	25,800	-	25,800
260 Central Support Services			-

YOUTH LEADERSHIP ACADEMY

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

YEAR ENDED JUNE 30, 2026

	Budget	Actual	Variance Favorable (Unfavorable)
263 Information Services			
100 Salaries	48,960	-	48,960
200 Employee Benefits	71,726	-	71,726
300 Purchased Services	-	3,839	(3,839)
266 Technology and Data Processing Services			
300 Purchased Services	36,000	-	36,000
270 Support Services Pupil Activity			
271 Pupil Services Activities			
600 Other Objects	-	200,768	(200,768)
Total Support Services	1,206,169	359,170	846,999
Total Expenditures	3,512,297	3,669,111	(156,814)
Excess/(Deficiency) of Revenues over Expenditures	28,827	(593,844)	(622,671)
Other Financing Sources (Uses)			
5230 Transfer from (to) Special Revenue EIA Fund	-	598,438	598,438
Total Other Financing Sources (Uses)	-	598,438	598,438
Net Change In Fund Balance	28,827	4,594	(24,233)
Fund Balances - Beginning of Year	(157,820)	(157,820)	-
Fund Balances - End of Year	$ (128,993)	$ (153,226)	$ (24,233)

YOUTH LEADERSHIP ACADEMY

SPECIAL REVENUE FUND - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2026

	IDEA	Other Designated Restricted State Grants	Other Special Revenue Programs	Total
Revenues				
3000 Revenue from State Sources				
3100 Restricted State Funding				
3130 Special Programs				
3135 Reading Coaches	$ -	$ 56,392	$ -	$ 56,392
3187 Teacher Supplies	-	400	-	400
Total State Sources	-	56,792	-	56,792
4000 Revenue from Federal Sources				
4310 Title I, Basic State Grant Programs	-	-	28,529	28,529
4351 Title II	-	-	9,042	9,042
4510 Individuals With Disabilities Education Act (IDEA)	26,971	-	-	26,971
4990 Other Federal Revenue				
4999 Revenue from Other Federal Sources	-	-	2,253	2,253
Total Federal Sources	26,971	-	39,824	66,795
Total Revenue All Sources	26,971	56,792	39,824	123,587
100 Instruction				
110 General Instruction				
113 Elementary Programs				
300 Purchased Services	-	-	30,782	30,782
400 Supplies and Materials	-	56,792	9,042	65,834
127 Learning Disabilities				
300 Purchased Services	26,971	-	-	26,971
Total Instruction	26,971	56,792	39,824	123,587
Total Expenditures	26,971	56,792	39,824	123,587
Excess/(Deficiency) of Revenues over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ -	$ -	$ -

YOUTH LEADERSHIP ACADEMY

SPECIAL REVENUE FUND - SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS

YEAR ENDED JUNE 30, 2026

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers
917	3187	Teacher Supply	$ 400	$ 400	$ -
935	3135	Reading Coaches	56,392	56,392	-
	Totals		$ 56,792	$ 56,792	$ -

YOUTH LEADERSHIP ACADEMY

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

YEAR ENDED JUNE 30, 2026

Revenues	
3000 Revenue from State Sources	
3500 Education Improvement Act:	
3502 ADEPT	$ 200
3503 State Aid to Classrooms	598,438
3518 Formative Assessment	1,517
3526 Refurbishment of K-8 Science Kits	1,779
3532 National Board Certification	19,847
3577 Teacher Supplies	7,200
3595 EEDA Supplies and Materials	1,827
Total State Sources	630,808
Total Revenue All Sources	630,808
Expenditures	
100 Instruction	
110 General Instruction	
113 Elementary Programs	
300 Purchased Services	32,370
Total Instruction	32,370
Total Expenditures	32,370
Excess (Deficiency) of Revenues over Expenditures	598,438
Interfund Transfers, From (To) Other Funds:	
420-710 Transfers to General Fund	(598,438)
Total Other Financing Sources (Uses)	(598,438)
Net Change in Fund Balance	-
Fund Balances - Beginning of Year	-
Fund Balances - End of Year	$ -

YOUTH LEADERSHIP ACADEMY

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT - SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2026

Program	Revenues	Expenditures	Transfers In/(Out)
3500 Education Improvement Act:			
3502 ADEPT	$ 200	$ 200	-
3503 State Aid to Classrooms	598,438	-	(598,438)
3518 Formative Assessment	1,517	1,517	-
3526 Refurbishment of K-8 Science Kits	1,779	1,779	-
3532 National Board Certification	19,847	19,847	-
3577 Teacher Supplies	7,200	7,200	-
3595 EEDA Supplies and Materials	1,827	1,827	-
Totals	$ 630,808	$ 32,370	$ (598,438)

YOUTH LEADERSHIP ACADEMY

DETAILED SCHEDULE OF DUE TO SOUTH CAROLINA DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2026

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

No funds are due to state/federal government

COMPLIANCE SECTION

Member of the
American Institute of
Certified Public Accountants

PAYNE, WHITE & SCHMUTZ
CERTIFIED PUBLIC ACCOUNTANTS, PA
114 West North 1st Street, Seneca, SC 29678 (864)882-1937

Mark A. Payne, CPA
Jason S. White, CPA/PFS, CFP
Christian J. Schmutz, CPA

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

Independent Auditor's Report

The Governing Body
Youth Leadership Academy

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 Youth Leadership Academy as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Youth Leadership Academy's basic financial statements, and have issued our report thereon dated October 14, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Youth Leadership Academy's internal control over financial reporting (internal control) to determine the audit 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 Youth Leadership Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Youth Leadership Academy's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

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 entity'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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness (2026 B).

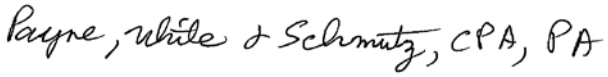
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Youth Leadership Academy'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 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Payne, White & Schmutz, CPA, PA

Seneca, South Carolina

October 14, 2026

YOUTH LEADERSHIP ACADEMY

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2026

A. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

1. The auditor's report expresses 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. One material weakness relating to the audit of the financial statements was disclosed during the audit.
4. No instances of noncompliance relating to the financial statements were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness

Condition and criteria: The auditor found it necessary to propose material audit adjustments to the Organization's general ledger. It is not uncommon for this situation to exist in non-profit organizations.

Auditor's recommendation: To include necessary adjustments prior to the conclusion of audit fieldwork.

Auditee's response: In the future, Management will include necessary adjustments prior to the conclusion of audit fieldwork.

C. FINDINGS – COMPLIANCE

None noted.