

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

	<u>Page Number</u>
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	12
Statement of Activities	13
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
<i>Notes to the Financial Statements</i>	18
Required Supplementary Information:	
<i>Budgetary Comparison Schedules:</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgets and Actual - General Fund	Schedule A-1 30
Supplementary Information:	
<i>Combining and Individual Fund Schedules:</i>	
<u>General Fund</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Revised Budget and Actual	Schedule A-2 32
<u>Special Revenue Fund</u>	
<i>Special Revenue Fund:</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule B-1 34
Supplemental Listing of LEA Subfund Codes and Titles	Schedule B-2 36
Summary Schedule for Other Designated Restricted State Grants	Schedule B-3 37
<u>Education Improvement Act:</u>	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs	Schedule B-4 38
Summary Schedule by Program	Schedule B-5 39

(Continued)

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

	<u>Page Number</u>
FINANCIAL SECTION (CONTINUED)	
<i>Other Schedules:</i>	
Detailed Schedule of Due to State Department of Education/Federal Government	Schedule B-6 40
<i>Location Reconciliation Schedule</i>	Schedule C-1 41
Other Information:	
<i>Discretely Presented Component Units</i>	
Combining Schedule of Net Position - Discretely Presented Component Units	Schedule D-1 44
Combining Schedule of Activities - Discretely Presented Component Units	Schedule D-2 46
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	50
Notes to the Schedule of Expenditures of Federal Awards	51
Independent Auditor's Report - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53
Independent Auditor's Report - Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	55
Summary of Schedule of Prior Audit Findings	58
Schedule of Findings and Questioned Costs	59



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Independent Auditor's Report

The Board of Directors
Limestone Charter Association
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of Limestone Charter Association, South Carolina (the "Association"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and each major fund of Limestone Charter Association, as of June 30, 2024, 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.

We did not audit the financial statements of the charter schools, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

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 (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 the Association 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200,

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Discretely Presented Component Units – Combining Schedule of Net Position and the Combining Schedule of Activities but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024 on our consideration of the Association’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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association’s internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 2, 2024

(This page intentionally left blank.)

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

This discussion and analysis of Limestone Charter Association's (the "Association") financial performance provides an overview of the Association's financial activities for the fiscal year ended June 30, 2024 compared to the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Association's financial performance as a whole, with an emphasis on the Primary Government (which excludes the Association's discretely presented charter schools. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the Association's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- In the Statement of Net Position, the liabilities of the Association exceeded its assets at the close of the most recent fiscal year by approximately \$411,000. Unrestricted net position was approximately (\$411,000) due to the outstanding long term note.
- At June 30, 2024, the Association's governmental funds reported combined ending fund balances of approximately \$411,000, of which approximately \$395,000 is unassigned and available for spending at the Association's discretion. The remaining approximately \$16,000, is restricted for special revenue of \$14,000 and prepaids of \$2,000. In total, this was a decrease of approximately \$114,000 from the prior fiscal year fund balances of approximately \$525,000.
- During fiscal year 2024, the Association's governmental fund type revenues were approximately \$36,792,000 compared to \$22,333,000 in the prior year, an increase of approximately \$14,459,000, primarily due to a increase in grants and contributions of \$14,187,000 as result of four new schools chartered in the current fiscal year. The revenues are derived from intergovernmental, state, federal, and local sources.
- During fiscal year 2024, the Association's governmental type expenditures were approximately \$36,906,000, compared to approximately \$22,664,000 in the prior year, a increase of approximately \$14,207,000. The change compared to the prior year is primarily attributable to a increase new schools chartered in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the *Financial Section* (which includes the management's discussion and analysis, budgetary comparison schedule, and the combining and individual fund schedules).

Government-Wide Financial Statements. The financial statements include two kinds of statements that present different views of the Association. The first two statements are *government-wide financial statements* that provide a broad overview of the Association's overall financial status, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* presents information on all of the Association's assets and deferred outflows and liabilities and deferred inflows, with the difference between these items reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Association is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows or outflows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The governmental activities of the Association include instruction, support services, and intergovernmental and are principally supported by intergovernmental revenues. The government-wide financial statements can be found as listed in the table of contents.

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the Association, reporting the Association's operations in *more detail* than the government-wide statements.

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

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Association maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Revenue Fund, and Special Revenue – Education Improvement Act (“EIA”) Fund, of which all are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Supplementary Information. The combining and individual fund schedules can be found as listed in the table of contents.

The Association adopts an annual appropriated budget only for its General Fund. A required budgetary comparison schedule has been provided in the financial section for this fund to demonstrate compliance to its budget. This schedule can be found as listed in the table of contents.

Major Features of the Association’s Government-Wide and Fund Financial Statements		
	Government-Wide Financial Statements	Fund Financial Statements
	Government-Wide Financial Statements	Governmental Funds Financial Statements
Scope	Entire Association	The activities of the Association
Required Financial Statements	<ul style="list-style-type: none"> ▪ Statement of Net Position ▪ Statement of Activities 	<ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Asset/Liability Information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Association’s total net position was a deficit of approximately \$411,000 at the close of the most recent fiscal year.

The following table provides a summary of the Association’s net position for fiscal year 2024 compared to fiscal year 2023:

Net Position - Governmental Activities

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current and Other Assets	\$ 338,438	\$ 407,016
Due from Other Governments	486,990	560,147
Total Assets	<u>825,428</u>	<u>967,163</u>
Liabilities		
Accounts Payable	15,093	32,446
Due to Other Governments	399,284	409,634
Other Liabilities	-	263
Long -Term Obligations	821,610	855,910
Total Liabilities	<u>1,235,987</u>	<u>1,298,253</u>
Net Position		
Unrestricted	(410,559)	(331,090)
Total Net Position (Deficit)	<u>\$ (410,559)</u>	<u>\$ (331,090)</u>

- Total assets decreased by approximately \$142,000, primarily due to the change in net position. Total liabilities decreased by approximately \$62,000, primarily due to the Association making scheduled debt payments
- Total net position of the Association was approximately (\$411,000) in fiscal year 2024 and (\$331,000) in fiscal year 2023. Unrestricted net position (deficit), the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased from approximately (\$331,000) at June 30, 2023 to approximately (\$411,000) at June 30, 2024.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in net position for fiscal year 2024 compared to fiscal year 2023:

Changes in Net Position - Governmental Activities

	June 30, 2024	June 30, 2023
Revenues		
Program Revenues:		
Charges for Services	\$ 672,286	\$ 400,409
Operating Grants and Contributions	36,119,653	21,932,929
Total Revenues	<u>36,791,939</u>	<u>22,333,338</u>
Program Activities		
Support Service	1,499,055	1,119,733
Payments to Component Units	35,372,353	21,544,695
Total Program Expenses	<u>36,871,408</u>	<u>22,664,428</u>
Changes in Net Position	(79,469)	(331,090)
Net Position, Beginning of Year	<u>(331,090)</u>	<u>-</u>
Net Position, End of Year	<u>\$ (410,559)</u>	<u>\$ (331,090)</u>

Governmental Activities: Net position for Governmental Activities decreased approximately \$79,000 from the previous year. Key elements are as follows:

- Total revenues increased approximately \$14.5 million thousand (65%), which is primarily attributed to an increase in operating grants of approximately \$14.2 million (65%).
- Total expenses increased approximately \$14.2 million (63%), which is primarily attributed to an increase in payment to component units of approximately \$13.8 million (64%). The remaining increase was attributed to an increase in support services of approximately \$379 thousand.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUNDS

The Association uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The analysis of governmental funds serve the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

At June 30, 2024, the Association’s governmental funds reported a *combined* fund balance of approximately \$411,000 as compared to approximately \$525,000 for the prior fiscal year. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. At June 30, 2024, the Association’s unassigned fund balance for all governmental funds was approximately \$395,000, all of which was in the General Fund. The unassigned fund balance in the General Fund represents approximately 1% of the 2024 General Fund expenditures.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The Association’s Special Revenue Funds, generally, are used to account for revenues derived from the State of South Carolina and the Federal government, which are passed through to the Association, and student activities. In general, Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor, except for the balances associated with student activities.

General Fund Budgetary Highlights

The Association’s budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The only legally adopted budget is for the General Fund. During the course of fiscal year 2024, no amendments were made to the Association’s General Fund budget. Actual revenues of the General Fund were below budget by approximately \$608,000 as a result of state revenues being lower than anticipated. Actual expenditures of the General Fund were lower than the final budget by approximately \$469,000 primarily due to lower than budgeted payment to Charter School expenditures due to State revenue received less than projected.

DEBT ADMINISTRATION

Debit Administration

At June 30, 2024, the Association had approximately \$822,000 in a note payable (“Note”) – which was a direct borrowing (“DB”) - outstanding versus approximately \$856,000 in the prior year, a decrease of approximately \$34,000 due to scheduled principal payments as shown in the table below.

Outstanding Debt - Governmental Activities

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Note Payable - Limestone University	\$ 821,610	\$ 855,910
Total	<u>\$ 821,610</u>	<u>\$ 855,910</u>

More detailed information about the Association's long-term obligation is presented in Note III in the notes to the financial statements.

ECONOMIC FACTORS

The Association is a State Charter School Authorizer sponsored by Limestone University and approved as a local education agency by the State of South Carolina for the year beginning July 1, 2022. The Association has 8 employees and an average daily membership of 2,875.45 students. Employment is distributed among 4 certified educators, 3 administrative positions, and 1 support position in various educational and non-educational roles.

FISCAL YEAR 2025 BUDGET

Many factors were considered by the Association’s administration during the process of developing the 2025 budget. The Association has budgeted expenditures for fiscal year 2025 of approximately \$65,416,582, of which \$63,834,965 includes payments to its Charter Schools. The Association has developed goals and strategies to enable it to provide the best educational programs and services to its schools and to its students; the fiscal year 2025 budget reflects the mission of the Association to serve as the cornerstone of charter school authorizing in South Carolina and to facilitate a positive, educational environment that fosters school autonomy through support and oversight to its member schools.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

CONTACTING THE ASSOCIATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the Association's finances and to show the Association's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 6923 N. Trenholm Road, Columbia, SC, 29206.

BASIC FINANCIAL STATEMENTS

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT	COMPONENT UNITS
	Governmental Activities	Charter Schools
ASSETS		
Cash and Cash Equivalents, including Restricted Cash	\$ 336,488	\$ 7,477,047
Cash and Cash Equivalents, Restricted	-	11,670,145
Investments	-	77,035
Accounts Receivable, Net	-	26,361
Due from Other Governments	486,990	925,062
Prepaid Items and Inventories	1,950	118,198
Deposits and Other Assets	-	7,500
Capital Assets:		
Non-Depreciable	-	17,095,323
Depreciable, Net	-	32,777,022
Right to Use Leased Assets, Net of Accumulated Amortization	-	17,186,830
TOTAL ASSETS	825,428	87,360,523
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges	-	7,691,572
Deferred Other Postemployment Benefit Plan Charges	-	9,079,321
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	16,770,893
LIABILITIES		
Accounts Payable	15,093	3,862,635
Accrued Salaries & Benefits	-	185,418
Accrued Interest Payable	-	1,292
Due to Other Governments	399,284	51,244
Due to Related Parties	-	509,076
Unearned Revenue	-	417,980
Long-Term Obligations:		
Net Pension Liability - Due in More than One Year	-	16,768,964
Net Other Postemployment Benefit Plan Liability - Due in More than One Year	-	11,196,887
Accrued Compensated Absences	-	13,877
Long-Term Obligations - Due Within One Year	34,236	1,727,176
Long-Term Obligations - Due in More than One Year	787,374	79,499,528
Deferred Rent	-	96,031
TOTAL LIABILITIES	1,235,987	114,330,108
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	-	1,403,438
Deferred Other Postemployment Benefit Plan Credits	-	6,608,447
TOTAL DEFERRED INFLOWS OF RESOURCES	-	8,011,885
NET POSITION		
Net Investment in Capital Assets	-	3,672,628
Restricted For:		
Debt Service	-	9,355,086
Unrestricted	(410,559)	(31,238,291)
TOTAL NET POSITION	\$ (410,559)	\$ (18,210,577)

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

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	Component Units
				Governmental Activities	Charter Schools
PRIMARY GOVERNMENT:					
Governmental Activities:					
Support Services	\$ 1,499,055	672,286	747,300	\$ (79,469)	\$ -
Payments to Component Units	35,372,353	-	35,372,353	-	-
Total Governmental Activities	36,871,408	672,286	36,119,653	(79,469)	-
TOTAL PRIMARY GOVERNMENT	\$ 36,871,408	672,286	36,119,653	(79,469)	-
COMPONENT UNITS					
Charter Schools	38,973,859	2,867,551	30,795,653	-	(5,310,655)
TOTAL COMPONENT UNITS	\$ 38,973,859	2,867,551	30,795,653	-	(5,310,655)
GENERAL REVENUES					
General Revenues:					
Food Service				-	36,292
Grants and Contributions Not Restricted to Specific Programs				-	90,807
Investment Earnings				-	405,386
Miscellaneous				-	303,528
Total General Revenues				-	836,013
CHANGE IN NET POSITION				(79,469)	(4,474,642)
NET POSITION, Beginning of Year, as Originally Reported				(331,090)	(14,058,934)
Change in Reporting Entity - For New Charter Schools Added as of July 1, 2023				-	322,999
NET POSITION, Beginning of Year, As Adjusted				(331,090)	(13,735,935)
NET POSITION, End of Year				\$ (410,559)	\$ (18,210,577)

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

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>SPECIAL REVENUE - EIA</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 336,488	-	-	\$ 336,488
Due From:				
State Agencies	73,251	-	-	73,251
Federal Agencies	-	412,274	-	412,274
Other Governments	1,465	-	-	1,465
Other Funds	397,920	-	-	397,920
Prepaid Items	1,950	-	-	1,950
TOTAL ASSETS	<u><u>\$ 811,074</u></u>	<u><u>412,274</u></u>	<u><u>-</u></u>	<u><u>\$ 1,223,348</u></u>
LIABILITIES				
Accounts Payable	\$ 15,093	-	-	\$ 15,093
Due To:				
Other Funds	-	397,920	-	397,920
Charter Schools	399,284	-	-	399,284
TOTAL LIABILITIES	<u><u>414,377</u></u>	<u><u>397,920</u></u>	<u><u>-</u></u>	<u><u>812,297</u></u>
FUND BALANCES				
Nonspendable	1,950	-	-	1,950
Restricted For:				
Special Revenue	-	14,354	-	14,354
Unassigned	394,747	-	-	394,747
TOTAL FUND BALANCES	<u><u>396,697</u></u>	<u><u>14,354</u></u>	<u><u>-</u></u>	<u><u>411,051</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 811,074</u></u>	<u><u>412,274</u></u>	<u><u>-</u></u>	<u><u>\$ 1,223,348</u></u>

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

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

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

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	411,051
Amounts reported for the governmental activities in the Statement of Net Position are different because:		
Long-term obligations are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities consisted of the following:		
Long-Term Note Payable		<u>(821,610)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>(410,559)</u>

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

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>SPECIAL REVENUE - EIA</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Local Sources:				
Other Local Sources	\$ 8,000	40,657	-	\$ 48,657
State Sources	27,737,861	481,986	5,818,871	34,038,718
Federal Sources	-	2,032,278	-	2,032,278
Payments from Component Units	672,286	-	-	672,286
TOTAL REVENUE ALL SOURCES	<u>28,418,147</u>	<u>2,554,921</u>	<u>5,818,871</u>	<u>36,791,939</u>
EXPENDITURES				
Current:				
Support Services	960,068	538,724	263	1,499,055
Intergovernmental	27,737,860	1,815,885	5,818,608	35,372,353
Debt Service:				
Principal	34,300	-	-	34,300
TOTAL EXPENDITURES	<u>28,732,228</u>	<u>2,354,609</u>	<u>5,818,871</u>	<u>36,905,708</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(314,081)</u>	<u>200,312</u>	<u>-</u>	<u>(113,769)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	185,958	-	-	185,958
Transfers Out	-	(185,958)	-	(185,958)
TOTAL OTHER FINANCING SOURCES (USES)	<u>185,958</u>	<u>(185,958)</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(128,123)</u>	<u>14,354</u>	<u>-</u>	<u>(113,769)</u>
FUND BALANCE, Beginning of Year	<u>524,820</u>	<u>-</u>	<u>-</u>	<u>524,820</u>
FUND BALANCES, End of Year	<u>\$ 396,697</u>	<u>14,354</u>	<u>-</u>	<u>\$ 411,051</u>

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

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (113,769)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	34,300
	<hr/>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (79,469)</u></u>

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

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Limestone Charter Association (the “Association”) was created in 2021 through its sponsor, Limestone University (the “University”) and was approved by the South Carolina Department of Education as an LEA (local education agency) for the purposes of federal funding under the Every Student Succeeds Act (ESSA) beginning July 1, 2022 for the fiscal year 2022-2023. The Association operates 2 high schools (grades 9-12), 1 K-12 school, 1 K-8 school, 1 K-6 school, and 2 K-5 elementary schools.

The financial statements of the Association have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Association’s accounting policies are described below.

The financial statements of the Association encompass all funds for which the Board of Directors holds financial responsibility. The Association obtains funding from various governmental sources at the local, state, and federal levels and is obligated to adhere to the stipulations set forth by these funding entities. Board members possess decision-making authority, the capacity to appoint management, the capability to exert significant influence over operations, and bear the primary responsibility for fiscal matters.

As required by GAAP, the financial statements must present the Association’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the Association both appoints a voting majority of the entity’s governing body, and either 1) the Association is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the Association. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Association and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the Association.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the Association having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the Association; and (c) issue bonded debt without approval by the Association. An entity has a financial benefit or burden relationship with the Association if, for example, any one of the following conditions exists: (a) the Association is legally entitled to or can otherwise access the entity’s resources, (b) the Association is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the Association is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the Association’s financial statements to be misleading.

Discretely Presented Component Units. A charter school is considered a public school, and these schools listed on the next page are a part of the Association for the purposes of state law and state constitution. Because the charter schools are fiscally dependent on the Association and because the nature and significance of the relationship between the Association and the charter schools is such that exclusion of the charter schools would cause the Association’s financial statements to be incomplete, the financial statements of the charter schools are included in those of the Association.

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

The following charter schools were established under the South Carolina Charter Schools Act by a charter granted by the Association:

Horse Cree Academy (HCA) 1200 Toolebeck Rd. Aiken, SC 29803	Coastal High School (CHS) 3710 Palmetto Pointe Blvd. Myrtle Beach, SC 29588
Global Academy of South Carolina (GASC) 9768 Warren H Abernathy Hwy. Spartanburg, SC 29301	Goucher Charter Academy (GCA) 604 Goucher School Rd. Gaffney, SC 29340
Atlantic Collegiate Academy (ACA) 557 George Bishop Parkway Myrtle Beach, SC 29579	East Link Academy (ELA) 78 Global Drive, Suite 200 Greenville, SC 29607
Orangeburg High School for Health Professions (OHSHP) 130 Howard Hill Dr. Orangeburg, SC 29118	

Complete financial statements for each of the discretely presented component units may be obtained at the respective charter school's administrative offices. The Association paid a total of approximately \$35,372,000 to the schools during the year ended June 30, 2024. These expenditures are included in intergovernmental revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

Combining schedules for the discretely presented component units have been provided as Schedule C series in the other information to assist in providing information to the South Carolina Department of Education ("SDE"). The information in these schedules was provided to the Association by the component units.

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 non-fiduciary activities of the Association (the primary government) and its component units. The effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Association does not have any business-type activities. Likewise, the *primary government* (the Association) is reported separately from certain legally separate *component units* which are fiscally dependent on the Association.

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 grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 Association.

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The government-wide financial statements are prepared using a different measurement focus from the manner in which 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 statements and the statements for governmental funds.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues with the exception of grants to be available if they are collected within 60 days of the end of the current fiscal period. Grant related revenues are considered to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Federal and state grant programs and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fund financial statements report detailed information about the Association. 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.

The Association generally uses restricted amounts 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 Association generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The Association does not have any non-major funds. The following major funds and fund types are used by the Association.

Governmental fund types are those through which most governmental functions of the Association are financed. The Association's expendable financial resources and related assets and liabilities are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the Association's governmental fund types:

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the Association and accounts for all revenues and expenditures of the Association except those required to be accounted for in other funds. All general receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures that are not paid through other funds are paid from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Association has two Special Revenue Funds:

- i) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for specific educational programs.
- ii) **The Education Improvement Act ("EIA") Fund, a major fund** and an unbudgeted fund, is used to account for and report the revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source), which are restricted for specific programs authorized or mandated by EIA.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. **Cash and Cash Equivalents**

The Association's financial statements may include cash holdings in local financial institutions and certificates of deposit held in local financial institutions.

2. **Receivables and Payables**

Transactions between the Association and vendors for goods provided or services rendered are referred to as "accounts receivable" or "account payable" on the balance sheet. Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." These amounts are eliminated in the governmental activities column of the Statement of Net Position.

3. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

4. **Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. On governmental fund financial statements, receivables that will not be collected within the available period are also reported as unearned revenue.

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

5. *Fund Balance*

In accordance with GAAP, the Association classifies 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.

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 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. Committed amounts for the Association consist of amounts approved by a majority vote of the Board of Directors.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board of Directors grants the Superintendent and the Chief Financial and Operations Officer the right to make assignments of fund balance for the Association.

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. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

6. Net Position

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

7. Fair Value

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

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

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

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

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

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

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

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

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. *Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices - Budgets are presented in the required supplementary information section for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes.

The Association's board of directors approves the budget by June 30 each year based on projected school enrollment. The Association's policies allow funds to be transferred between functions. The legal level of control is at the fund level. During the year, the Association did not amend the budget.

No formally adopted annual budgets are prepared for the Special Revenue Funds; however, budgets are prepared on a grant-by-grant basis.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Association's deposits might not be recovered. The Association does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, none of the Association's bank balances of approximately \$458,000, which had a carrying amount of approximately \$336,000, were exposed to custodial credit risk.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Interfund Receivables and Payables

Interfund balances at June 30, 2024 (all of which are expected to be paid or received within one year), consisted of the following individual fund receivables and payables for the primary government:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 397,920	\$ -
Special Revenue Funds:		
Special Revenue	-	397,920
Totals	<u>\$ 397,920</u>	<u>\$ 397,920</u>

The General Fund receivable is a result of the General Fund central depository account making payments of salaries and other expenditures for other funds. These amounts will be reimbursed as revenue is received from claims that have been submitted.

The Special Projects Fund payable is a result of payments made by the General Fund for salaries and other expenditures. Reimbursement to the General Fund will be made as revenue is received from submitted claims.

C. Interfund Transfers

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 185,958	\$ -
Special Revenue Funds:		
Special Revenue	-	185,958
Totals	<u>\$ 185,958</u>	<u>\$ 185,958</u>

The General Fund received transfers from the Special Revenue Fund to cover indirect costs for federal programs.

D. Long-term Liabilities

Presented below is a summary of changes in long-term obligations for the Association for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Note Payable	\$ 855,910	-	(34,300)	821,610	\$ 34,326

**LIMESTONE CHARTER ASSOCIATION
COLUMIBA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Liabilities (Continued)

The University provided the Association with start-up costs during the year ended June 30, 2023. In July 2023, the University agreed to an interest-free payment plan with monthly payments of approximately \$3,000 beginning July 31, 2023 through July 1, 2048. Presented below are the debt service requirements to maturity as of June 30, 2024.

<u>Year Ending June 30,</u>	<u>Principal</u>
2025	\$ 34,236
2026	34,236
2027	34,236
2028	34,236
2029	34,236
2030-2034	171,182
2035-2039	171,182
2040-2044	171,182
2045-2049	136,884
	<u>\$ 821,610</u>

IV. OTHER INFORMATION

A. Contingent Liabilities

Litigation

Various other claims and lawsuits are pending against the Association. Although the outcome of these other claims and lawsuits is not presently determinable, it is the opinion of the Association's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Association.

Grants

The Association 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 Association expects such amounts, if any, to be immaterial.

B. Risk Management

The Association is exposed to various risks of loss related to torts; errors and omissions; and injuries to employees. Because of the high cost of insurance, the Association partners with Limestone University for insurance for employee health and dental coverage. The Association has also partnered with Wright Specialty Insurance for Educators, Legal Liability, Employment Practices Liability Insurance, and Directors' and Officers' insurance.

C. Related Party Transactions

Limestone University acts as the sponsor of the Association, shouldering a range of expenses on behalf of the association throughout the fiscal year. As of June 30, 2024, the district has an outstanding obligation to Limestone University, in the amount of \$827,000, which corresponds to the accumulated expenses. See Note III. D for more details.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Plan

The Association offers a defined contribution retirement program through the Teachers Insurance and Annuity Association of America – University Retirement Equities Fund (TIAA-CREF) for all of its full-time, salaried staff. The Board of Trustees of Limestone University has the authority to establish or amend benefit terms. Generally, employees become eligible on their first day of service. Employees who choose to participate in the plan are required to contribute a minimum percentage of their regular salary to the plan to be eligible to receive a matching contribution from the Association. The Association matches employee contributions up to a maximum of 4% for the year ended June 30, 2024. Participants may voluntarily contribute up to a maximum of 20% of covered salaries, not to exceed IRS contribution limits, \$23,000 for 2024, or \$30,500 for an additional \$7,500 catch-up provision over the age of 50. The Association's contribution for June 30, 2024, of \$26,000, was recognized as pension expense.

E. Subsequent Events

The Institute evaluated the effects subsequent events would have on the financial statements through the date of the auditor's report, which is the date the financial statements were available for issuance.

On July 1, 2024, six additional charter schools (Mountain View Prep, Summerville Prep, Oceanside Collegiate Academy, Legion Collegiate Academy, SC Preparatory Leadership, and SC Preparatory Academy) were approved to join the charter school authorizer and will be included in the Association's audited financial statements for fiscal year 2025. 3 of the schools are operating as a first-year school, while 3 schools are transferring from another authorizer.

(This page intentionally left blank.)

**REQUIRED SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Other Local Sources	\$ 280,672	280,672	8,000	\$ (272,672)
State Sources	28,070,307	28,070,307	27,737,861	(332,446)
Intergovernmental Revenue	675,377	675,377	672,286	(3,091)
TOTAL REVENUE ALL SOURCES	29,026,356	29,026,356	28,418,147	(608,209)
EXPENDITURES				
Current:				
Support Services	1,096,049	1,096,369	960,068	136,301
Intergovernmental	28,070,307	28,070,307	27,737,860	332,447
Debt Service:				
Principal Retirement	35,000	35,000	34,300	700
TOTAL EXPENDITURES	29,201,356	29,201,676	28,732,228	469,448
DEFICIENCY OF REVENUES OVER EXPENDITURES	(175,000)	(175,320)	(314,081)	(138,761)
OTHER FINANCING SOURCES (USES)				
Transfers In	175,000	175,000	185,958	10,958
TOTAL OTHER FINANCING SOURCES (USES)	175,000	175,000	185,958	10,958
NET CHANGE IN FUND BALANCE	-	(320)	(128,123)	(127,803)
FUND BALANCE, Beginning of Year	524,820	524,820	524,820	-
FUND BALANCE, End of Year	\$ 524,820	524,500	396,697	\$ (127,803)

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	\$ 280,672	8,000	\$ (272,672)
Total Revenue from Local Sources	<u>280,672</u>	<u>8,000</u>	<u>(272,672)</u>
2000 Intergovernmental Revenue:			
2200 Payments from Public Charter School	675,377	672,286	(3,091)
Total Intergovernmental Revenues	<u>675,377</u>	<u>672,286</u>	<u>(3,091)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3103 State Aid to Classrooms	27,563,775	27,195,211	(368,564)
3181 Retiree Insurance (No Carryover Provision)	506,532	469,399	(37,133)
3330 Miscellaneous EFA Programs:			
3392 NBC Excess EFA Formula	-	73,251	73,251
Total Revenue from State Sources	<u>28,070,307</u>	<u>27,737,861</u>	<u>(332,446)</u>
TOTAL REVENUE ALL SOURCES	<u>29,026,356</u>	<u>28,418,147</u>	<u>(608,209)</u>
EXPENDITURES			
200 Support Services:			
220 Instructional Staff Services:			
223 Supervision of Special Programs:			
100 Salaries	80,500	80,500	-
200 Employee Benefits	19,020	18,991	29
224 Improvement of Instruction Inservice and Staff Training:			
300 Purchased Services	64,680	61,763	2,917
230 General Administrative Services:			
231 Board of Education:			
300 Purchased Services	123,000	122,091	909
318 Audit Services	28,000	22,500	5,500
400 Supplies and Materials	10,000	3,184	6,816
600 Other Objects	5,000	2,459	2,541
232 Office of Superintendent:			
100 Salaries	252,500	252,500	-
200 Employee Benefits	38,500	36,228	2,272
300 Purchased Services	55,500	34,597	20,903
400 Supplies and Materials	5,500	5,317	183
600 Other Objects	\$ 10,000	4,271	\$ 5,729

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	\$ 44,100	14	\$ 44,086
200 Employee Benefits	14,400	-	14,400
300 Purchased Services	17,900	15,707	2,193
600 Other Objects	100	100	-
254 Operation and Maintenance of Plant:			
300 Purchased Services (Excludes Energy Costs)	26,500	25,352	1,148
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	115,000	115,000	-
200 Employee Benefits	11,400	10,158	1,242
266 Technology and Data Processing Services:			
100 Salaries	85,000	85,000	-
200 Employee Benefits	18,000	17,659	341
300 Purchased Services	63,600	45,815	17,785
400 Supplies and Materials	7,849	862	6,987
Total Support Services	<u>1,096,049</u>	<u>960,068</u>	<u>135,981</u>
400 Other Charges:			
416 LEA Payments to Public Charter Schools			
720 Transits	28,070,307	27,737,860	332,447
Total Intergovernmental Expenditures	<u>28,070,307</u>	<u>27,737,860</u>	<u>332,447</u>
500 Debt Service:			
610 Redemption of Principal	35,000	34,300	700
Total Debt Service	<u>35,000</u>	<u>34,300</u>	<u>700</u>
TOTAL EXPENDITURES	<u>29,201,356</u>	<u>28,732,228</u>	<u>469,128</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5280 Transfer from Other Funds Indirect Costs	175,000	185,958	10,958
TOTAL OTHER FINANCING SOURCES (USES)	<u>175,000</u>	<u>185,958</u>	<u>10,958</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(128,123)	(128,123)
FUND BALANCE, Beginning of Year	<u>524,820</u>	<u>524,820</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 524,820</u>	<u>396,697</u>	<u>\$ (128,123)</u>

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
REVENUES		
1900 Other Revenue from Local Sources:		
1999 Revenue from Other Local Sources	\$ -	-
Total Revenue from Local Sources	-	-
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3130 Special Programs:		
3135 Reading Coaches	-	-
3187 Teacher Supplies (No Carryover Provision)	-	-
3600 Education Lottery Act Revenue:	-	-
3670 School Safety Upgrades	-	-
Total Revenue from State Sources	-	-
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	289,120	-
4351 Supporting Effective Instruction	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	575,898
4900 Other Federal Sources:		
4901 American Transmission Systems, Incorporated (ATSI)	-	-
4974 ESSER III	-	-
4977 ESSER II	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	289,120	575,898
TOTAL REVENUE ALL SOURCES	289,120	575,898
EXPENDITURES		
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
300 Purchased Services	3,550	-
223 Supervision of Special Programs:		
100 Salaries	34,500	60,917
200 Employee Benefits	8,139	7,326
300 Purchased Services	8,487	7,247
400 Supplies and Materials	282	-
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	-	28,333
200 Employee Benefits	-	3,141
300 Purchased Services	-	28,521
400 Supplies and Materials	-	-
250 Finance and Operations Services:		
252 Fiscal Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
254 Operation and Maintenance of Plant:		
300 Purchased Services	-	-
260 Central Support Services:		
266 Technology and Data Processing Services:		
300 Purchased Services	-	-
Total Support Services	54,958	135,485
410 Intergovernmental Expenditures:		
416 Payments to Public Charter Schools		
720 Transits	215,415	399,318
Total Intergovernmental Expenditures	215,415	399,318
TOTAL EXPENDITURES	270,373	534,803
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(18,747)	(41,095)
TOTAL OTHER FINANCING SOURCES (USES)	(18,747)	(41,095)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year	-	-
FUND BALANCE, End of Year	\$ -	-

Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	40,657	\$ 40,657
-	-	40,657	40,657
-	75,366	-	75,366
-	59,850	-	59,850
-	-	-	-
-	346,770	-	346,770
-	481,986	-	481,986
61,856	-	-	61,856
-	-	-	289,120
-	-	150,242	150,242
-	-	-	575,898
-	-	83,024	83,024
-	-	816,165	816,165
-	-	9,817	9,817
-	-	46,156	46,156
61,856	-	1,105,404	2,032,278
61,856	481,986	1,146,061	2,554,921
-	-	-	3,550
-	-	-	95,417
-	-	-	15,465
-	-	-	15,734
-	-	-	282
-	-	-	28,333
-	-	-	3,141
12,553	-	97,122	138,196
-	-	1,725	1,725
-	-	200,000	200,000
-	-	20,133	20,133
-	-	3,529	3,529
-	-	3,402	3,402
-	-	9,817	9,817
12,553	-	335,728	538,724
49,303	481,986	669,863	1,815,885
49,303	481,986	669,863	1,815,885
61,856	481,986	1,005,591	2,354,609
-	-	(126,116)	(185,958)
-	-	(126,116)	(185,958)
-	-	14,354	14,354
-	-	-	-
-	-	14,354	\$ 14,354

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2024

OTHER RESTRICTED STATE GRANTS

917	Teacher Supplies
935	Reading Coaches
970	School Safety - Facility and Infrastructure Safety Upgrades

OTHER SPECIAL REVENUE PROGRAMS

218	SC ESSER III
225	SC ESSER II
237	Title I - Targeted School Improvement
267	Improving Teacher Quality
801	E-RATE
803	JAG
804	MDRC CTE Local Grant
805	School Leaders Retreat

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2024

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	
917	3187	Teacher Supplies	\$ 59,850	59,850	-	-	\$ -
935	3135	Reading Coaches	75,366	75,366	-	-	-
970	3670	School Safety - Facility and Infrastructure S	346,770	346,770	-	-	-
Totals			\$ 481,986	481,986	-	-	\$ -

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2024

	<u>ACTUAL</u>
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 3,543
3503 State Aid to Classrooms	5,576,144
3518 Adoption List of Formative Assessment	23,008
3526 Refurbishment of Science Kits	14,096
3528 Industry Certifications/Credentials	28,765
3529 Career and Technology Education	50,000
3532 National Board Salary Supplement (No Carryover Provision)	56,338
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3535 Institute of Reading (South Carolina Reading Initiative - Middle Grades) (Carryover Only)	41,516
3557 Summer Reading Program	2,198
3577 Teacher Supplies (No Carryover Provision)	16,450
3595 EEDA - Supplies and Materials	5,736
Total Revenue from State Sources	<u>5,818,871</u>
TOTAL REVENUE ALL SOURCES	<u>5,818,871</u>
EXPENDITURES	
224 Improvement of Instruction Inservice and Staff Training:	
400 Supplies and Materials	263
Total Support Services	<u>263</u>
410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools	
720 Transits	5,818,608
Total Intergovernmental Expenditures	<u>5,818,608</u>
TOTAL EXPENDITURES	<u>5,818,871</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ -</u></u>

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2024

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 3,543	3,543	-	-	\$ -
3503 State Aid to Classrooms	5,576,144	5,576,144	-	-	-
3518 Adoption List of Formative Assessment	23,008	23,008	-	-	-
3526 Refurbishment of Science Kits	14,096	14,096	-	-	-
3528 Industry Certifications/Credentials	28,765	28,765	-	-	-
3529 Career and Technology Education	50,000	50,000	-	-	-
3532 National Board Salary Supplement (No Carryover Provision)	56,338	56,338	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3535 Institute of Reading (SC Reading Initiative - Middle Grades)	41,516	41,516	-	-	-
3557 Summer Reading Program	2,198	2,198	-	-	-
3577 Teacher Supplies (No Carryover Provision)	16,450	16,450	-	-	-
3595 EEDA - Supplies and Materials	5,736	5,736	-	-	-
	\$ 5,818,871	5,818,871	-	-	\$ -
Totals					

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2024

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue & Subfund Code</u>	<u>Description</u>	<u>Amount Due to State Department of Education or Federal Government</u>	<u>Status of Amount Due to Grantors</u>
----------------	---------------------------------	---------------------------------------	--------------------	--	---

None for fiscal year 2024

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2024

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
0000	Limestone Charter Association	Non-School	Central	\$ 1,533,358
0001	Coastal High School	High School	School	3,072,232
0002	Horse Creek Academy	K-11 School	School	15,782,277
0003	Orangeburg High School for Health Professions	High School	School	6,360,260
0006	Global Academy of South Carolina	K-8 School	School	2,904,542
0008	Goucher Charter Academy	K-6 School	School	1,594,026
0009	Atlantic Collegiate Academy	High School	School	2,792,119
0010	East Link Academy	K-8 School	School	2,866,894
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 36,905,708

The above expenditures are reconciled to the School District's financial statements as follows:

General Fund	\$ 28,732,228
Special Revenue Fund	2,354,609
Special Revenue - EIA Fund	5,818,871
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 36,905,708

(This page intentionally left blank.)

OTHER INFORMATION

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING SCHEDULE OF NET POSITION

JUNE 30, 2024

	Coastal Leadership Academy	Horse Creek Academy	Orangeburg High School for Health Professions
ASSETS			
Cash and Cash Equivalents	\$ 1,077,731	2,671,643	1,360,223
Cash and Cash Equivalents, Restricted	164,778	2,150,281	-
Investments	-	-	77,035
Accounts Receivable	3,608	-	-
Due from Governmental Agencies	-	407,224	217,981
Prepaid Expenses	36,179	56,294	20,573
Deposits	-	7,500	-
Other Assets	-	-	-
Capital Assets - Not Being Depreciated	890,948	1,547,107	557,248
Capital Assets, Net of Accumulated Depreciation	209,662	17,076,423	4,201,290
Right to Use Leased Assets, Net of Accumulated Amortization	3,485,122	-	-
TOTAL ASSETS	5,868,028	23,916,472	6,434,350
DEFERED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	-	6,546,999	1,144,573
Deferred OPEB Charges	-	7,353,204	1,726,117
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	13,900,203	2,870,690
LIABILITIES			
Accounts Payable and Accrued Liabilities	291,705	1,139,055	104,473
Unearned Revenue	3,814	37,615	329,920
Due to Governmental Agencies	1,970	34,398	2,699
Accrued Compensation and Related Benefits	-	-	185,418
Accrued Interest Payable	-	-	-
Due to Related Parties	-	-	-
Long-term Liabilities:			
Net Pension Liability	-	12,633,049	4,135,915
Net OPEB Liability	-	8,476,083	2,720,804
Accrued Compensated Absences	-	-	13,877
Due Within One Year	143,361	310,000	113,183
Due in More than One Year	3,859,695	21,690,828	3,774,485
Deferred Rent	96,031	-	-
TOTAL LIABILITIES	4,396,576	44,321,028	11,380,774
DEFERED INFLOWS OF RESOURCES			
Deferred Pension Credits	-	1,293,964	109,474
Deferred OPEB Credits	-	4,758,212	1,850,235
TOTAL DEFERRED INFLOWS OF RESOURCES	-	6,052,176	1,959,709
NET POSITION			
Net Investment in Capital Assets	582,676	2,150,281	870,870
Restricted For:			
Debt Service	-	-	-
Unrestricted	888,776	(14,706,810)	(4,906,313)
TOTAL NET POSITION	\$ 1,471,452	(12,556,529)	(4,035,443)

Global Academy of South Carolina	Goucher Charter Academy	Atlantic Collegiate Academy	East Link Academy	Totals
444,101	135,559	936,153	851,637	\$ 7,477,047
6,291,699	-	3,063,387	-	11,670,145
-	-	-	-	77,035
19,225	3,528	-	-	26,361
116,996	44,532	28,634	109,695	925,062
-	1,897	-	3,255	118,198
-	-	-	-	7,500
-	-	-	-	-
-	-	14,086,490	13,530	17,095,323
10,697,897	183,749	328,234	79,767	32,777,022
11,355,869	881,622	-	1,464,217	17,186,830
28,925,787	1,250,887	18,442,898	2,522,101	87,360,523
-	-	-	-	7,691,572
-	-	-	-	9,079,321
-	-	-	-	16,770,893
322,995	210,564	1,680,530	113,313	3,862,635
-	9,430	-	37,201	417,980
-	1,868	-	10,309	51,244
-	-	-	-	185,418
-	1,292	-	-	1,292
-	-	509,076	-	509,076
-	-	-	-	16,768,964
-	-	-	-	11,196,887
-	-	-	-	13,877
-	594,044	-	566,588	1,727,176
31,437,200	738,191	17,069,580	929,549	79,499,528
-	-	-	-	96,031
31,760,195	1,555,389	19,259,186	1,656,960	114,330,108
-	-	-	-	1,403,438
-	-	-	-	6,608,447
-	-	-	-	8,011,885
-	7,424	-	61,377	3,672,628
6,291,699	-	3,063,387	-	9,355,086
(9,126,107)	(311,926)	(3,879,675)	803,764	(31,238,291)
(2,834,408)	(304,502)	(816,288)	865,141	\$ (18,210,577)

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	<u>Coastal Leadership Academy</u>	<u>Horse Creek Academy</u>	<u>Orangeburg High School for Health Professions</u>
FUNCTIONS/PROGRAMS			
Governmental Activities:			
Instruction			
Expenses	\$ (1,434,996)	(11,948,555)	(3,194,726)
Revenues			
Charges for Services	-	190,691	99,534
Operating Grants and Contributions	1,711,619	10,187,896	-
Support Services			
Expenses	(932,635)	(6,287,831)	(2,475,359)
Revenues			
Charges for Services	-	-	-
Operating Grants and Contributions	1,112,419	5,361,298	-
Intergovernmental			
Revenues			
Operating Grants and Contributions	-	-	6,246,322
Interest Expense and Other Charges	96,522	(115,108)	(169,921)
TOTAL GOVERNMENTAL ACTIVITIES	<u>552,929</u>	<u>(2,611,609)</u>	<u>505,850</u>
GENERAL REVENUES			
Food Service	-	-	36,292
Miscellaneous Revenue	11,482	219,070	63,607
Grant and Contributions Not Restricted to Specific Programs	-	-	-
Investment Earnings	21,457	139,336	-
Total General Revenue	<u>32,939</u>	<u>358,406</u>	<u>99,899</u>
CHANGE IN NET POSITION	585,868	(2,253,203)	605,749
NET POSITION, Beginning of Year	<u>885,584</u>	<u>(10,303,326)</u>	<u>(4,641,192)</u>
NET POSITION, End of Year	<u>\$ 1,471,452</u>	<u>(12,556,529)</u>	<u>(4,035,443)</u>

<u>Global Academy of South Carolina</u>	<u>Goucher Charter Academy</u>	<u>Atlantic Collegiate Academy</u>	<u>East Link Academy</u>	<u>Totals</u>
(1,637,660)	(1,089,636)	(738,608)	(1,544,884)	\$ (21,589,065)
-	1,910,321	564,933	69,632	2,835,111
909,071	-	-	1,722,779	14,531,365
(1,689,135)	(1,212,434)	(1,849,420)	(1,068,960)	(15,515,774)
-	32,440	-	-	32,440
937,645	-	1,414,551	1,192,053	10,017,966
-	-	-	-	6,246,322
(1,473,673)	(11,530)	(196,129)	819	(1,869,020)
<u>(2,953,752)</u>	<u>(370,839)</u>	<u>(804,673)</u>	<u>371,439</u>	<u>(5,310,655)</u>
-	-	-	-	36,292
1,710	2,765	4,894	-	303,528
-	55,344	-	35,463	90,807
144,427	-	100,166	-	405,386
<u>146,137</u>	<u>58,109</u>	<u>105,060</u>	<u>35,463</u>	<u>836,013</u>
(2,807,615)	(312,730)	(699,613)	406,902	(4,474,642)
<u>(26,793)</u>	<u>8,228</u>	<u>(116,675)</u>	<u>458,239</u>	<u>(13,735,935)</u>
<u>(2,834,408)</u>	<u>(304,502)</u>	<u>(816,288)</u>	<u>865,141</u>	<u>\$ (18,210,577)</u>

(This page intentionally left blank.)

COMPLIANCE SECTION

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Total Expenditures
US Department of Education					
Pass-through State Department of Education:					
201	Title I - Carryover	84.010	23 Title I	\$ 6,560	\$ 28,628
201	Title I	84.010	24 Title I	208,855	260,492
237	Title I - Targeted School Improvement	84.010	23 Title I, TSI	76,874	83,024
Total Title I Cluster				292,289	372,144
Individuals with Disabilities Education Act					
203	Special Education - Grants to States	84.027	23 IDEA	20,624	89,461
203	Special Education - Grants to States	84.027	24 IDEA	365,829	473,573
203	Special Education - Grants to States (Direct Payments to Schools)	84.027	24 IDEA	-	12,864
Total Special Education Cluster (IDEA)				386,453	575,898
207	Perkins - Carryover	84.048	23 CTE	13,007	20,627
207	Perkins	84.048	24 CTE	36,296	41,229
Total 84.048				49,303	61,856
267	Improving Teacher Quality - Title II Carryover	84.367	Title II - 23	2,976	51,329
267	Improving Teacher Quality - Title II	84.367	Title II - 24	43,263	98,913
Total 84.367				46,239	150,242
225	COVID-19: SC CARES ESSER II	84.425D	ESSER II	-	9,817
218	COVID-19: SC ARPA ESSER III	84.425U	ARP-ESSER	482,436	816,165
803	COVID-19: JAG (under Governor's Education Emergency Relief)	84.425C	JAG-SC	46,156	46,156
Total 84.425				528,592	872,138
Total US Department of Education				1,302,876	2,032,278
TOTAL FEDERAL ASSISTANCE EXPENDED				\$ 1,302,876	\$ 2,032,278

See accompanying notes to the schedule of expenditures of federal awards.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

A. General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Limestone Charter Association, South Carolina (the “Association”) for the year ended June 30, 2024. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B. Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note I to the Association’s financial statements.

C. Relationship to Financial Statements

Federal award expenditures are reported in the Association’s financial statements as expenditures in the Special Revenue Funds.

D. Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E. Indirect Cost Rate

The Association has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

(This page intentionally left blank.)



**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***

Independent Auditor’s Report

The Board of Directors
Limestone Charter Association
Columbia, South Carolina

We have audited, in accordance with the 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, the aggregate discretely presented component units, and each major fund of Limestone Charter Association, South Carolina (the “Association”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association’s basic financial statements, and have issued our report thereon dated December 2, 2024. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the Association’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing 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 the Association’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Association’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 2, 2024



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

The Board of Directors
Limestone Charter Association
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Limestone Charter Association, South Carolina's (the "Association") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2024. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Association's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Association's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 2, 2024

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

There were no audit findings reported in the prior year.

LIMESTONE CHARTER ASSOCIATION
 COLUMBIA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ X _____ None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ X _____ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	_____ Yes	_____ X _____ No
--	-----------	------------------

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U	COVID-19: Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
--	------------

Auditee qualified as low-risk auditee?	_____ Yes	_____ X _____ No
--	-----------	------------------

Section II - Findings - Current Year Financial Statement Audit

No matters to report.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

No matters to report.