

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

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COLUMBIA, SOUTH CAROLINA**

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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, 2023, 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, 2023, 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, 2023, 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 budgetary comparison schedules, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

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 November 15, 2023 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
November 15, 2023

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BASIC FINANCIAL STATEMENTS

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2023

	PRIMARY GOVERNMENT Governmental Activities	COMPONENT UNITS Charter Schools
ASSETS		
Cash and Cash Equivalents, including Restricted Cash	\$ 405,066	\$ 4,335,501
Cash and Cash Equivalents, Restricted	-	3,085,103
Investments	-	70,733
Accounts Receivable, Net	-	3,709
Due from Other Governments	560,147	768,862
Prepaid Items and Inventories	1,950	180,690
Deposits and Other Assets	-	8,503
Capital Assets:		
Non-Depreciable	-	1,772,950
Depreciable, Net	-	20,894,772
Right to Use Leased Assets, Net of Accumulated Amortization	-	3,681,073
TOTAL ASSETS	967,163	34,801,896
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges	-	8,489,624
Deferred Other Postemployment Benefit Plan Charges	-	9,359,817
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	17,849,441
LIABILITIES		
Accounts Payable	32,446	1,113,848
Accrued Salaries & Benefits	-	271,996
Due to Other Governments	409,634	197,448
Unearned Revenue	263	228,883
Long-Term Obligations:		
Net Pension Liability - Due in More than One Year	-	15,241,677
Net Other Postemployment Benefit Plan Liability - Due in More than One Year	-	11,784,461
Accrued Compensated Absences	-	13,877
Long-Term Obligations - Due Within One Year	31,447	323,509
Long-Term Obligations - Due in More than One Year	824,463	29,910,622
Deferred Rent	-	96,031
TOTAL LIABILITIES	1,298,253	59,182,352
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	-	2,069,675
Deferred Other Postemployment Benefit Plan Credits	-	5,458,244
TOTAL DEFERRED INFLOWS OF RESOURCES	-	7,527,919
NET POSITION		
Net Investment in Capital Assets	-	3,612,888
Unrestricted	(331,090)	(17,671,822)
TOTAL NET POSITION	\$ (331,090)	\$ (14,058,934)

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, 2023

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	\$ 1,119,733	400,409	388,234	\$ (331,090)	\$ -
Payments to Component Units	21,544,695	-	21,544,695	-	-
Total Governmental Activities	22,664,428	400,409	21,932,929	(331,090)	-
TOTAL PRIMARY GOVERNMENT	\$ 22,664,428	400,409	21,932,929	(331,090)	-
COMPONENT UNITS					
Charter Schools	24,078,847	323,013	21,800,425	-	(1,955,409)
TOTAL COMPONENT UNITS	\$ 24,078,847	323,013	21,800,425	-	(1,955,409)
GENERAL REVENUES					
General Revenues:					
Food Service				-	27,195
Grants and Contributions Not Restricted to Specific Programs				-	408,154
Investment Earnings				-	97,075
Miscellaneous				-	117,153
Total General Revenues				-	649,577
CHANGE IN NET POSITION				(331,090)	(1,305,832)
NET POSITION, Beginning of Year				-	(12,753,102)
NET POSITION, End of Year				\$ (331,090)	\$ (14,058,934)

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, 2023

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	\$ 405,066	-	-	\$ 405,066
Due From:				
Federal Agencies	-	560,147	-	560,147
Other Funds	560,729	-	263	560,992
Prepaid Items	1,950	-	-	1,950
TOTAL ASSETS	\$ 967,745	560,147	263	\$ 1,528,155
LIABILITIES				
Accounts Payable	\$ 33,291	-	-	\$ 33,291
Due To:				
Other Funds	-	560,147	-	560,147
Charter School	409,634	-	-	409,634
Unearned Revenue	-	-	263	263
TOTAL LIABILITIES	442,925	560,147	263	1,003,335
FUND BALANCES				
Nonspendable	1,950	-	-	1,950
Unassigned	522,870	-	-	522,870
TOTAL FUND BALANCES	524,820	-	-	524,820
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 967,745	560,147	263	\$ 1,528,155

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, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	524,820
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		(855,910)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	(331,090)

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, 2023

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local Sources:				
Other Local Sources	\$ -	1,200	-	\$ 1,200
State Sources	16,687,980	206,925	3,170,535	20,065,440
Federal Sources	-	1,866,289	-	1,866,289
Payments from Component Units	400,409	-	-	400,409
TOTAL REVENUE ALL SOURCES	17,088,389	2,074,414	3,170,535	22,333,338
EXPENDITURES				
Current:				
Support Services	925,531	192,702	1,500	1,119,733
Intergovernmental	16,687,980	1,687,680	3,169,035	21,544,695
TOTAL EXPENDITURES	17,613,511	1,880,382	3,170,535	22,664,428
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(525,122)	194,032	-	(331,090)
OTHER FINANCING SOURCES (USES)				
Issuance of Long-Term Notes	855,910	-	-	855,910
Transfers In	194,032	-	-	194,032
Transfers Out	-	(194,032)	-	(194,032)
TOTAL OTHER FINANCING SOURCES (USES)	1,049,942	(194,032)	-	855,910
NET CHANGES IN FUND BALANCES	524,820	-	-	524,820
FUND BALANCE, Beginning of Year	-	-	-	-
FUND BALANCES, End of Year	\$ 524,820	-	-	\$ 524,820

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, 2023

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	524,820
Amounts reported for governmental activities in the Statement of Activities are different because:		
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.		(855,910)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	(331,090)

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, 2023

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 substantially began operating in fiscal year 2023. The Association operates 2 high schools (grades 9-12) and 1 multi-level combination school.

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, 2023

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 Creek Academy (HCA)
1200 Toolebeck Rd.
Aiken, SC, 29803

Coastal High School (CHS)
3710 Palmetto Pointe Blvd.
Myrtle Beach, SC 29588

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 \$21,545,000 to the schools during the year ended June 30, 2023. 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.

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.

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

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.

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2023

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, 2023

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, 2023

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, 2023, none of the Association's bank balances of approximately \$413,000, which had a carrying amount of approximately \$405,000, were exposed to custodial credit risk.

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

B. Interfund Receivables and Payables

Interfund balances at June 30, 2023 (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	\$ 560,729	\$ -
Special Revenue Funds:		
Special Revenue	-	560,992
EIA	263	-
Totals	<u>\$ 560,992</u>	<u>\$ 560,992</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, 2023 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 194,032	\$ -
Special Revenue Funds:		
Special Revenue	-	194,032
Totals	<u>\$ 194,295</u>	<u>\$ 194,032</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, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Note Payable	\$ -	855,910	-	855,910	\$ 31,447

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023.

<u>Year Ending June 30,</u>	<u>Principal</u>
2024	\$ 31,447
2025	34,236
2026	34,236
2027	34,236
2028	34,236
2029-2033	171,182
2034-2038	171,182
2039-2043	171,182
2044-2048	171,182
2049	2,790
	<u>\$ 855,910</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, 2023, the district has an outstanding obligation to Limestone

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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 faculty and 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 in order to be eligible to receive a matching contribution from the Association. The Association's matching contribution rate was up to 4% for the year ended June 30, 2023. Participants may voluntarily contribute up to a maximum of 16% of covered salaries, not to exceed \$19,000 per year. The Association's contribution for June 30, 2023, amounted to approximately \$19,000 and 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, 2023, four additional charter schools (Atlantic Collegiate Academy, East Link Academy, Global Academy of South Carolina, and Goucher Charter Academy) were approved to join the charter school authorizer and will be included in the Association's audited financial statements for fiscal year 2024.

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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, 2023

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources:				
Other Local Sources	\$ 658,764	658,764	-	\$ (658,764)
State Sources	17,678,239	17,678,239	16,687,980	(990,259)
Intergovernmental Revenue	396,904	396,904	400,409	3,505
TOTAL REVENUE ALL SOURCES	18,733,907	18,733,907	17,088,389	(1,645,518)
EXPENDITURES				
Current:				
Support Services	1,064,267	1,064,267	925,531	138,736
Intergovernmental	17,753,640	17,753,640	16,687,980	1,065,660
TOTAL EXPENDITURES	18,817,907	18,817,907	17,613,511	1,204,396
DEFICIENCY OF REVENUES OVER EXPENDITURES	(84,000)	(84,000)	(525,122)	(441,122)
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-Term Notes	-	-	855,910	855,910
Transfers In	84,000	84,000	194,032	110,032
TOTAL OTHER FINANCING SOURCES (USES)	84,000	84,000	1,049,942	965,942
NET CHANGE IN FUND BALANCE	-	-	524,820	524,820
FUND BALANCE, Beginning of Year	-	-	-	-
FUND BALANCE, End of Year	\$ -	-	524,820	\$ 524,820

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, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	\$ 658,764	-	\$ (658,764)
Total Revenue from Local Sources	658,764	-	(658,764)
2000 Intergovernmental Revenue:			
2200 Payments from Public Charter School	396,904	400,409	3,505
Total Intergovernmental Revenues	396,904	400,409	3,505
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3103 State Aid to Classrooms	17,464,247	16,268,240	(1,196,007)
3181 Retiree Insurance (No Carryover Provision)	213,992	374,419	160,427
3330 Miscellaneous EFA Programs:			
3392 NBC Excess EFA Formula	-	45,321	45,321
Total Revenue from State Sources	17,678,239	16,687,980	(990,259)
TOTAL REVENUE ALL SOURCES	18,733,907	17,088,389	(1,645,518)
EXPENDITURES			
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	75,000	75,000	-
200 Employee Benefits	17,500	16,337	1,163
300 Purchased Services	20,651	20,650	1
220 Instructional Staff Services:			
223 Supervision of Special Programs:			
100 Salaries	98,000	68,600	29,400
200 Employee Benefits	21,040	18,032	3,008
224 Improvement of Instruction Inservice and Staff Training:			
300 Purchased Services	10,000	5,884	4,116
230 General Administrative Services:			
231 Board of Education:			
300 Purchased Services	197,460	175,348	22,112
400 Supplies and Materials	10,000	1,436	8,564
600 Other Objects	5,000	1,282	3,718
232 Office of Superintendent:			
100 Salaries	250,000	250,000	-
200 Employee Benefits	37,800	35,916	1,884
300 Purchased Services	70,510	21,211	49,299
400 Supplies and Materials	5,000	3,699	1,301
600 Other Objects	\$ 10,000	3,595	\$ 6,405

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	\$ 57,000	56,606	\$ 394
200 Employee Benefits	5,507	4,268	1,239
300 Purchased Services	33,500	31,382	2,118
254 Operation and Maintenance of Plant:			
300 Purchased Services (Excludes Energy Costs)	6,150	6,116	34
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	98,000	98,000	-
200 Employee Benefits	9,300	8,756	544
266 Technology and Data Processing Services:			
300 Purchased Services	22,500	22,264	236
400 Supplies and Materials	4,349	1,149	3,200
Total Support Services	1,064,267	925,531	138,736
400 Other Charges:			
416 LEA Payments to Public Charter Schools			
720 Transits	17,753,640	16,687,980	1,065,660
Total Intergovernmental Expenditures	17,753,640	16,687,980	1,065,660
TOTAL EXPENDITURES	18,817,907	17,613,511	1,204,396
OTHER FINANCING SOURCES (USES)			
5400 Proceeds from Long-Term Notes	-	855,910	855,910
Interfund Transfers, From (To) Other Funds:			
5280 Transfer from Other Funds Indirect Costs	84,000	194,032	110,032
TOTAL OTHER FINANCING SOURCES (USES)	84,000	1,049,942	965,942
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	524,820	524,820
FUND BALANCE, Beginning of Year	-	-	-
FUND BALANCE, End of Year	\$ -	524,820	\$ 524,820

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	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:		
3110 Occupational Education:		
3118 EEDA Career Specialists	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3135 Reading Coaches	-	-
3177 Summer Reading Camps	-	-
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)	259,142	-
4351 Supporting Effective Instruction	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	350,227
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-
4900 Other Federal Sources:		
4974 ESSER III	-	-
4977 ESSER II	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	259,142	350,227
TOTAL REVENUE ALL SOURCES	259,142	350,227
EXPENDITURES		
220 Instructional Staff Services:		
223 Supervision of Special Programs:		
100 Salaries	29,400	-
200 Employee Benefits	6,981	-
300 Purchased Services	4,577	1,134
400 Supplies and Materials	719	-
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	-	56,667
200 Employee Benefits	-	6,815
300 Purchased Services	-	11,647
252 Fiscal Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
Total Support Services	41,677	76,263
410 Intergovernmental Expenditures:		
416 Payments to Public Charter Schools		
720 Transits	198,816	248,021
Total Intergovernmental Expenditures	198,816	248,021
TOTAL EXPENDITURES	240,493	324,284
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)	(18,649)	(25,943)
TOTAL OTHER FINANCING SOURCES (USES)	(18,649)	(25,943)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year	-	-
FUND BALANCE, End of Year	\$ -	-

Preschool Handicapped (CG Projects) (205)	Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	1,200	\$ 1,200
-	-	-	1,200	1,200
-	-	94,308	-	94,308
-	-	9,857	-	9,857
-	-	59,260	-	59,260
-	-	43,500	-	43,500
-	-	206,925	-	206,925
-	25,196	-	-	25,196
-	-	-	-	259,142
-	-	-	100,086	100,086
-	-	-	-	350,227
8,117	-	-	-	8,117
-	-	-	510,760	510,760
-	-	-	573,498	573,498
-	-	-	39,263	39,263
8,117	25,196	-	1,223,607	1,866,289
8,117	25,196	206,925	1,224,807	2,074,414
-	-	-	-	29,400
-	-	-	-	6,981
-	-	-	-	5,711
-	-	-	-	719
-	-	-	-	56,667
-	-	-	-	6,815
-	7,675	-	46,980	66,302
-	-	-	18,694	18,694
-	-	-	1,413	1,413
-	7,675	-	67,087	192,702
7,516	17,521	206,925	1,008,881	1,687,680
7,516	17,521	206,925	1,008,881	1,687,680
7,516	25,196	206,925	1,075,968	1,880,382
(601)	-	-	(148,839)	(194,032)
(601)	-	-	(148,839)	(194,032)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	\$ -

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

Schedule B-2

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2023

OTHER RESTRICTED STATE GRANTS

917	Teacher Supplies
928	EEDA Career Specialists
935	Reading Coaches
937	Student Health and Fitness - PE Teachers

OTHER SPECIAL REVENUE PROGRAMS

218	SC ESSER III
225	SC ESSER II
267	Improving Teacher Quality
801	E-RATE
803	JAG

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2023

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	
917	3187	Teacher Supplies	\$ 43,500	43,500	-	-	\$ -
928	3118	EEDA Career Specialists	94,308	94,308	-	-	-
935	3135	Reading Coaches	59,260	59,260	-	-	-
937	3127	Student Health & Fitness - PE Teachers	9,857	9,857	-	-	-
Totals			<u>\$ 206,925</u>	<u>206,925</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

**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, 2023

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3503 State Aid to Classrooms	\$ 2,815,457
3519 Grade 10 Assessments	5,061
3526 Refurbishment of Science Kits	25,000
3528 Industry Certifications/Credentials	10,000
3529 Career and Technology Education	50,000
3532 National Board Salary Supplement (No Carryover Provision)	40,995
3536 Health Fitness - Nurse	45,099
3594 EEDA Supplemental Programs	150,000
3595 EEDA - Supplies and Materials	4,089
3599 Other EIA	1,500
Total Revenue from State Sources	3,170,535
TOTAL REVENUE ALL SOURCES	3,170,535
EXPENDITURES	
224 Improvement of Instruction Inservice and Staff Training:	
300 Purchased Services	1,500
Total Support Services	1,500
410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools	
720 Transits	3,169,035
Total Intergovernmental Expenditures	3,169,035
TOTAL EXPENDITURES	3,170,535
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	-
FUND BALANCE, End of Year	\$ -

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2023

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ -	-	-	-	\$ 263
3503 State Aid to Classrooms	2,815,457	2,815,457	-	-	-
3519 Grade 10 Assessments	5,061	5,061	-	-	-
3526 Refurbishment of Science Kits	25,000	25,000	-	-	-
3528 Industry Certifications/Credentials	10,000	10,000	-	-	-
3529 Career and Technology Education	50,000	50,000	-	-	-
3532 National Board Salary Supplement (No Carryover Provision)	40,995	40,995	-	-	-
3536 EAA Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)	45,099	45,099	-	-	-
3557 Summer Reading Program	23,334	23,334	-	-	-
3594 EEDA At Risk Supplemental Programs	150,000	150,000	-	-	-
3595 EEDA - Supplies and Materials	4,089	4,089	-	-	-
3599 Other EIA	1,500	1,500	-	-	-
	<u>\$ 3,170,535</u>	<u>3,170,535</u>	<u>-</u>	<u>-</u>	<u>\$ 263</u>
Totals					

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
YEAR ENDED JUNE 30, 2023

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
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None for fiscal year 2023

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

Schedule C-1

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2023

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
0000	Limestone Charter Association	Non-School	Central	\$ 1,119,731
0001	Coastal High School	High School	School	2,693,717
0002	Horse Creek Academy	K-11 School	School	13,113,672
0003	Orangeburg High School for Health Professions	High School	School	5,737,308
				-
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 22,664,428

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

General Fund	\$ 17,613,511
Special Revenue Fund	1,880,382
Special Revenue - EIA Fund	3,170,535
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 22,664,428

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OTHER INFORMATION

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING SCHEDULE OF NET POSITION

JUNE 30, 2023

	Coastal Leadership Academy	Horse Creek Academy	Orangeburg High School for Health Professions	Totals
ASSETS				
Cash and Cash Equivalents	\$ 1,095,124	2,589,563	650,814	\$ 4,335,501
Cash and Cash Equivalents, Restricted	204,474	2,880,629		3,085,103
Investments	-	-	70,733	70,733
Accounts Receivable	3,709	-	-	3,709
Due from Governmental Agencies	-	429,601	339,261	768,862
Prepaid Expenses	39,029	127,390	14,271	180,690
Deposits	-	7,500	-	7,500
Other Assets	-	1,003		1,003
Capital Assets - Not Being Depreciated	-	612,093	1,160,857	1,772,950
Capital Assets, Net of Accumulated Depreciation	237,234	17,069,613	3,587,925	20,894,772
Right to Use Leased Assets, Net of Accumulated Amortization	3,675,220	-	5,853	3,681,073
TOTAL ASSETS	5,254,790	23,717,392	5,829,714	34,801,896
DEFERED OUTFLOWS OF RESOURCES				
Deferred Pension Charges	-	7,374,429	1,115,195	8,489,624
Deferred OPEB Charges	-	7,524,382	1,835,435	9,359,817
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	14,898,811	2,950,630	17,849,441
LIABILITIES				
Accounts Payable and Accrued Liabilities	117,558	849,372	146,918	1,113,848
Unearned Revenue	14,292	62,810	151,781	228,883
Due to Governmental Agencies	2,885	194,563	-	197,448
Accrued Compensation and Related Benefits	-	-	271,996	271,996
Long-term Liabilities:				
Net Pension Liability	-	11,364,470	3,877,207	15,241,677
Net OPEB Liability	-	8,837,015	2,947,446	11,784,461
Accrued Compensated Absences			13,877	13,877
Due Within One Year	135,836	80,000	107,673	323,509
Due in More than One Year	4,002,604	21,993,315	3,914,703	29,910,622
Deferred Rent	96,031	-	-	96,031
TOTAL LIABILITIES	4,369,206	43,381,545	11,431,601	59,182,352
DEFERED INFLOWS OF RESOURCES				
Deferred Pension Credits	-	1,766,231	303,444	2,069,675
Deferred OPEB Credits	-	3,771,753	1,686,491	5,458,244
TOTAL DEFERRED INFLOWS OF RESOURCES	-	5,537,984	1,989,935	7,527,919
NET POSITION				
Net Investment in Capital Assets	-	2,880,629	732,259	3,612,888
Unrestricted	885,584	(13,183,955)	(5,373,451)	(17,671,822)
TOTAL NET POSITION	\$ 885,584	(10,303,326)	(4,641,192)	\$ (14,058,934)

**LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA**

Schedule D-2

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Coastal Leadership Academy	Horse Creek Academy	Orangeburg High School for Health Professions	Totals
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Instruction				
Expenses	\$ (1,368,089)	(10,405,536)	(2,870,864)	\$ (14,644,489)
Revenues				
Charges for Services	-	224,183	98,830	323,013
Operating Grants and Contributions	1,461,109	8,899,016	-	10,360,125
Support Services				
Expenses	(1,047,364)	(5,449,348)	(2,668,276)	(9,164,988)
Revenues				
Operating Grants and Contributions	1,118,577	4,660,388	-	5,778,965
Intergovernmental				
Revenues				
Operating Grants and Contributions	-	-	5,661,335	5,661,335
Interest Expense and Other Charges	74,626	(123,796)	(220,200)	(269,370)
TOTAL GOVERNMENTAL ACTIVITIES	238,859	(2,195,093)	825	(1,955,409)
GENERAL REVENUES				
Food Service	-	-	27,195	27,195
Miscellaneous Revenue	22,632	83,979	10,542	117,153
Grant and Contributions Not Restricted to Specific Programs	127,154	281,000	-	408,154
Investment Earnings	7,159	89,916	-	97,075
Total General Revenue	156,945	454,895	37,737	649,577
CHANGE IN NET POSITION	395,804	(1,740,198)	38,562	(1,305,832)
NET POSITION, Beginning of Year	489,780	(8,563,128)	(4,679,754)	(12,753,102)
NET POSITION, End of Year	\$ 885,584	(10,303,326)	(4,641,192)	\$ (14,058,934)

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COMPLIANCE SECTION

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

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					
201	Pass-through State Department of Education: Title I	84.010	23 Title I	\$ 198,816	\$ 259,142
203	Individuals with Disabilities Education Act Special Education - Grants to States	84.027	23 IDEA	248,022	350,227
205	Special Education - Preschool Grants	84.173	23 IDEA Preschool	7,516	8,117
Total Special Education Cluster (IDEA)				<u>255,538</u>	<u>358,344</u>
207	Perkins	84.048	23 CTE	17,521	25,196
267	Improving Teacher Quality - Title II	84.367	Title II - 23	45,693	100,086
225	COVID-19: SC CARES ESSER II	84.425D	ESSER II	480,000	573,498
218	COVID-19: SC ARPA ESSER III	84.425U	ARP-ESSER	442,726	510,760
803	COVID-19: JAG (under Governor's Education Emergency Relief)	84.425C	JAG-SC	39,263	39,263
Total 84.425				<u>961,989</u>	<u>1,123,521</u>
Total US Department of Education				<u>1,479,557</u>	<u>1,866,289</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u>\$ 1,479,557</u>	<u>\$ 1,866,289</u>

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, 2023

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, 2023. 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.

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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, 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated November 15, 2023. 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.

A handwritten signature in black ink that reads "Greene Finney Cauley, LLP". The script is cursive and fluid.

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 15, 2023



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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, 2023. 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, 2023.

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
November 15, 2023

LIMESTONE CHARTER ASSOCIATION
COLUMBIA, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

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:

Assistance Listing Number(s)

Name of Federal Program or Cluster

84.425D, 84.425U, 84.425C

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.