



# **THE LIGHTHOUSE SCHOOL**

**Coos Bay, Oregon**

**Annual Financial Report**

**June 30, 2025**

# **THE LIGHTHOUSE SCHOOL**

62858 Highway 101  
Coos Bay, OR 97420  
(541) 751-1649

## **BOARD OF DIRECTORS**

|   |              |
|---|--------------|
| STEPHANIE MESSERLE<br>94961 Stock Slough Ln, Coos Bay, OR 97420 | Board Chair  |
| JOHN GIBSON<br>985 Inlet Lp, Coos Bay, OR 97420                 | Vice Chair   |
| MCKINLEY PRADO<br>1105 Montana, Coos Bay, OR 97420              | Treasurer    |
| JENNI SCHMITT<br>92954 Hill Grane Ln, Coos Bay, OR 97420        | Secretary    |
| LISA LAGESSE<br>66838 Robin Rd, North Bend, OR 97459            | Founder      |
| PAULA MOSLEY<br>93673 Eagle Ln, North Bend, OR 97459            | Position #6  |
| MAYA WATTS<br>62465 Shellhammer Rd, Coos Bay, OR 97420          | Position #7  |
| GEORGE VON DASSOW<br>1007 Southwest Blvd, Coos Bay, OR 97420    | Position #8  |
| STACY COURTRIGHT<br>460 Fink, Coos Bay, OR 97420                | Position #9  |
| ANITA MARTINS<br>66544 Quail Rd, North Bend, OR 97459           | Position #10 |

## **ADMINISTRATION**

|   |                  |
|---|------------------|
| SHELLEY LAKE<br>62858 Highway 101, Coos Bay, OR 97420   | Director         |
| MICHELLE SILVA<br>62858 Highway 101, Coos Bay, OR 97420 | Business Manager |

# **THE LIGHTHOUSE SCHOOL**

## **AUDIT REPORT**

**June 30, 2025**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Lighthouse School  
62858 Highway 101  
Coos Bay, Oregon 97420

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lighthouse School as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Lighthouse School's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Lighthouse School as of June 30, 2025, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Lighthouse School 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 these 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 Lighthouse School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **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 generally accepted 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 Lighthouse school's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lighthouse school's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-5 and the pension and OPEB schedules on pages 44-47 be presented to supplement the basic financial statements. Such 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.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally 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.

### **Reports on Other Legal and Regulatory Requirements**

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 14, 2025, on our consideration of the Lighthouse school's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the School's compliance.



Ashraf Lakhani Farishta, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
November 14, 2025

**MANAGEMENT'S**  
**DISCUSSION**  
**AND ANALYSIS**

# **THE LIGHTHOUSE SCHOOL**

## **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025**

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As management of The Lighthouse School (School), we offer the following narrative overview and analysis of the School's financial statements for the fiscal year ending June 30, 2025. It is management's goal in preparing this discussion to assist users of these financial statements in interpreting key data found in the pages that follow, and to analyze the results of this fiscal year. Because the information contained in this discussion is necessarily selected in nature, it should be read and interpreted in conjunction with those financial statements.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year that ended June 30, 2025, are as follows:

- Total net position decreased by \$256,786 which is primarily due to decrease in unrestricted net position and net investment in capital assets. The prior year's ending net position was \$848,455 while the ending net position for 2024-25 is \$591,669.
- In the General Fund, expenditures surpassed revenues by \$318,109 primarily due to decrease in operating grants and contributions.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

These financial statements are presented in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, which requires the School's financial statements to be presented on the same basis as those of our sponsoring district, the Coos Bay School District (School District).

The School's basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### *Government-wide Financial Statements*

The government-wide financial statements are designed to provide an overview of the School's financial operations, like a private-sector business. The Statement of Net Position presents information regarding all assets and liabilities, with the difference between the two being reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the School is improving or deteriorating. The Statement of Activities presents information showing the School's revenues and expenses during the year under audit, as well as the resulting change in net position. All activities in the government-wide financial statements are presented on the accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of the associated cash flows.

All activities of the School are governmental activities.

#### *Fund Financial Statements*

The fund financial statement, Balance Sheet – Governmental Fund, presents assets and liabilities under the modified accrual basis of accounting, which treats fixed assets differently than accrual accounting does.

The Reconciliation of the Government Fund Balance Sheet to the Statement of Net Position explains the difference between the reports presented under two different methods of accounting. The Statement of Revenues, Expenditures,

# **THE LIGHTHOUSE SCHOOL**

## **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025**

and Changes in Fund Balance – The Governmental Fund presents revenues and expenditures under governmental accounting principles, treating the purchase of capital assets as expenditures. This information might be useful in assessing the School's financial performance during the year and is useful in the preparation and analysis of annual budgets.

*Fiduciary funds* such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

### *Notes to the Financial Statements*

Please refer to the notes to the basic financial statements for a discussion of other issues related to the year 2024-2025. Within that section are explanations of The Lighthouse School's organization and operations, a summary of significant accounting policies, and other important information.

### **FINANCIAL ANALYSIS OF THE LIGHTHOUSE SCHOOL**

An analysis of the basic financial statements shows the following:

| <b>Summary of Net Position</b>       |                         |               |                      |
|--------------------------------------|-------------------------|---------------|----------------------|
|                                      | Governmental Activities |               | Percentage<br>Change |
|                                      | June 30, 2025           | June 30, 2024 |                      |
| <b>Assets</b>                        |                         |               |                      |
| Current and Other Assets             | \$ 1,354,224            | \$ 1,730,022  | -21.7%               |
| Capital Assets                       | 262,317                 | 248,079       | 5.7%                 |
| Total Assets                         | 1,616,541               | 1,978,101     | -18.3%               |
| <b>Deferred Outflow of Resources</b> | 1,380,827               | 844,437       | 63.5%                |
| <b>Liabilities</b>                   |                         |               |                      |
| Long-Term Liabilities                | 1,878,484               | 1,178,784     | 59.4%                |
| Other Liabilities                    | 158,962                 | 239,604       | -33.7%               |
| Total Liabilities                    | 2,037,446               | 1,418,388     | 43.6%                |
| <b>Deferred Inflow of Resources</b>  | 368,253                 | 555,695       | -33.7%               |
| <b>Net Position</b>                  |                         |               |                      |
| Net Investment in Capital Assets     | 355,162                 | 512,331       | -30.7%               |
| Unrestricted                         | 236,507                 | 336,124       | -29.6%               |
| Total Net Position                   | \$ 591,669              | \$ 848,455    | -30.3%               |

The School's total assets decreased by \$361,560 from \$1,978,101 to \$1,616,541 while our capital and leased assets, net of depreciation and amortization, also decreased by \$71,466 during the year ended June 30, 2025. Total liabilities were \$2,037,446 compared to \$1,418,388 in the prior year.



# **THE LIGHTHOUSE SCHOOL**

## **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025**

### **Changes in Net Position**

|                                    | Governmental Activities |            |                   |
|------------------------------------|-------------------------|------------|-------------------|
|                                    | 2024-25                 | 2023-24    | Percentage Change |
| <b>Revenues</b>                    |                         |            |                   |
| Program Revenues                   |                         |            |                   |
| Charges for Services               | \$ 134,061              | \$ 147,016 | -8.8%             |
| Operating Grants and Contributions | 327,509                 | 621,264    | -47.3%            |
| General Revenues                   |                         |            |                   |
| State Basic School Support         | 2,124,695               | 2,064,687  | 2.9%              |
| Other                              | 1,069                   | 3,747      | -71.5%            |
| Total Revenues                     | 2,587,334               | 2,836,714  | -8.8%             |
| <b>Program Expenses</b>            |                         |            |                   |
| Instruction                        | 1,895,512               | 1,559,283  | 21.6%             |
| Support Services                   | 940,622                 | 651,990    | 44.3%             |
| Interest on Long-Term Debt         | 7,986                   | 11,380     | -29.8%            |
| Total Program Expenses             | 2,844,120               | 2,222,653  | 28.0%             |
| <b>Change in Net Position</b>      | (256,786)               | 614,061    |                   |
| <b>Beginning Net Position</b>      | 848,455                 | 234,394    |                   |
| <b>Ending Net Position</b>         | \$ 591,669              | \$ 848,455 | -30.3%            |

Our revenues came primarily from three major sources. State Basic School Support revenues of \$2,124,695, grants and donations of \$327,509, and charges for services of \$134,061. Other miscellaneous revenue sources totaled \$1,069. Revenues from all sources for the year were \$2,587,334, down \$249,380 from the prior year. This decrease is primarily a \$261,500 reduction in ESSER grant revenues passed through Coos Bay School District and Oregon Department of Education. In the prior year, ESSER revenues covered maintenance costs, and startup costs of the Pre-K program at Lighthouse School.

Our expenses totaled \$2,879,702, which is up \$657,049 from the prior year. Our largest expenditure was for instruction expenses which is a 3.01% increase compared to the prior year.

For Instruction, the additional costs are mainly attributable to annual salary and benefit adjustments.

In the areas of Support Services, these increases include resurfacing and improvement of playground areas, the addition of a new position of Dean of Students, and unbudgeted legal expenses, increasing overall administrative costs for the period. The playground costs approximately \$38,124, and new Dean of students position of approximately \$145,000, were planned expenditures. However, the legal costs of approximately \$45,000 were incurred during the year due to unforeseen circumstances involving a non-board individual attending board meetings and exhibiting disruptive behavior. The organization was required to seek legal counsel to ensure compliance with governance protocols, protect board proceedings, and mitigate potential liability arising from the situation

# **THE LIGHTHOUSE SCHOOL**

## **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025**

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### **ECONOMIC FACTORS AND FUTURE YEAR'S PROJECTED INFORMATION**

Management's plans for the next fiscal year include continued monitoring of its instruction and support services while increasing and maintaining student enrollment. The approved budget for FY 2025-2026 includes expenditures of \$3,015,960 and is based on 200 students and will enable the acquisition of necessary resources to ensure continuing quality education is provided to the School's students. Accordingly, Management believes these actions will ensure the Schools' continued success.

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Shelley Lake, or Business Manager, Michelle Silva at: The Lighthouse School, 62858 Highway 101, Coos Bay, OR 97420.

**BASIC FINANCIAL**  
**STATEMENTS**

**Government-Wide**  
**Financial Statements**

**THE LIGHTHOUSE SCHOOL**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

|   | <u>Governmental Activities</u> |                          |
|---|--------------------------------|--------------------------|
| <b><u>ASSETS:</u></b>                       |                                |                          |
| Current Assets:                             |                                |                          |
| Cash and Cash Equivalents                   | \$ 1,231,607                   |                          |
| Total Current Assets                        |                                | \$ 1,231,607             |
| Restricted Assets:                          |                                |                          |
| Net OPEB Asset (RHIA)                       | 29,772                         |                          |
| Total Restricted Assets                     |                                | 29,772                   |
| Capital Assets:                             |                                |                          |
| Capital Assets, Non-Depreciable             | 59,391                         |                          |
| Capital Assets, Depreciable, Net            | 202,926                        |                          |
| Total Capital Assets                        |                                | 262,317                  |
| Right-to-Use Assets                         |                                |                          |
| Lease Assets, Net                           | 92,845                         |                          |
| Total Right-to-Use Assets                   |                                | 92,845                   |
| <b>Total Assets</b>                         |                                | <b><u>1,616,541</u></b>  |
| <b><u>DEFERRED OUTFLOW OF RESOURCES</u></b> |                                |                          |
| Pension Related Deferrals                   | 1,379,894                      |                          |
| OPEB Related Deferrals - RHIA               | 933                            |                          |
| <b>Total Deferred Outflow of Resources</b>  |                                | <b><u>1,380,827</u></b>  |
| <b><u>LIABILITIES:</u></b>                  |                                |                          |
| Payroll Liabilities                         | 51,287                         |                          |
| Right-to-Use Lease Liabilities:             |                                |                          |
| Due within one year                         | 99,579                         |                          |
| Due in more than one year                   | 8,096                          |                          |
| Net Pension Liability                       | 1,878,484                      |                          |
| <b>Total Liabilities</b>                    |                                | <b><u>2,037,446</u></b>  |
| <b><u>DEFERRED INFLOW OF RESOURCES</u></b>  |                                |                          |
| Pension Related Deferrals                   | 359,756                        |                          |
| OPEB Related Deferrals - RHIA               | 8,497                          |                          |
| <b>Total Deferred Inflow of Resources</b>   |                                | <b><u>368,253</u></b>    |
| <b><u>NET POSITION:</u></b>                 |                                |                          |
| Net Investment in Capital Assets            | 355,162                        |                          |
| Unrestricted                                | 236,507                        |                          |
| <b>Total Net Position</b>                   |                                | <b><u>\$ 591,669</u></b> |

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

**THE LIGHTHOUSE SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2025**

|  |                     |                            |  | Net Position<br>(Expense) Revenue<br>and Change in Net<br>Position |
|--|---------------------|----------------------------|--|--|
|  |                     | Program Revenues           |  |  |
|  | (Expenses)          | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities   |
| <b><u>GOVERNMENTAL ACTIVITIES:</u></b>               |                     |                            |  |  |
| Instruction  | \$ 1,895,512        | \$ 134,061                 | \$ 327,509                               | \$ (1,433,942)   |
| Support Services                                     | 940,622             | -                          | -  | (940,622)  |
| Interest   | 7,986               | -                          | -  | (7,986)  |
| <b>Total Governmental Activities</b>                 | <b>\$ 2,844,120</b> | <b>\$ 134,061</b>          | <b>\$ 327,509</b>                        | <b>\$ (2,382,550)</b>  |
| <b><u>GENERAL REVENUES:</u></b>                      |                     |                            |  |  |
| Unrestricted State and Local Revenue                 |                     |                            |  | 1,069  |
| State School Fund for Education and Support Services |                     |                            |  | 2,124,695  |
| Subtotal - General Revenues                          |                     |                            |  | 2,125,764  |
| Change in Net Position                               |                     |                            |  | (256,786)  |
| Net Position, July 1, 2024                           |                     |                            |  | 848,455  |
| <b>Net Position, June 30, 2025</b>                   |                     |                            |  | <b>\$ 591,669</b>  |

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

**BASIC FINANCIAL**  
**STATEMENTS**

**Governmental Fund**  
**Financial Statements**

**THE LIGHTHOUSE SCHOOL**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**June 30, 2025**

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|  | <b><u>General Fund #100</u></b>   |
|--|-----------------------------------|
| <b><u>ASSETS:</u></b>                        |                                   |
| Cash and Cash Equivalents                    | <u>\$        1,231,607</u>        |
| <b>Total Assets</b>                          | <b><u>\$        1,231,607</u></b> |
| <b><u>LIABILITIES AND FUND BALANCES:</u></b> |                                   |
| LIABILITIES:                                 |                                   |
| Payroll Liabilities                          | <u>\$          51,287</u>         |
| <b>Total Liabilities</b>                     | <b><u>          51,287</u></b>    |
| FUND BALANCES:                               |                                   |
| Committed for:                               |                                   |
| Land Acquisition                             | 1,248,428                         |
| Unassigned                                   | <u>(68,108)</u>                   |
| <b>Total Fund Balances</b>                   | <b><u>        1,180,320</u></b>   |
| <b>Total Liabilities and Fund Balances</b>   | <b><u>\$        1,231,607</u></b> |

**THE LIGHTHOUSE SCHOOL**  
**RECONCILIATION OF THE BALANCE SHEET**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

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|   |                     |
|---|---------------------|
| <b>Total Fund Balances - Governmental Funds</b> | <b>\$ 1,180,320</b> |
|---|---------------------|

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

|                                    |                  |         |
|------------------------------------|------------------|---------|
| Cost of assets                     | \$ 680,210       |         |
| Accumulated depreciation           | <u>(417,893)</u> |         |
| <b>Net Value of Capital Assets</b> |                  | 262,317 |

Right-to-use Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

|   |                  |        |
|---|------------------|--------|
| Value of assets                         | 428,517          |        |
| Accumulated ammorization                | <u>(335,672)</u> |        |
| <b>Net Value of Right-to-Use Assets</b> |                  | 92,845 |

Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.

|  |                  |           |
|--|------------------|-----------|
| Deferred Pension/OPEB Contributions      | 1,380,827        |           |
| Deferred Earnings on Pension/OPEB Assets | <u>(368,253)</u> |           |
| <b>Net Value of Deferrals</b>            |                  | 1,012,574 |

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

These liabilities consist of :

|                       |                 |                    |
|-----------------------|-----------------|--------------------|
| Leases Payable        | 107,675         |                    |
| Net Pension Liability | 1,878,484       |                    |
| Net OPEB Obligations  | <u>(29,772)</u> |                    |
| <b>Total</b>          |                 | <u>(1,956,387)</u> |

|  |                          |
|--|--------------------------|
| <b>Net Position of Governmental Activities</b> | <b><u>\$ 591,669</u></b> |
|--|--------------------------|



**THE LIGHTHOUSE SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2025**

|                             | <b><u>General Fund</u></b> | <b><u>Total<br/>Governmental<br/>Funds</u></b> |
|-----------------------------|----------------------------|--|
| <b><u>REVENUES:</u></b>     |                            |  |
| Earnings on Investments     | \$ 38,322                  | \$ 38,322                                      |
| Fees and Charges            | 124,881                    | 124,881  |
| Miscellaneous Revenue       | 23,313                     | 23,313   |
| Intermediate Government Aid | 276,123                    | 276,123  |
| State Aid                   | 2,124,695                  | 2,124,695                                      |
|                             | <u>2,587,334</u>           | <u>2,587,334</u>                               |
| <b>Total Revenues</b>       | <b><u>2,587,334</u></b>    | <b><u>2,587,334</u></b>                        |
| <b><u>EXPENDITURES:</u></b> |                            |  |
| Current:                    |                            |  |
| Instruction                 | 1,837,559                  | 1,837,559                                      |
| Support Services            | 1,025,338                  | 1,025,338                                      |
| Instruction                 | 38,124                     | 38,124   |
| Support Services            | 4,422                      | 4,422  |
|                             | <u>2,905,443</u>           | <u>2,905,443</u>                               |
| <b>Total Expenditures</b>   | <b><u>2,905,443</u></b>    | <b><u>2,905,443</u></b>                        |
| Net Change in Fund Balance  | (318,109)                  | (318,109)                                      |
| Beginning Fund Balance      | 1,498,429                  | 1,498,429                                      |
| <b>Ending Fund Balance</b>  | <b><u>\$ 1,180,320</u></b> | <b><u>\$ 1,180,320</u></b>                     |

# **THE LIGHTHOUSE SCHOOL**

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

**For the Fiscal Year Ended June 30, 2025**

---

**Net Changes in Fund Balances - Total Governmental Funds** **\$ (318,109)**

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

|                                     |                 |        |
|-------------------------------------|-----------------|--------|
| Expenditures for capitalized assets | \$ 41,360       |        |
| Less current year depreciation      | <u>(27,122)</u> |        |
|                                     |                 | 14,238 |

Governmental funds report lease payments as expenditures. However, in the Statement of Activities the cost of those right-to-use assets are allocated over their estimated useful lives as amortization expense.

|   |          |
|---|----------|
| Net change in right-to-use assets and related liabilities | (85,703) |
|---|----------|

Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Retirement of principal is as follows:

|        |               |        |
|--------|---------------|--------|
| Leases | <u>91,973</u> |        |
|        |               | 91,973 |

Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.

|  |        |
|--|--------|
| This is the net change in pension related items. | 28,896 |
|--|--------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

The activities consist of:

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Increase/(decrease) in accrued OPEB | <u>11,919</u> |               |
|                                     |               | <u>11,919</u> |

|  |                            |
|--|----------------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b><u>\$ (256,787)</u></b> |
|--|----------------------------|

**BASIC FINANCIAL**  
**STATEMENTS**

**Notes to the Basic**  
**Financial Statements**

# **THE LIGHTHOUSE SCHOOL**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Lighthouse school was organized on December 6, 2021, under provisions of Oregon Revised Statutes Chapter 338 to operate a school under a charter granted by the Coos Bay School District. The charter permits the School to operate for a term of five years, currently expiring July 30, 2026.

The School provides youth activities and education for students within the School District. The School operates a public charter school that educates students in a Waldorf Education style program. The Lighthouse School's major sources of revenue is from the Oregon State School Fund, passed through the Coos Bay School District, government and private grantors, and program fees.

The School is a non-profit corporation governed by an advisory board consisting of twelve members, with oversight by the Coos Bay School District. ORS 338 requires that the School be considered a governmental unit and as such is subject to the Minimum Standards of Audits of Oregon Municipal Corporations. The daily functioning of the School is under the supervision of the Director. As required by generally accepted accounting principles, all activities of the School have been included in the basic financial statements.

The basic financial statements of The Lighthouse school have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) Statement No. 61 is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **Reporting Entity**

Generally accepted accounting principles require that these financial statements present the School and all component units, if any. Under criteria established by Governmental Accounting Standards Board Statement 61, component units are separate entities that are included in the School's reporting due to the significance of their operational or financial relationships.

All significant activities and schools with which the School exercises oversight and responsibility have been considered for inclusion in the basic financial statements. The School itself has no potential component units.

### **Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the School as a whole. These statements include the financial activities of the overall School with most of the inter-fund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by state school support payments, grants, and other intergovernmental revenues. The School has no business-type activities that rely, to a significant extent, on fees and charges for support. The School also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Basis of Presentation (Cont.)**

*Fund Financial Statements:* During the fiscal year, the School segregates transactions related to School functions or activities in separate funds to aid financial management and to demonstrate finance-related legal compliance. The fund financial statements provide information about the School's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major governmental funds:

General Fund - The General Fund is the only fund of the School, and all financial activities are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are maintenance of facilities (i.e., heating, phones, electricity, cleaning,) administration and technology support.

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are charges for services, interest income, and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the School has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Budgeting**

Oregon Budget Law does not apply to the School. However, management does prepare a budget for internal use, and it is submitted to The Lighthouse School Board for review and approval.

**Cash and Investments**

For purposes of the statement of cash flows, cash, and cash equivalents include cash on hand, checking, savings, and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

**Receivables**

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the School. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

**Property Taxes**

The Lighthouse School does not receive any property taxes.

**Capital Assets**

The School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized but rather are charged to expenditures in the governmental funds. The School does not possess any infrastructure. The capitalization threshold used by the School as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

| <b><u>Asset Class</u></b> | <b><u>Estimated<br/>Years of<br/>Useful Lives</u></b> |
|---------------------------|---|
| Buildings                 | 20-50   |
| Building Improvements     | 20-50   |
| Land Improvements         | 15-25   |
| Vehicles                  | 10  |
| Equipment                 | 5-10  |

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized, and related depreciation is not reported in the fund financial statements.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Accrued Liabilities:**

All payables and accrued liabilities are reported on government-wide financial statements. General fund payables and accrued liabilities that, once incurred, are paid on time and in full by current financial resources are reported as obligations of the fund.

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the School has two items that qualifies for reporting in this category, deferred pension related and OPEB related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has two types of items that qualifies for reporting in this category, deferred earnings on pension assets and OPEB assets. In the governmental fund balance sheet, there are no reported deferred inflows/outflows of resources.

**Long-Term Debt**

As required by GASB 87, The School reports certain right-to-use lease agreements as long-term debt.

**Equity Classifications**

*Government-wide Statements*

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The School’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

*Governmental Fund Financial Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- A. Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- B. Restricted: This classification includes fund balance amounts that are constrained for specific purposes that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- C. Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the School Board, and does not lapse at year-end.
- D. Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the School Board or through the School Board delegating this responsibility to selected staff members or through the budgetary process.
- E. Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The School's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

**Income Taxes**

The Lighthouse School is a non-profit organization and is exempt from state and federal income and property taxes under Internal Revenue Code section 501 (c)(3).

**Inter-Fund Transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.



**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Use of 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 that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CASH AND INVESTMENTS:**

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The School follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

**Deposits** - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

*Custodial Credit Risk for Deposits* - Custodial credit risk for deposits exists when, in the event of a depository failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk.

As of June 30, 2025, the reported amount of the School's deposits was \$1,231,604.59, and the bank balance was \$1,290,583.59. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The School also reported no petty cash.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

**CAPITAL ASSETS:**

The following is a summary of capital asset activity for the fiscal year ended June 30, 2025:

| Governmental Activities   | Beginning<br>Balances | Additions        | Deletions   | Ending<br>Balances |
|---|-----------------------|------------------|-------------|--------------------|
| <b>Assets not being depreciated:</b>  |                       |                  |             |                    |
| Land  | \$ 59,391             | \$ -             | \$ -        | \$ 59,391          |
| Total assets not being depreciated  | 59,391                | -                | -           | 59,391             |
| <b>Assets being depreciated:</b>  |                       |                  |             |                    |
| Land Improvement  | -                     | 38,124           | -           | 38,124             |
| Building and Building Improvement   | 250,900               | -                | -           | 250,900            |
| Machinery and Equipment   | 328,559               | 3,236            | -           | 331,795            |
| Total Depreciable Assets  | 579,459               | 41,360           | -           | 620,819            |
| <b>Less: Accumulated Depreciation</b>   |                       |                  |             |                    |
| Land Improvement  | -                     | 2,542            | -           | 2,542              |
| Building and Building Improvement   | 123,216               | 6,229            | -           | 129,445            |
| Machinery and Equipment   | 267,555               | 18,352           | -           | 285,907            |
| Total Accumulated Depreciation  | 390,771               | 27,122           | -           | 417,893            |
| Net Value of Capital Assets Being Depreciated                                 | 188,688               | 14,238           | -           | 202,925            |
| Total Governmental Activities --  |                       |                  |             |                    |
| Net Value of Capital Assets   | <u>\$ 248,079</u>     | <u>\$ 14,238</u> | <u>\$ -</u> | <u>\$ 262,316</u>  |
| <b>Depreciation expense was charged to governmental functions as follows:</b> |                       |                  |             |                    |
| Instruction   | \$ 5,947              |                  |             |                    |
| Support Services  | <u>\$ 21,175</u>      |                  |             |                    |
| Total Depreciation Expense  | <u>\$ 27,122</u>      |                  |             |                    |

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:**

A summary of debt transactions for the year ended June 30, 2025, is as follows:

**Leases Payable**

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Lighthouse School operates under a lease agreement for its facilities, previously known as Bunker Hill Elementary School. This agreement, established with the Coos Bay School District, became effective on August 12, 2021. The rent is payable monthly for ten months each year. The current lease encompasses the fiscal years from 2021-22 through 2025-26. The terms of the new lease are determined based on the square footage of the 16 classrooms, with an initial base rate of \$5.00 per square foot. Each subsequent annual rent amount, applicable from July 1 to June 30, will reflect a 4 percent increase per square foot relative to the previous year.

Future Payments:

| Fiscal Year<br>Ending June 30, | Principal | Interest | Total Lease<br>Payment |
|--------------------------------|-----------|----------|------------------------|
| 2026                           | 96,198    | 3,848    | 100,046                |
| Totals                         | \$ 96,198 | \$ 3,848 | \$ 100,046             |

The School leases two copiers under various agreements. The agreements are for 63 months and vary in price depending on the specific copiers. Payments are made monthly, and interest has been inputted at 4 percent. These copiers are included in the School's leased equipment assets. The copiers were installed in June 2023.

Future Payments:

| Fiscal Year<br>Ending June 30, | Principal | Interest | Total Lease<br>Payment |
|--------------------------------|-----------|----------|------------------------|
| 2026                           | 3,381     | 459      | 3,840                  |
| 2027                           | 3,516     | 324      | 3,840                  |
| 2028                           | 3,657     | 183      | 3,840                  |
| 2029                           | 923       | 37       | 960                    |
| Totals                         | \$ 11,477 | \$ 1,003 | \$ 12,480              |

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS (Cont.):**

The following is a summary schedule of transactions related to Right to Use Assets during the fiscal year:

|   | <u>Beginning<br/>Balances</u> | <u>Additions</u>   | <u>Deletions</u> | <u>Ending<br/>Balances</u> |
|---|-------------------------------|--------------------|------------------|----------------------------|
| Intangible Assets being Amortized:  |                               |                    |                  |                            |
| Right to Use Assets   | \$ 428,517                    | \$ -               | \$ -             | \$ 428,517                 |
| Less: Accumulated Amortization  | <u>(249,969)</u>              | <u>(85,703)</u>    | <u>-</u>         | <u>(335,672)</u>           |
| Net Value of Intangible Assets  | <u>\$ 178,548</u>             | <u>\$ (85,703)</u> | <u>\$ -</u>      | <u>\$ 92,845</u>           |
| <b>Amortization expense was charged to governmental functions as follows:</b> |                               |                    |                  |                            |
| Instruction   | \$ 82,133                     |                    |                  |                            |
| Support Services  | <u>3,571</u>                  |                    |                  |                            |
| Total Amortization Expense  | <u>\$ 85,703</u>              |                    |                  |                            |

The School has no unused lines of credit.

The School has not pledged any assets as collateral for their debt.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**PENSION PLAN:**

The Lighthouse school offers various retirement plans to qualified employees as described below.

**Name of Pension Plan**

The Lighthouse School participates with other state agencies in the Oregon Public Employees Retirement System (OPERS).

**Organization**

OPERS administers a cost-sharing, multiple-employer defined benefit pension plan (Plan) for units of state government, political subdivisions (including community colleges and school districts), and public universities. The Plan contains multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2024, there were 904 participating employers and more than 415,000 active, inactive, and retired members and beneficiaries.

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Oregon Public Employees Retirement Board (OPERB) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the State Senate. Oregon PERS produces an independently audited comprehensive annual financial report (ACFR) for the funds administered by OPERB. The OPERS ACFR can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**Plan Membership**

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

As of June 30, 2024, Tier One was comprised of 7,928 active plan members, 127,957 retired plan members or their beneficiaries currently receiving benefits, and 6,927 inactive plan members entitled to but not yet receiving benefits for a total of 142,812 members. For Tier Two, as of June 30, 2024, there were 23,549 active plan members, 24,248 retired plan members or their beneficiaries currently receiving benefits, and 12,332 inactive plan members entitled to but not yet receiving benefits for a total of 60,129.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership for the OPSRP Pension Program includes public employees hired on or after August 29, 2003. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

As of June 30, 2024, there were 163,367 active OPSRP Pension plan members, 13,931 retired plan members or their beneficiaries currently receiving benefits, 10,596 inactive plan members entitled to but not yet receiving benefits, and 24,658 inactive plan members not eligible for refund or retirement for a total of 212,552 OPSRP Pension Program members.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**PENSION PLAN (Cont.):**

*Plan Benefits*

**1. OPERS Pension (Chapter 238) – Tier One/Tier Two**

*a. Pension Benefits*

The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit.

These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0% for Police and Fire employees, 1.67% for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

Under Senate Bill (SB) 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to \$232,976 as of January 1, 2024, and it is indexed with inflation every year.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

*b. Death Benefits*

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary receives a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by an OPERS employer at the time of death.
- The member died within 120 days after termination of PERS-covered employment.
- The member died as a result of an injury sustained while employed in a PERS-covered job.
- The member was on an official leave of absence from a PERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lumpsum and monthly payments, if eligible. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

In 2019 the Legislature introduced an Optional Spouse Death Benefit (OSDB) that may provide a higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

# **THE LIGHTHOUSE SCHOOL**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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### **PENSION PLAN (Cont.):**

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- The surviving spouse must be the member's sole beneficiary as determined by a valid Tier One/Tier Two Preretirement Beneficiary Designation form on file with PERS.

As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make a written election no later than 60 days after the date of the estimate that PERS provides to a member's spouse. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

#### *c. Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time for General Service members is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

#### *d. Benefit Changes After Retirement*

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

## **2. OPSRP Pension Program**

### *a. Pension Benefits*

This portion of OPSRP provides a life pension funded primarily by employer contributions and earnings. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service: 1.5% multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65 or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2020. The limit was equal to \$232,976 as of January 1, 2024 and is indexed with inflation every year.

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**PENSION PLAN (Cont.):**

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years - the date the member reaches normal retirement age, or, if the pension program is terminated, the date on which termination becomes effective.

*b. Death Benefits*

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

*c. Disability Benefits*

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled from a job-related injury may receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

*d. Benefit Changes After Retirement*

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

**3. Individual Account Program (IAP)**

*a. Benefit Terms*

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established.

Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life-span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

*b. Death Benefits*

Upon the death of a nonretired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*c. Recordkeeping*

PERS contracts with Voya Financial to maintain IAP participant records.



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**PENSION PLAN (Cont.):**

**4. Postemployment Healthcare Benefits**

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 904 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

For the fiscal year ended June 30, 2024, PERS employers contributed 0.04% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. A (0.04)% unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers had an effective contribution rate of 0.00% for the RHIA program. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2021, actuarial valuation.

**Contributions**

**Description of Funding and Contributions for PERS Benefit Plans**

OPERS' funding policy provides for periodic member and employer contributions at rates established by the PERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

**Member Contributions**

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

The Member Reserve represents accumulated member contributions and earnings allocations made prior to January 1, 2004, and subsequent earnings allocations less refunds and amounts transferred to reserves for retirements and disabilities (ORS 238.515). The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

Starting July 1, 2020, Senate Bill 1049 (2019) required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2024, if the member earns more than \$3,688 per month, 0.75% (if OPSRP member) or 2.5% (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the member's Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

# **THE LIGHTHOUSE SCHOOL**

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### **PENSION PLAN (Cont.):**

#### *a. Employee Pension Stability Accounts (EPSA)*

EPSA was created by the Oregon Legislature through Senate Bill 1049 (2019) to address the increasing cost of funding pension benefits. EPSA's function is to help pay for part of an applicable member's lifetime monthly pension benefit when they retire.

EPSA rules apply to most PERS members, but the EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, which is tied to the annual Consumer Price Index (All Urban Consumers, West Region). EPSA accounts are credited with investment earnings and losses annually and have no guaranteed rate of return.

#### *b. Target-Date Funds*

The Oregon Investment Council, responsible for all PERS fund investments, approved the transition to a target-date fund (TDF) investment methodology for all IAP accounts beginning January 1, 2018. This change in investment methodology reflects an investment best practice that will better protect participants from potential losses as they approach and enter retirement by gradually reducing investment risk as participants age.

Effective January 1, 2021, Senate Bill 1049 (2019) allowed members to elect investment of their IAP account in a TDF other than the default TDF based on their year of birth. PERS now provides members the opportunity to make elections once a year during the month of September, with the change effective the following calendar year.

#### *Employer Contributions*

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB plans. Employer contribution rates during fiscal year 2024 were based on the December 31, 2021, actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, public universities, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced.

#### *a. PERS Defined Benefit Plan (ORS 238)*

Effective July 1, 2023, the contribution rate for state agencies was 28.88%, the State and Local Government Rate Pool was 29.03%, the School Districts Pool was 28.58%, and the judiciary was 29.01% of PERS-covered salaries. Political subdivisions that have not joined the State and Local Government Rate Pool had an average pension contribution rate of 29.81%.

#### *b. OPSRP Pension Program (ORS 238A)*

All PERS-participating employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The OPSRP Pension Program employer rates effective July 1, 2023, through June 30, 2025, are 11.58% of covered salaries for General Service employees and 16.37% of covered salaries for Police and Fire employees. These rates increased from 10.33% of covered salaries for General Service and 14.69% of covered salaries for Police and Fire employees for the period July 1, 2021, through June 30, 2023. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

#### *District Employer Contributions*

The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

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**PENSION PLAN (Cont.):**

The School employer contributions for the year ended June 30, 2025 were \$386,554 excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2023 to June 30, 2025 are: Tier1/Tier2 – 27.87%%, and OPSRP General Service – 25.03%.

*District Member Contributions*

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2024-2025, no employee IAP contributions were paid or picked up by the School.

**Pension Plan CAFR/ ACFR**

Oregon PERS produces an independently audited ACFR which can be found at:  
<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**Actuarial Valuations**

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2022 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over the same period of years.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

# **THE LIGHTHOUSE SCHOOL**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

### **PENSION PLAN (Cont.):**

#### **Actuarial Methods and Assumptions Used in Developing Total Pension Liability**

| <b>Actuarial Methods and Assumptions Used in Developing Total Pension Liability:</b> |  |
|--|--|
| Valuation Date   | December 31, 2022  |
| Measurement Date   | June 30, 2024  |
| Experience Study   | 2022, published July 20, 2023  |
| Actuarial assumptions:   |  |
| Actuarial cost method  | Entry Age Normal   |
| Inflation rate   | 2.40 percent   |
| Long-term expected rate of return  | 6.90 percent   |
| Discount rate  | 6.90 percent   |
| Projected salary increases   | 3.40 percent   |
| Cost of living adjustments (COLA)  | Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.   |
| Mortality  | <b>Healthy retirees and beneficiaries:</b><br>Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.<br><b>Active members:</b><br>Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.<br><b>Disabled retirees:</b><br>Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. |

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

#### *Discount Rate*

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

# THE LIGHTHOUSE SCHOOL

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**June 30, 2025**

### **PENSION PLAN (Cont.):**

#### *Depletion Date Projection*

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such an evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

#### *OIC Target and Actual Investment Allocation as of June 30, 2024*

| <u>Asset Class/Strategy</u>        | <u>OIC Policy Range</u> | <u>OIC Target Allocation</u> | <u>Asset Class/Strategy</u> | <u>Actual Allocation<sup>2</sup></u> |
|------------------------------------|-------------------------|------------------------------|-----------------------------|--------------------------------------|
| Debt Securities                    | 20.0% - 30.0%           | 25.0%                        | Debt Securities             | 19.1%                                |
| Public Equity                      | 22.5% - 32.5%           | 27.5%                        | Public Equity               | 23.0%                                |
| Real Estate                        | 7.5% - 17.5%            | 12.5%                        | Real estate                 | 13.2%                                |
| Private Equity                     | 15.0% - 27.5%           | 20.0%                        | Private Equity              | 26.9%                                |
| Real Assets                        | 2.5% - 10.0%            | 7.5%                         | Real Assets                 | 10.1%                                |
| Diversifying Strategies            | 2.5% - 10.0%            | 7.5%                         | Diversifying Strategies     | 5.0%                                 |
| Opportunity Portfolio <sup>1</sup> | 0.0% - 5.0%             | 0.0%                         | Opportunity Portfolio       | 2.7%                                 |
| Total                              |                         | 100%                         | Total                       | 100%                                 |

<sup>1</sup>Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

# THE LIGHTHOUSE SCHOOL

## NOTES TO THE BASIC FINANCIAL STATEMENTS

**June 30, 2025**

### **PENSION PLAN (Cont.):**

#### *Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below.

| <u>Long Term Expected Rate of Return<sup>1</sup></u> |                   |                                       |                                   |                           |
|--|-------------------|---------------------------------------|-----------------------------------|---------------------------|
| Asset Class  | Target Allocation | Annual Arithmetic Return <sup>2</sup> | 20-Year Annualized Geometric Mean | Annual Standard Deviation |
| Global Equity  | 27.50%            | 8.57%                                 | 7.07%                             | 17.99%                    |
| Private Equity                                       | 25.50%            | 12.89%                                | 8.83%                             | 30.00%                    |
| Core Fixed Income                                    | 25.00%            | 4.59%                                 | 4.50%                             | 4.22%                     |
| Real Estate  | 12.25%            | 6.90%                                 | 5.83%                             | 15.13%                    |
| Master Limited Partnerships                          | 0.75%             | 9.41%                                 | 6.02%                             | 27.04%                    |
| Infrastructure                                       | 1.50%             | 7.88%                                 | 6.51%                             | 17.11%                    |
| Hedge Fund of Funds - Multistrategy                  | 1.25%             | 6.81%                                 | 6.27%                             | 9.04%                     |
| Hedge Fund Equity - Hedge                            | 0.63%             | 7.39%                                 | 6.48%                             | 12.04%                    |
| Hedge Fund - Macro                                   | 5.62%             | 5.44%                                 | 4.83%                             | 7.49%                     |
| <b>Assumed Inflation - Mean</b>                      |                   |                                       | <b>2.35%</b>                      | <b>1.41%</b>              |

<sup>1</sup>Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

<sup>2</sup>The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

### **Sensitivity Analysis**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

|   | 1% Decrease<br>5.90% | Discount Rate<br>6.90% | 1% Increase<br>7.90% |
|---|----------------------|------------------------|----------------------|
| Employer's proportionate share of the net pension liability | \$ 2,963,233         | \$ 1,878,484           | \$ 969,955           |

**THE LIGHTHOUSE SCHOOL**  
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**PENSION PLAN (Cont.):**

**Changes Since Last Valuation**

A summary of key changes implemented after the December 31, 2024 valuation, which was used in the 2024 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2024 Experience Study for the System, which was published on July 22, 2025, which can be found at: [https://www.oregon.gov/pers/Documents/Financials/Actuarial/2025/2024\\_Exp\\_Study.pdf](https://www.oregon.gov/pers/Documents/Financials/Actuarial/2025/2024_Exp_Study.pdf)

**Changes in Actuarial Methods and Allocation Procedures**

As of June 30, 2024, PERS fully finished and closed the Employer Programs, Salary Limit, Member Choice, Technical Debt, and Work After Retirement projects. House Bill 2296 (2023) extended the sunset of the work after retirement provisions until 2034. The Member Redirect project has an expected completion date of June 2025. PERS received funding for these projects for the 2023-25 biennium.

The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

**Changes in Assumptions**

- Adjust mortality assumptions to use the new “Pub-2016” base tables, matched to observed PERS-specific experience.
- Increase the individual member salary increase assumption’s merit/longevity component for one member category based on observations of the last 12 years of experience. The individual member salary increase assumption consists of the sum of inflation, real wage growth, and merit/longevity components, with the latter varying by member. We also recommend maintaining an assumed additional 2% annual increase specifically for calendar year 2025 above the long-term assumptions, which was first adopted in the 2022 Experience Study to reflect significant bargained increases already known at that time.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience.
- Lower assumed rates of ordinary (non-duty) disability incidence to more closely match recent experience.
- Adjust the Tier One/Tier Two unused sick leave assumption for one member category to reflect recently observed experience.
- Decrease the likelihood of program participation for non-disabled and disabled retirees in the RHIA retiree healthcare program.

# **THE LIGHTHOUSE SCHOOL**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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### **PENSION PLAN (Cont.):**

#### **Mortality Rates**

A summary of the current assumed mortality rates and recommended changes is shown below:

| <b>Assumption</b>                                    | <b>Used for December 31, 2022<br/>and 2023 Valuations</b>  | <b>Recommended December 31, 2024<br/>and 2025 Valuations</b>   |
|--|--|--|
| <b>Healthy Annuitant Mortality</b>                   | <b>Pub-2010 Healthy Retiree, Sex Distinct,<br/>Generational Projection with Unisex<br/>Social Security Data Scale</b>  | <b>Pub-2016 Healthy Retiree, Sex Distinct,<br/>Generational Projection with Unisex<br/>Social Security Data Scale</b>  |
| School District male                                 | Blend 80% Teachers and 20% General<br>Employees, no set back   | No change  |
| Other General Service male (and male<br>beneficiary) | General Employees, set back 12 months  | No change  |
| Police & Fire male                                   | Public Safety, no set back   | No change  |
| School District female                               | Teachers, no set back  | No change  |
| Other female (and female beneficiary)                | General Employees, no set back   | No change  |
| Police & Fire female                                 | Public Safety, set back 12 months  | No change  |
| <b>Disabled Retiree Mortality</b>                    | <b>Pub-2010 Disabled Retiree, Sex<br/>Distinct, Generational Projection<br/>with Unisex Social Security Data Scale</b> | <b>Pub-2016 Disabled Retiree, Sex<br/>Distinct, Generational Projection<br/>with Unisex Social Security Data Scale</b> |
| Police & Fire male                                   | Blended 50% Public Safety, 50% Non-Safety,<br>no set back  | Blended 20% Public Safety, 80% Non-Safety,<br>no set back  |
| Other General Service male                           | Non-Safety, set forward 24 months  | 120% of Non-Safety, no set back  |
| Police & Fire female                                 | Blended 50% Public Safety, 50% Non-Safety,<br>no set back  | Blended 20% Public Safety, 80% Non-Safety,<br>no set back  |
| Other General Service female                         | Non-Safety, set forward 12 months  | 120% of Non-Safety, no set back  |
| <b>Non-Annuitant Mortality</b>                       | <b>Pub-2010 Employee, Sex Distinct,<br/>Generational Projection with<br/>Unisex Social Security Data Scale</b>         | <b>Pub-2016 Employee, Sex Distinct,<br/>Generational Projection with<br/>Unisex Social Security Data Scale</b>         |
| School District male                                 | 125% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    | 120% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    |
| Other General Service male                           | 115% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    | 120% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    |
| Police & Fire male                                   | 125% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    | 120% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    |
| School District female                               | 100% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    | 120% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    |
| Other General Service female                         | 125% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    | 120% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    |
| Police & Fire female                                 | 100% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    | 120% of Employee table with same job<br>category and set back as<br>Non-Disabled Retiree assumption                    |



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**PENSION PLAN (Cont.):**

**Changes Subsequent to the Measurement Date**

There were no changes subsequent to the measurement date, that we are aware of.

*Deferred Items*

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2025, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

**Employer Contributions**

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

**Elements of Changes in Net Position**

This information can be found in the Schedule of Changes in Net Pension Liability found on page 96, of the June 30, 2024 Oregon PERS ACFR. <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

*Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions*

At June 30, 2025, the employer reported a liability of \$1,878,484 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the employer's proportion was 0.00845127%.

For the year ended June 30, 2025, the employer recognized pension expense of \$351,034.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

**PENSION PLAN (Cont.):**

As of June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 111,283                           | \$ 4,483                            |
| Changes of assumptions  | 188,863                              | 242                                 |
| Net difference between projected and actual earnings on investments                                   | 119,336                              | -                                   |
| Changes in proportionate share  | 377,683                              | 290,644                             |
| Differences between employer contributions and employer's proportionate share of system contributions | 196,175                              | 64,387                              |
| Total Deferred Outflows/Inflows   | \$ 993,340                           | \$ 359,756                          |
| Post-measurement date contributions   | 386,554                              | N/A                                 |
| Total Deferred Outflow/(Inflow) of Resources  | <u>\$ 1,379,894</u>                  | <u>\$ 359,756</u>                   |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions               |                                      | <u>633,584</u>                      |

Contributions of \$386,554 less amortization of the District's Side Account for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

| Employer subsequent<br>fiscal years | Deferred Outflow/(Inflow) of Resources (prior<br>to post-measurement date contributions) |
|-------------------------------------|--|
| 1st Fiscal Year                     | \$ 76,889  |
| 2nd Fiscal Year                     | 256,968  |
| 3rd Fiscal Year                     | 133,887  |
| 4th Fiscal Year                     | 126,328  |
| 5th Fiscal Year                     | 39,512   |
| Total                               | <u>\$ 633,584</u>  |

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:**

***Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)***

**Plan Description**

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**Funding Policy**

For the fiscal year ended June 30, 2024, PERS Employers had an effective contribution rate of 0.00% for the RHIA program. The unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2021, actuarial valuation.

**Contributions**

The District's contributions to OPERS' RHIA for the years ended June 30, 2025, 2024, and 2023 were \$92, \$4, and \$70, respectively, which equaled the required contributions for the year.

**Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated November 27, 2024 and can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

| Actuarial Methods and Assumptions - OPEB Plans - RHIA |  |
|---|--|
|   | <b>RHIA</b>  |
| Valuation Date  | December 31, 2022  |
| Measurement Date                                      | June 30, 2024  |
| Experience Study                                      | 2022, published July 20, 2023  |
| Actuarial assumptions:                                |  |
| Actuarial cost method                                 | Entry Age Normal   |
| Inflation rate  | 2.40 percent   |
| Long-term expected rate of return                     | 6.90 percent   |
| Discount rate   | 6.90 percent   |
| Projected salary increases                            | 3.40 percent   |
| Retiree healthcare participation                      | Healthy retirees: 25.0%<br>Disabled retirees: 15%  |
| Healthcare cost trend rate                            | Not applicable   |
| Mortality   | <b>Healthy retirees and beneficiaries:</b><br>Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.<br><b>Active members:</b><br>Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.<br><b>Disabled retirees:</b><br>Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. |

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Table 31 on page 92 shows Milliman's assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**Sensitivity Analysis**

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

|  | 1% Decrease | Discount Rate | 1% Increase |
|--|-------------|---------------|-------------|
|  | 5.90%       | 6.90%         | 7.90%       |
| Employer's proportionate share of the net OPEB liability | \$ (27,560) | \$ (29,772)   | \$ (31,677) |

**OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB**

At June 30, 2025, the District reported a net OPEB RHIA liability/(asset) of \$(29,772) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023, the District's proportion was 0.00737102 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2025 was \$(11,814).

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between expected and actual experience                                      | \$ -  | \$ 582                                       |
| Changes of assumptions  | -   | 377  |
| Net difference between projected and actual earnings on investments                     | 841   | -  |
| Changes in proportionate share  | -   | 7,538  |
| (prior to post-measurement date contributions)  | \$ 841  | \$ 8,497                                     |
| Post-measurement date contributions   | 92  | N/A  |
| Total Deferred Outflow/(Inflow) of Resources  | <u>\$ 933</u>                                 | <u>\$ 8,497</u>                              |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions |   | <u>(7,656)</u>                               |

Contributions of \$92 were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense/(income) as follows:

| <u>Employer subsequent<br/>fiscal years</u> | <u>Deferred Outflow/(Inflow) of Resources (prior<br/>to post-measurement date contributions)</u> |
|---|--|
| 1st Fiscal Year                             | \$ (8,585)   |
| 2nd Fiscal Year                             | 377  |
| 3rd Fiscal Year                             | 455  |
| 4th Fiscal Year                             | 97   |
| Total                                       | <u>\$ (7,656)</u>  |

**Changes Subsequent to the Measurement Date**

We are not aware of any changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

**THE LIGHTHOUSE SCHOOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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**CONTINGENT LIABILITIES:**

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amount, if any, to be immaterial. The School is not currently named as a defendant in any pending or threatened litigation.

**RISK MANAGEMENT:**

The School is exposed to various risks of loss related torts, fire, theft, accident, medical costs, and error and omissions, and natural disasters for which the School maintains various commercial insurance policies that management believes adequately covers these risks of loss.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**



# **THE LIGHTHOUSE SCHOOL**

## **SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

### **PERS**

#### **Last 10 Fiscal Years\***

| Fiscal Year<br>Ended June<br>30, <sup>1</sup> | Measurement<br>Date | (b/c)  |  |  |  |   |
|---|---------------------|--|--|--|--|---|
|   |                     | (a)<br>Employer's<br>proportion of the<br>net pension<br>liability (asset) | (b)<br>Employer's<br>proportionate<br>share of the net<br>pension liability<br>(asset) | (c)<br>Employer's<br>covered payroll<br>as of<br>Measurement<br>Date | Employer's<br>proportionate<br>share of the net<br>pension liability<br>(asset) as a<br>percentage of its<br>covered payroll | Plan fiduciary<br>net position as<br>a percentage<br>of the total<br>pension<br>liability |
| 2025  | June 30, 2024       | 0.00845127%  | \$ 1,878,484   | \$ 1,395,783   | 134.58%  | 79.3%   |
| 2024  | June 30, 2023       | 0.00629333%  | 1,178,784  | 978,356  | 120.49%  | 81.7%   |
| 2023  | June 30, 2022       | 0.00896740%  | 1,373,089  | 778,412  | 176.40%  | 84.5%   |
| 2022  | June 30, 2021       | 0.00911951%  | 1,091,284  | 517,334  | 210.94%  | 87.6%   |
| 2021  | June 30, 2020       | 0.00688847%  | 1,503,301  | 1,122,255  | 133.95%  | 75.8%   |
| 2020  | June 30, 2019       | 0.01007838%  | 1,743,318  | 669,618  | 260.35%  | 80.2%   |
| 2019  | June 30, 2018       | 0.01018091%  | 1,465,617  | 665,063  | 220.37%  | 82.1%   |
| 2018  | June 30, 2017       | 0.01018091%  | 1,372,391  | 688,889  | 199.22%  | 83.1%   |
| 2017  | June 30, 2016       | 0.01060831%  | 1,592,554  | 602,355  | 264.39%  | 80.5%   |
| 2016  | June 30, 2015       | 0.01308667%  | 751,366  | 709,411  | 105.91%  | 91.9%   |

<sup>1</sup>Measurement date is one year in arrears.

\*This schedule is presented to illustrate the requirement to show information for 10 years.

**THE LIGHTHOUSE SCHOOL**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**PERS**  
**Last 10 Fiscal Years\***

| Year Ended<br>June 30, | (a)<br>Contractually<br>required<br>contribution | (b)<br>Contributions in<br>relation to the<br>contractually<br>required<br>contribution | (a-b)<br>Contribution<br>deficiency<br>(excess) | (c)<br>Employer's<br>covered payroll | (b/c)<br>Contributions as<br>a percent of<br>covered payroll |
|------------------------|--|---|---|--------------------------------------|--|
| 2025                   | \$ 386,554                                       | \$ 386,554  | \$ -  | \$ 1,480,027                         | 26.12%   |
| 2024                   | 454,340  | 454,340   | -   | 1,395,783                            | 32.55%   |
| 2023                   | 312,532  | 312,532   | -   | 978,356                              | 31.94%   |
| 2022                   | 267,731  | 267,731   | -   | 778,412                              | 34.39%   |
| 2021                   | 224,009  | 224,009   | -   | 517,334                              | 43.30%   |
| 2020                   | 364,096  | 364,096   | -   | 1,122,255                            | 32.44%   |
| 2019                   | 201,379  | 201,379   | -   | 669,618                              | 30.07%   |
| 2018                   | 183,826  | 183,826   | -   | 665,063                              | 27.64%   |
| 2017                   | 165,482  | 165,482   | -   | 688,889                              | 24.02%   |
| 2016                   | 144,848  | 144,848   | -   | 602,355                              | 24.05%   |

\*This schedule is presented to illustrate the requirement to show information for 10 years.

**THE LIGHTHOUSE SCHOOL**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE**  
**NET OPEB LIABILITY**  
**OPEB RHIA**  
**Last 10 Fiscal Years\***

| Fiscal Year<br>Ended June<br>30, <sup>1</sup> | Measurement<br>Date | (a)<br>Employer's<br>proportion of the<br>net pension<br>liability (asset) | (b)<br>Employer's<br>proportionate<br>share of the net<br>pension liability<br>(asset) | (c)<br>Employer's<br>covered<br>payroll as of<br>Measurement<br>Date | (b/c)<br>Employer's<br>proportionate<br>share of the net<br>pension liability<br>(asset) as a<br>percentage of its<br>covered payroll | Plan fiduciary<br>net position as a<br>percentage of<br>the total pension<br>liability |
|---|---------------------|--|--|--|---|--|
| 2025  | June 30, 2024       | 0.00737102%  | \$ (29,772)  | \$ 1,395,783   | -2.13%  | 220.6%   |
| 2024  | June 30, 2023       | 0.00357452%  | (13,089)   | 978,356  | -1.34%  | 201.6%   |
| 2023  | June 30, 2022       | 0.00234572%  | (8,335)  | 778,412  | -1.07%  | 194.6%   |
| 2022  | June 30, 2021       | 0.00191033%  | (6,560)  | 517,334  | -1.27%  | 183.9%   |
| 2021  | June 30, 2020       | 0.01939537%  | (39,520)   | 1,122,255  | -3.52%  | 150.1%   |
| 2020  | June 30, 2019       | 0.00734561%  | (14,194)   | 669,618  | -2.12%  | 144.4%   |
| 2019  | June 30, 2018       | 0.00610899%  | (6,819)  | 665,063  | -1.03%  | 124.0%   |
| 2018  | June 30, 2017       | 0.00662681%  | (2,766)  | 688,889  | -0.40%  | 108.9%   |
| 2017  | June 30, 2016       | 0.00654255%  | 1,777  | 602,355  | 0.30%   | 94.2%  |

<sup>1</sup>Measurement date is one year in arrears.

\*This schedule is presented to illustrate the requirement to show information for 10 years.

The full 10-year trend will be presented for those years for which information is available

**THE LIGHTHOUSE SCHOOL**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB RHIA**  
**Last 10 Fiscal Years\***

| Year<br>Ended<br>June 30, | (a)<br>Contractually<br>required<br>contribution | (b)<br>Contributions in<br>relation to the<br>contractually<br>required<br>contribution | (a-b)<br>Contribution<br>deficiency<br>(excess) | (c)<br>Employer's<br>covered payroll | (b/c)<br>Contributions as<br>a percent of<br>covered payroll |
|---------------------------|--|---|---|--------------------------------------|--|
| 2025                      | \$ 92  | \$ 92   | \$ -  | \$ 1,480,027                         | 0.01%  |
| 2024                      | 4  | 4   | -   | 1,395,783                            | 0.00%  |
| 2023                      | 70   | 70  | -   | 978,356                              | 0.01%  |
| 2022                      | 58   | 58  | -   | 778,412                              | 0.01%  |
| 2021                      | 51   | 51  | -   | 517,334                              | 0.01%  |
| 2020                      | 1,385  | 1,385   | -   | 1,122,255                            | 0.12%  |
| 2019                      | 3,641  | 3,641   | -   | 669,618                              | 0.54%  |
| 2018                      | 2,958  | 2,958   | -   | 665,063                              | 0.44%  |
| 2017                      | 3,185  | 3,185   | -   | 688,889                              | 0.46%  |

\*This schedule is presented to illustrate the requirement to show information for 10 years.

The full 10-year trend will be presented for those years for which information is available

**REPORT ON LEGAL**  
**AND OTHER**  
**REGULATORY REQUIREMENTS**

**THE LIGHTHOUSE SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

**As of June 30, 2025**

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To the Governing Body of the Lighthouse School

We have audited the basic financial statements of the Lighthouse School as of and for the year ended June 30, 2024, and have issued our report thereon dated November 14, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Lighthouse School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing, nothing came to our attention that caused us to believe the School was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures. We expressed our opinion on the financial statements, but not on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of The Lighthouse School and the Oregon Secretary of State. It is not intended to be and should not be used by anyone other than these parties.



Ashraf Lakhani Farishta, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
November 14, 2025