

Youth Leadership Academy

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2025

YOUTH LEADERSHIP ACADEMY

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YEAR ENDED JUNE 30, 2025

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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, 2025, 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, 2025, 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.

Other 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 are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025, 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 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**YOUTH LEADERSHIP ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025**

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, 2025. 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 \$29,722 (*net position*). Assets exceeded liabilities by \$35,582 in the prior year.
- Governmental activities decreased the School's net position by \$65,304, verses a decrease of \$54,765 in the prior year.
- The School's governmental funds reported combined ending fund balances of (\$157,820), versus (\$122,680) 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 government 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 \$29,722 as of June 30, 2025. \$128,098 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 (\$157,820) is unrestricted.

Youth Leadership Academy's Condensed Statement of Net Position

	FY 2025	FY 2024
Current Assets	\$439,148	\$965,567
Capital Assets - Net	128,098	158,262
Total Assets	567,246	1,123,829
Current Liabilities	596,968	1,088,247
Total Liabilities	596,968	1,088,247
Net Investment in Capital Assets	128,098	158,262
Unrestricted	(157,820)	(122,680)
Total Net Position	(\$29,722)	\$35,582

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 2025	FY 2024
Operating Revenues		
County, State, Federal Funds	\$3,599,533	\$3,231,709
Charges for Services	174,622	180,362
Non-Operating Revenues		
Interest and Miscellaneous	23,664	19,194
Total Revenue	3,797,819	3,431,265
Operating Expenses		
Instruction	3,508,644	3,108,392
Support Services	354,479	361,727
Community Services	-	15,911
Total Expense	3,863,123	3,486,030
Increase (Decrease) in Net Position	(65,304)	(54,765)
Total Net Position, Beginning of Year	35,582	90,347
Total Net Position, End of Year	(\$29,722)	\$35,582

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 (\$157,820).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The School's investment in capital assets for its governmental activities as of June 30, 2025, totals \$128,098 (net of accumulated depreciation). Capital assets include any building, building improvements, curriculum and equipment.

Youth Leadership Academy's Capital Assets

	FY 2025	FY 2024
Capital Assets being Depreciated:		
Buildings and Improvements	\$278,659	\$278,659
Equipment and Curriculum	94,209	94,209
Total Capital Assets being Depreciated	372,868	372,868
Less: Accumulated Depreciation	(244,770)	(214,606)
Total Capital Assets being Depreciated, Net	<u>\$128,098</u>	<u>\$158,262</u>

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, 2025

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Total</u>
Assets		
Cash and Cash Equivalents	\$ 409,874	\$ 409,874
Due from Other Governmental Units	29,274	29,274
Capital Assets, Net of Depreciation	128,098	128,098
Total Assets	<u>567,246</u>	<u>567,246</u>
Liabilities		
Accounts Payable and Other Current Liabilities	596,968	596,968
Total Liabilities	<u>596,968</u>	<u>596,968</u>
Net Position		
Net Investment in Capital Assets	128,098	128,098
Unrestricted Net Position	(157,820)	(157,820)
Total Net Position	<u>\$ (29,722)</u>	<u>\$ (29,722)</u>

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, 2025

Functions/ Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Total
Governmental Activities:					
Instruction	\$ 3,508,644	\$ 174,622	\$ -	\$ (3,334,022)	\$ (3,334,022)
Support Services	354,479	-	-	(354,479)	(354,479)
Community Services	-	-	-	-	-
Intergovernmental	-	-	3,599,533	3,599,533	3,599,533
Total Governmental Activities	3,863,123	174,622	3,599,533	(88,968)	(88,968)
Total Primary Government	\$ 3,863,123	\$ 174,622	\$ 3,599,533	(88,968)	(88,968)
General Revenues:					
Investment Earnings				2,516	2,516
Miscellaneous				21,148	21,148
Total General Revenues				23,664	23,664
Change in Net Position				(65,304)	(65,304)
Net Position - Beginning Balance				35,582	35,582
Net Position - Ending Balance				\$ (29,722)	\$ (29,722)

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

FUND FINANCIAL STATEMENTS

YOUTH LEADERSHIP ACADEMY

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

JUNE 30, 2025

Total Fund Balances - Governmental Funds \$ (157,820)

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 \$372,868 and the accumulated depreciation was \$244,770

128,098

Total Net Position - Governmental Activities

\$ (29,722)

YOUTH LEADERSHIP ACADEMY

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

YEAR ENDED JUNE 30, 2025

	General	Special Revenue	Education Improvement Act	Total Governmental Funds
Revenues				
Earnings on Investments	\$ 2,516	\$ -	\$ -	\$ 2,516
Student Fees	174,622	-	-	174,622
Other Local	21,148	-	-	21,148
Total Local	<u>198,286</u>	<u>-</u>	<u>-</u>	<u>198,286</u>
State Sources	2,640,612	59,536	577,077	3,277,225
Federal Sources	-	322,308	-	322,308
Total Intergovernmental	<u>2,640,612</u>	<u>381,844</u>	<u>577,077</u>	<u>3,599,533</u>
Total Revenues	<u>2,838,898</u>	<u>381,844</u>	<u>577,077</u>	<u>3,797,819</u>
Expenditures				
Current:				
Instruction	3,078,093	375,725	29,876	3,483,694
Support Services	343,146	6,119	-	349,265
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,421,239</u>	<u>381,844</u>	<u>29,876</u>	<u>3,832,959</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(582,341)</u>	<u>-</u>	<u>547,201</u>	<u>(35,140)</u>
Other Financing Sources (Uses)				
Transfers In	547,201	-	-	547,201
Transfers Out	-	-	(547,201)	(547,201)
Total Other Financing Sources (Uses)	<u>547,201</u>	<u>-</u>	<u>(547,201)</u>	<u>-</u>
Net Change in Fund Balances	<u>(35,140)</u>	<u>-</u>	<u>-</u>	<u>(35,140)</u>
Fund Balances - Beginning of Year	<u>(122,680)</u>	<u>-</u>	<u>-</u>	<u>(122,680)</u>
Fund Balances - End of Year	<u>\$ (157,820)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (157,820)</u>

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, 2025**

Net Change in Fund Balances - Governmental Funds **\$ (35,140)**

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 \$30,164 exceeded capital asset additions in the current period.

(30,164)

Change in Net Position - Governmental Activities

\$ (65,304)

NOTES TO FINANCIAL STATEMENTS

YOUTH LEADERSHIP ACADEMY

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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, 2025, the School's volunteer Board is as follows:

Betsy Anthony	Sydney Cox
Nick McLellan	Brittany Kelley
Tasha Gilstrap	David Orr
Jason Lucas	Amanda Murray
Shannon Ellenburg	Michael Sims
Drew Nations	

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).

YOUTH LEADERSHIP ACADEMY

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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.

YOUTH LEADERSHIP ACADEMY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025.

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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 40
Equipment and Curriculum	5 - 7

YOUTH LEADERSHIP ACADEMY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

G. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized immediately. The face amount of debt, lease purchases, or capital leases issued is reported as other financing sources. Premiums received on issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from the governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt, lease purchases, capital leases, compensated absences, and other related long-term liabilities 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, 2025 that has been earned but not yet received as of June 30, 2025. The receivable balances totaled \$29,274 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.

YOUTH LEADERSHIP ACADEMY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

YOUTH LEADERSHIP ACADEMY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025, the carrying amount of the School's cash was \$409,874 and the bank balance was \$412,538.

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.

YOUTH LEADERSHIP ACADEMY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 3 – CAPITAL ASSETS:

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

	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Governmental Activities:				
Capital Assets, Being Depreciated				
Building and Structures	\$ 231,570	\$ -	\$ -	\$ 231,570
Building Improvements	47,089	-	-	47,089
Equipment	94,209	-	-	94,209
	<u>372,868</u>	<u>-</u>	<u>-</u>	<u>372,868</u>
Total capital assets, being depreciated	<u>372,868</u>	<u>-</u>	<u>-</u>	<u>372,868</u>
Total capital assets, cost	<u>372,868</u>	<u>-</u>	<u>-</u>	<u>372,868</u>
Less accumulated depreciation:				
Building and Structures	117,049	22,186	-	139,235
Building Improvements	47,089	-	-	47,089
Equipment	50,468	7,978	-	58,446
	<u>214,606</u>	<u>30,164</u>	<u>-</u>	<u>244,770</u>
Total accumulated depreciation	<u>214,606</u>	<u>30,164</u>	<u>-</u>	<u>244,770</u>
Total capital assets, being depreciated, net	<u>158,262</u>	<u>(30,164)</u>	<u>-</u>	<u>128,098</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 158,262</u>	<u>\$ (30,164)</u>	<u>\$ -</u>	<u>\$ 128,098</u>

Depreciation expense of \$24,950 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, 2025 consisted of the Education Improvement Act transferring \$547,201 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, 2025 is approximately \$3,418,000. The District additionally provides services to the School at fair market value. The School paid the District \$68,360 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.

YOUTH LEADERSHIP ACADEMY

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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 7, 2025 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION
OTHER THAN MD&A

YOUTH LEADERSHIP ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Local	\$ -	\$ -	\$ 198,286
State	3,055,556	3,055,556	2,640,612
Total Revenues	3,055,556	3,055,556	2,838,898
Expenditures			
Current:			
Instruction	2,055,836	2,055,836	3,078,093
Support Services	994,009	994,009	343,146
Community Services	-	-	-
Total Expenditures	3,049,845	3,049,845	3,421,239
Excess (Deficiency) of Revenues Over Expenditures	5,711	5,711	(582,341)
Other Financing Sources (Uses)			
Transfers In (out)	-	-	547,201
Total Other Financing Sources (Uses)	-	-	547,201
Net Change In Fund Balance	5,711	5,711	(35,140)
Fund Balances - Beginning of Year	(122,680)	(122,680)	(122,680)
Fund Balances - End of Year	\$ (116,969)	\$ (116,969)	\$ (157,820)

YOUTH LEADERSHIP ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2025

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, 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	\$ -	\$ 2,516	\$ 2,516
1700 Pupil Activities			
1740 Student Fees	-	174,622	174,622
1900 Other Revenue from Local Sources			
1920 Contributions & Donations Private Sources	-	13,516	13,516
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	7,632	7,632
Total Local Sources	<u>-</u>	<u>198,286</u>	<u>198,286</u>
3000 Revenue from State Sources			
3130 Special Programs:			
3103 State Aid to Classrooms	3,055,556	2,640,612	(414,944)
Total Revenue from State Sources	<u>3,055,556</u>	<u>2,640,612</u>	<u>(414,944)</u>
Total Revenue All Sources	<u>3,055,556</u>	<u>2,838,898</u>	<u>(216,658)</u>

YOUTH LEADERSHIP ACADEMY

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

YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
100 Instruction			
110 General Instruction			
113 Elementary Programs			
100 Salaries	1,386,236	-	1,386,236
200 Employee Benefits	644,600	-	644,600
300 Purchased Services	-	3,032,978	(3,032,978)
400 Supplies and Materials	25,000	45,115	(20,115)
Total Instruction	2,055,836	3,078,093	(1,022,257)
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
214 Psychological Services			
300 Purchased Services	-	5,325	(5,325)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development			
400 Supplies and Materials	-	7,600	(7,600)
224 Improv. of Instr. - In-svc and Staff Training			
300 Purchased Services	-	5,742	(5,742)
230 General Administration Services			
231 Board of Education			
300 Purchased Services	-	14,334	(14,334)
600 Other Objects	-	3,680	(3,680)
233 School Administration			
100 Salaries	159,800	-	159,800
200 Employee Benefits	74,307	-	74,307
300 Purchased Services	-	9,941	(9,941)
400 Supplies and Materials	-	41,050	(41,050)
600 Other Objects	-	144	(144)
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	71,560	-	71,560
200 Employee Benefits	33,275	-	33,275
254 Operation and Maintenance of Plant			
300 Purchased Services	391,492	27,415	364,077
400 Supplies and Materials	-	19,997	(19,997)
470 Energy	-	28,184	(28,184)
259 Internal Auditing Services			
300 Purchased Services	25,800	-	25,800

YOUTH LEADERSHIP ACADEMY

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

YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
260 Central Support Services			-
263 Information Services			
300 Purchased Services	-	14,069	(14,069)
266 Technology and Data Processing Services			
300 Purchased Services	12,000	-	12,000
270 Support Services Pupil Activity			
271 Pupil Services Activities			
600 Other Objects	-	165,665	(165,665)
Total Support Services	<u>994,009</u>	<u>343,146</u>	<u>650,863</u>
Total Expenditures	<u>3,049,845</u>	<u>3,421,239</u>	<u>(371,394)</u>
Excess/(Deficiency) of Revenues over Expenditures	5,711	(582,341)	(588,052)
Other Financing Sources (Uses)			
5230 Transfer from (to) Special Revenue EIA Fund	-	547,201	547,201
Total Other Financing Sources (Uses)	<u>-</u>	<u>547,201</u>	<u>547,201</u>
Net Change In Fund Balance	5,711	(35,140)	(40,851)
Fund Balances - Beginning of Year	<u>(122,680)</u>	<u>(122,680)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (116,969)</u>	<u>\$ (157,820)</u>	<u>\$ (40,851)</u>

YOUTH LEADERSHIP ACADEMY

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

YEAR ENDED JUNE 30, 2025

	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	\$ -	\$ 57,536	\$ -	\$ 57,536
3187 Teacher Supplies	-	2,000	-	2,000
Total State Sources	<u>-</u>	<u>59,536</u>	<u>-</u>	<u>59,536</u>
4000 Revenue from Federal Sources				
4351 Title II	-	-	8,007	8,007
4510 Individuals With Disabilities Education Act (IDEA)	64,301	-	-	64,301
4990 Other Federal Revenue				
4999 Revenue from Other Federal Sources	-	-	250,000	250,000
Total Federal Sources	<u>64,301</u>	<u>-</u>	<u>258,007</u>	<u>322,308</u>
Total Revenue All Sources	<u>64,301</u>	<u>59,536</u>	<u>258,007</u>	<u>381,844</u>
100 Instruction				
110 General Instruction				
113 Elementary Programs				
300 Purchased Services	-	-	250,000	250,000
400 Supplies and Materials	-	53,417	8,007	61,424
127 Learning Disabilities				
300 Purchased Services	64,301	-	-	64,301
Total Instruction	<u>64,301</u>	<u>53,417</u>	<u>258,007</u>	<u>375,725</u>
Expenditures				
200 Support Services				
215 Health Services				
300 Purchased Services	-	6,119	-	6,119
Total Expenditures	<u>64,301</u>	<u>59,536</u>	<u>258,007</u>	<u>381,844</u>
Excess/(Deficiency) of Revenues over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YOUTH LEADERSHIP ACADEMY

SPECIAL REVENUE FUND - SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS

YEAR ENDED JUNE 30, 2025

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers</u>
917	3187	Teacher Supply	\$ 2,000	\$ 2,000	\$ -
935	3135	Reading Coaches	57,536	57,536	-
	Totals		<u>\$ 59,536</u>	<u>\$ 59,536</u>	<u>\$ -</u>

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, 2025

Revenues	
3000 Revenue from State Sources	
3500 Education Improvement Act:	
3502 ADEPT	\$ 400
3503 State Aid to Classrooms	547,201
3526 Refurbishment of K-8 Science Kits	1,826
3532 National Board Certification	19,884
3577 Teacher Supplies	6,000
3595 EEDA Supplies and Materials	1,766
	<u>577,077</u>
Total State Sources	<u>577,077</u>
Total Revenue All Sources	<u>577,077</u>
Expenditures	
100 Instruction	
110 General Instruction	
113 Elementary Programs	
300 Purchased Services	<u>29,876</u>
Total Instruction	<u>29,876</u>
Total Expenditures	<u>29,876</u>
Excess (Deficiency) of Revenues over Expenditures	<u>547,201</u>
Interfund Transfers, From (To) Other Funds:	
420-710 Transfers to General Fund	<u>(547,201)</u>
Total Other Financing Sources (Uses)	<u>(547,201)</u>
Net Change in Fund Balance	-
Fund Balances - Beginning of Year	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>

YOUTH LEADERSHIP ACADEMY

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

YEAR ENDED JUNE 30, 2025

Program	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>
3500 Education Improvement Act:			
3502 ADEPT	\$ 400	\$ 400	-
3503 State Aid to Classrooms	547,201	-	(547,201)
3526 Refurbishment of K-8 Science Kits	1,826	1,826	-
3532 National Board Certification	19,884	19,884	-
3577 Teacher Supplies	6,000	6,000	-
3595 EEDA Supplies and Materials	1,766	1,766	-
	<u>\$ 577,077</u>	<u>\$ 29,876</u>	<u>\$ (547,201)</u>
Totals			

YOUTH LEADERSHIP ACADEMY

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

YEAR ENDED JUNE 30, 2025

Program	Grant or Project Number and FY	Revenue & Subfund Codes	Description	Amount Due to SCDE or Federal Government	Status of Amounts Due to Grantors
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No funds are due to state/federal government

COMPLIANCE SECTION

Member of the
American Institute of
Certified Public Accountants



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

PAYNE, WHITE & SCHMUTZ
—CERTIFIED PUBLIC ACCOUNTANTS, PA—

114 West North 1st Street, Seneca, SC 29678 (864)882-1937 (864)882-0849

**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, 2025, 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 7, 2025.

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 weaknesses.

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 (2025 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

Payne, White & Schmutz, CPA, PA

October 7, 2025

YOUTH LEADERSHIP ACADEMY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025

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 weaknesses 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.

October 7, 2025

Payne, White & Schmutz, CPA, PA
114 W. North First Street
Seneca, South Carolina 29678

This representation letter is provided in connection with your audit of the government activities, each major fund, and the aggregate remaining fund information of Youth Leadership Academy as of June 30, 2025 and for the fiscal year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Youth Leadership Academy in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 7, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 2, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- All misstatements aggregated by you during the current engagement have been recorded.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial*

Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to drafting of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any allegations of fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Youth Leadership Academy has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Youth Leadership Academy is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Youth Leadership Academy has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Material Audit Adjustments

Material adjustments to the books were proposed and accepted.

We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

Required Supplementary Information

With respect to the *required supplementary information* accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the *required supplementary information* in accordance with US GAAP and GASB 68.
- b. We believe the *required supplementary information*, including its form and content, is measured and fairly presented in accordance with US GAAP and GASB 68.

- c. The methods of measurement or presentation have not changed from those used in the prior period.

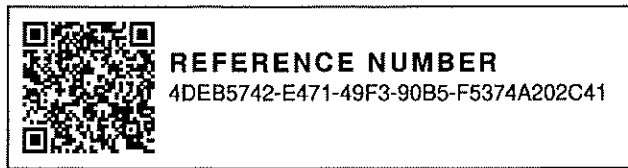
Sandee Blankenship

Director

Rebecca Chappell

Office Manager

SIGNATURE CERTIFICATE



TRANSACTION DETAILS	DOCUMENT DETAILS
Reference Number 4DEB5742-E471-49F3-90B5-F5374A202C41 Transaction Type Signature Request Sent At 09/29/2025 10:18:10 AM EDT Executed At 09/30/2025 10:53:33 AM EDT Identity Method email Distribution Method email Signed Checksum b09fa1149d0e41945cc3ba1894d6b21e6acba7641139f3a3cf51a3c7487f2a2 Signer Sequencing Disabled Document Passcode Disabled	Document Name Mgt Rep Letter Filename Mgt_Rep_Letter.pdf Pages 4 pages Content Type application/pdf File Size 236 KB Original Checksum 07c7e7e4a78c7a16f473899de9851677ac42bb76c0907d64147dd13fb9a54dd1

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
Name Sandee Blankenship Email blanken@clermson.edu Components 1	Status signed Multi-factor Digital Fingerprint Checksum 4f53cda18c2baa0c0354bb5f9a3ecbe5ed12ab4d8e11ba873c2f11161202b945 IP Address 68.115.126.252 Device Chrome via Mac Typed Signature Signature Reference ID 37C8A836	Viewed At 09/30/2025 10:53:20 AM EDT Identity Authenticated At 09/30/2025 10:53:33 AM EDT Signed At 09/30/2025 10:53:33 AM EDT
Name Rebecca Chappell Email rchappell@ylaofsc.com Components 1	Status signed Multi-factor Digital Fingerprint Checksum 4f53cda18c2baa0c0354bb5f9a3ecbe5ed12ab4d8e11ba873c2f11161202b945 IP Address 68.115.126.252 Device Chrome via Windows Typed Signature Signature Reference ID 8390FCE8	Viewed At 09/30/2025 08:14:26 AM EDT Identity Authenticated At 09/30/2025 08:24:27 AM EDT Signed At 09/30/2025 08:24:27 AM EDT

AUDITS

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09/29/2025 10:18:10 AM EDT	Jason S White, CPA, PFS, CFP® (jwhite@pws-cpas.com) created document 'Mgt_Rep_Letter.pdf' on Chrome via Windows from 12.7.73.61.
09/29/2025 10:18:10 AM EDT	Rebecca Chappell (rchappell@ylaofsc.com) was emailed a link to sign.
09/29/2025 10:18:10 AM EDT	Sandee Blankenship (blanken@clermson.edu) was emailed a link to sign.
09/30/2025 08:14:26 AM EDT	Rebecca Chappell (rchappell@ylaofsc.com) viewed the document on Chrome via Windows from 68.115.126.252.
09/30/2025 08:24:27 AM EDT	Rebecca Chappell (rchappell@ylaofsc.com) authenticated via email on Chrome via Windows from 68.115.126.252.
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