

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024

**LODESTAR FACILITIES, LLC
LIGHTHOUSE FACILITIES, LLC**

CHARTER SCHOOLS:

LIGHTHOUSE COMMUNITY CHARTER SCHOOL - 0413

LIGHTHOUSE COMMUNITY CHARTER HIGH SCHOOL - 0700

LODESTAR: A LIGHTHOUSE COMMUNITY PUBLIC SCHOOL - 1783

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF ACTIVITIES	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
SCHEDULE OF INSTRUCTIONAL TIME	17
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)	18
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	20
NOTES TO SUPPLEMENTARY INFORMATION	21
OTHER INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	23
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	24
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	26
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE	29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	34
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	39

INDEPENDENT AUDITORS' REPORT

Board of Directors
Lighthouse Community Public Schools
Oakland, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Lighthouse Community Public Schools (the School), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lighthouse Community Public Schools 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 opinion.

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 School's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole. The LCCS, LCCHS, Lodestar, CMO, Lodestar Facilities, LLC, Lighthouse Facilities, Inc., and Eliminations columns in the consolidated statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents), and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the local education agency organization structure but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated REPORT DATE on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

	LCCS	LCCHS	Lodestar	CMO	Lodestar Facilities, LLC	Lighthouse Facilities, LLC	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 2,319,742	\$ 1,487,837	\$ 2,162,070	\$ 1,408,414	\$ 3,850,802	\$ 1,000	\$ -	\$ 11,229,865
Accounts Receivable - Federal and State	2,512,100	1,064,419	1,913,514	-	-	-	-	5,490,033
Accounts Receivable - Other	24,629	7,295	17,601	74,077	-	-	-	123,602
Contributions Receivable	-	-	-	662,854	-	-	-	662,854
Intracompany Receivable	118,149	1,312,443	960,413	1,928,383	-	-	(4,319,388)	-
Prepaid Expenses and Other Assets	257,976	181,745	282,134	163,206	49,364	-	(431,846)	502,579
Total Current Assets	5,232,596	4,053,739	5,335,732	4,236,934	3,900,166	1,000	(4,751,234)	18,008,933
LONG-TERM ASSETS								
Restricted Cash and Cash Equivalents	-	-	-	-	1,976,864	-	-	1,976,864
Property, Plant, and Equipment, Net	1,792,971	1,058,705	2,380,716	-	21,228,563	-	-	26,460,955
Operating Right-of-Use Asset, Net	31,867,987	17,925,742	40,695,986	209,317	-	56,370,449	(90,489,715)	56,579,766
Other Long-Term Assets	-	-	68,400	4,683	-	-	-	73,083
Investment in Subsidiaries	-	-	-	(1,206,567)	-	-	1,206,567	-
Total Long-Term Assets	33,660,958	18,984,447	43,145,102	(992,567)	23,205,427	56,370,449	(89,283,148)	85,090,668
Total Assets	<u>\$ 38,893,554</u>	<u>\$ 23,038,186</u>	<u>\$ 48,480,834</u>	<u>\$ 3,244,367</u>	<u>\$ 27,105,593</u>	<u>\$ 56,371,449</u>	<u>\$ (94,034,382)</u>	<u>\$ 103,099,601</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ 478,589	\$ 312,523	\$ 872,629	\$ 380,878	\$ 1,000	\$ 1,000	\$ -	\$ 2,046,619
Deferred Revenue	3,635,873	520,049	1,387,208	180,065	497,311	-	(431,846)	5,788,660
Operating Lease Liability, Current	1,275,817	717,647	1,558,821	98,986	-	1,993,464	(3,552,285)	2,092,450
Intracompany Payable	223,517	977,381	1,806,047	1,312,443	-	-	(4,319,388)	-
Total Current Liabilities	5,613,796	2,527,600	5,624,705	1,972,372	498,311	1,994,464	(8,303,519)	9,927,729
LONG-TERM LIABILITIES								
Operating Lease Liability, Net of Current	30,592,170	17,208,095	38,787,281	112,768	-	54,495,931	(86,587,546)	54,608,699
Deferred Rent	-	-	-	-	349,884	-	(349,884)	-
Bank Loan Enhancement Program	-	-	-	-	1,927,206	-	-	1,927,206
Bonds Payable, Net of Current	-	-	-	-	25,417,813	-	-	25,417,813
Total Long-Term Liabilities	30,592,170	17,208,095	38,787,281	112,768	27,694,903	54,495,931	(86,937,430)	81,953,718
Total Liabilities	36,205,966	19,735,695	44,411,986	2,085,140	28,193,214	56,490,395	(95,240,949)	91,881,447
NET ASSETS								
Without Donor Restrictions	2,687,588	3,302,491	4,049,038	1,134,227	(1,087,621)	(118,946)	1,206,567	11,173,344
With Donor Restrictions	-	-	19,810	25,000	-	-	-	44,810
Total Net Assets	2,687,588	3,302,491	4,068,848	1,159,227	(1,087,621)	(118,946)	1,206,567	11,218,154
Total Liabilities and Net Assets	<u>\$ 38,893,554</u>	<u>\$ 23,038,186</u>	<u>\$ 48,480,834</u>	<u>\$ 3,244,367</u>	<u>\$ 27,105,593</u>	<u>\$ 56,371,449</u>	<u>\$ (94,034,382)</u>	<u>\$ 103,099,601</u>

See accompanying Notes to Financial Statements.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	LCCS	LCCHS	Lodestar	CMO	Lodestar Facilities, LLC	Lighthouse Facilities, LLC	Eliminations	Total
REVENUES WITHOUT DONOR RESTRICTIONS								
State Revenue:								
State Aid	\$ 5,242,130	\$ 3,459,619	\$ 7,375,013	\$ -	\$ -	\$ -	\$ -	\$ 16,076,762
Other State Revenue	3,512,782	1,707,496	4,077,407	257,519	-	-	-	9,555,204
Federal Revenue:								
Grants and Entitlements	1,147,732	600,590	1,154,624	-	-	-	-	2,902,946
Local Revenue:								
In-Lieu Property Tax Revenue	1,845,371	980,484	2,425,535	-	-	-	-	5,251,390
Contributions	640,000	360,000	2,325	1,673,382	-	-	-	2,675,707
Investment Income	-	-	-	30,450	197,084	-	-	227,534
CMO Fee Revenue	-	-	-	2,184,215	-	-	(2,184,215)	-
Rental Income	-	-	-	-	1,323,770	1,993,464	(3,317,234)	-
Local Government Grants	227,612	298,958	402,031	-	-	-	-	928,601
Other Revenue	5,129	570	193	228,543	-	-	-	234,435
Loss from Ownership in Subsidiaries	-	-	-	(840,747)	-	-	840,747	-
Net Assets Released from Restrictions	38,757	-	-	-	-	-	-	38,757
Total Revenues Without Donor Restrictions	<u>12,659,513</u>	<u>7,407,717</u>	<u>15,437,128</u>	<u>3,533,362</u>	<u>1,520,854</u>	<u>1,993,464</u>	<u>(4,660,702)</u>	<u>37,891,336</u>
EXPENSES								
Program Services	12,165,513	7,671,962	15,044,692	2,173,653	2,363,351	1,991,714	(5,501,449)	35,909,436
Management and General	27,586	15,627	37,294	1,861,859	-	-	-	1,942,366
Fundraising	-	-	-	210,096	-	-	-	210,096
Total Expenses	<u>12,193,099</u>	<u>7,687,589</u>	<u>15,081,986</u>	<u>4,245,608</u>	<u>2,363,351</u>	<u>1,991,714</u>	<u>(5,501,449)</u>	<u>38,061,898</u>
OTHER INCOME (EXPENSE)								
Intercompany Transfers	1,313,381	750,502	1,688,632	(3,752,515)	-	-	-	-
Total Other Income (Expense)	<u>1,313,381</u>	<u>750,502</u>	<u>1,688,632</u>	<u>(3,752,515)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS								
	1,779,795	470,630	2,043,774	(4,464,761)	(842,497)	1,750	840,747	(170,562)
NET ASSETS WITH DONOR RESTRICTIONS								
Net Assets Released from Restrictions	<u>(38,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,757)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS								
	<u>(38,757)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,757)</u>
CHANGE IN TOTAL NET ASSETS								
	1,741,038	470,630	2,043,774	(4,464,761)	(842,497)	1,750	840,747	(209,319)
Net Assets - Beginning of Year	<u>946,550</u>	<u>2,831,861</u>	<u>2,025,074</u>	<u>5,623,988</u>	<u>(245,124)</u>	<u>(120,696)</u>	<u>365,820</u>	<u>11,427,473</u>
NET ASSETS - END OF YEAR	<u>\$ 2,687,588</u>	<u>\$ 3,302,491</u>	<u>\$ 4,068,848</u>	<u>\$ 1,159,227</u>	<u>\$ (1,087,621)</u>	<u>\$ (118,946)</u>	<u>\$ 1,206,567</u>	<u>\$ 11,218,154</u>

See accompanying Notes to Financial Statements.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	LCCS	LCCHS	Lodestar	CMO	Lodestar Facilities, LLC	Lighthouse Facilities, LLC	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in Net Assets	\$ 1,741,038	\$ 470,630	\$ 2,043,774	\$ (4,464,761)	\$ (842,497)	\$ 1,750	\$ 840,747	\$ (209,319)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:								
Depreciation	281,633	172,411	324,553	-	552,587	-	-	1,331,184
Amortization	-	-	-	-	54,527	-	-	54,527
Change in Investment in Subsidiaries	-	-	-	840,747	-	-	(840,747)	-
Transfer of Property, Plant, and Equipment	(1,523,258)	(870,432)	(1,958,472)	4,352,162	-	-	-	-
Change in Operating Assets:								
Accounts Receivable - Federal and State	(1,217,326)	(66,243)	(455,684)	-	-	-	-	(1,739,253)
Accounts Receivable - Other	(12,144)	(2,383)	(17,117)	156,279	-	-	-	124,635
Contributions Receivable	-	-	-	(662,854)	-	-	-	(662,854)
Intracompany Receivable	106,420	82,740	(433,857)	(31,433)	-	-	276,130	-
Prepaid Expenses and Other Assets	(65,986)	(70,661)	(53,984)	(123,442)	-	-	116,542	(197,531)
Operating Right-of-Use Asset	283,235	159,320	(40,695,986)	(199,438)	-	236,036	40,253,431	36,598
Change in Operating Liabilities:								
Accounts Payable and Accrued Liabilities	131,266	69,551	421,003	245,807	-	-	-	867,627
Deferred Revenue	935,630	(588,193)	199,681	(228,135)	116,543	-	(116,542)	318,984
Deferred Rent	-	-	-	-	349,884	-	(349,884)	-
Intracompany Payable	(1,091,048)	450,825	854,868	61,485	-	-	(276,130)	-
Operating Lease Liability	(283,235)	(159,320)	40,346,102	201,834	-	(237,786)	(39,903,547)	(35,952)
Net Cash Provided (Used) by Operating Activities	(713,775)	(351,755)	574,881	148,251	231,044	-	-	(111,354)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of Property, Plant, and Equipment	(497,311)	(283,800)	(727,126)	(34,617)	-	-	-	(1,542,854)
Net Cash Used by Investing Activities	(497,311)	(283,800)	(727,126)	(34,617)	-	-	-	(1,542,854)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,211,086)	(635,555)	(152,245)	113,634	231,044	-	-	(1,654,208)
Cash and Cash Equivalents - Beginning of Year	3,530,828	2,123,392	2,314,315	1,294,780	5,596,622	1,000	-	14,860,937
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 2,319,742</u>	<u>\$ 1,487,837</u>	<u>\$ 2,162,070</u>	<u>\$ 1,408,414</u>	<u>\$ 5,827,666</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 13,206,729</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR								
Cash and Cash Equivalents	\$ 2,319,742	\$ 1,487,837	\$ 2,162,070	\$ 1,408,414	\$ 3,850,802	\$ 1,000	\$ -	\$ 11,229,865
Restricted Cash and Cash Equivalents	-	-	-	-	1,976,864	-	-	1,976,864
Total	<u>\$ 2,319,742</u>	<u>\$ 1,487,837</u>	<u>\$ 2,162,070</u>	<u>\$ 1,408,414</u>	<u>\$ 5,827,666</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 13,206,729</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION								
Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,250)</u>	<u>\$ 1,741,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,737,457</u>

See accompanying Notes to Financial Statements.

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Eliminations	Total Expenses
Salaries and Wages	\$ 19,072,252	\$ 467,574	\$ 159,585	\$ -	\$ 19,699,411
Pension Expense	1,525,468	37,414	12,767	-	1,575,649
Other Employee Benefits	2,474,641	56,484	19,274	-	2,550,399
Payroll Taxes	326,639	7,226	2,466	-	336,331
Legal Expenses	-	215,167	-	-	215,167
Accounting Expenses	-	123,566	-	-	123,566
Instructional Materials	1,690,126	-	-	-	1,690,126
CMO Fee Expenses	2,184,215	-	-	(2,184,215)	-
Other Fees for Services	2,111,556	481,821	-	-	2,593,377
Advertising and Promotion Expenses	3,021	-	-	-	3,021
Office Expenses	775,150	40,404	-	-	815,554
Information Technology Expenses	152,540	86,933	-	-	239,473
Occupancy Expenses	6,227,594	133,303	-	(3,317,234)	3,043,663
Travel Expenses	54,825	8,667	-	-	63,492
Conference and Meetings Expenses	-	-	-	-	0
Interest Expense	1,796,234	(4,250)	-	-	1,791,984
Depreciation Expense	1,331,184	-	-	-	1,331,184
Insurance Expense	-	194,579	-	-	194,579
Special Education Encroachment	172,969	-	-	-	172,969
Professional Development	171,735	-	-	-	171,735
District Oversight Fees	212,218	-	-	-	212,218
Other Expenses	1,128,518	93,478	16,004	-	1,238,000
Subtotal	41,410,885	1,942,366	210,096	(5,501,449)	38,061,898
Eliminations	(5,501,449)	-	-	5,501,449	-
Total	<u>\$ 35,909,436</u>	<u>\$ 1,942,366</u>	<u>\$ 210,096</u>	<u>\$ -</u>	<u>\$ 38,061,898</u>

See accompanying Notes to Financial Statements.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Lighthouse Community Public Schools (the School) is a California nonprofit public benefit corporation. The School was approved by the state of California Department of Education on February 5, 2001. The School commenced operations as Lighthouse Community Charter Public Schools during the 2002-2003 fiscal year and changed its name to Lighthouse Community Public Schools in the 2016-2017 fiscal year. Currently, the School serves approximately 1,400 students in Kindergarten through Grade 12.

The School is comprised of the following sites:

- Lighthouse Community Charter School (LCCS)
- Lighthouse Community Charter High School (LCCHS)
- Lodestar: A Lighthouse Community Public School (Lodestar)

The mission of the School is to prepare a diverse, K-12 student population for college and a career of their choice by equipping each student with the skills, knowledge, and habits of mind to become a self-motivated, competent, lifelong learner.

The School is funded principally through state of California public education monies received through the California Department of Education and the Oakland Unified School District.

In July 2022, the School created two subsidiary LLCs called Lodestar Facilities, LLC and Lighthouse Facilities, LLC of which the School is the sole member. The LLCs were created to serve as title holding LLCs to for the benefit of the School.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the School and Lodestar Facilities, LLC and Lighthouse Facilities, LLC. All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

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 amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include certain cash and cash equivalent balances that are maintained according to debt reserve requirements.

Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2024. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Contributions Receivable

Unconditional promises to give expected to be received in one year or less are recorded as contributions receivable at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded as contributions receivable at fair market value at the date of the promise.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased, or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the School is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the School. The entire compensated absences liability is reported on the statement of financial position. Eleven-month employees are allocated seven days per year for compensated absences, and 12-month employees are allocated eight days. Employees can carry over up to three accrued days into the following year.

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2024, the School has conditional grants of \$11,610,946 of which \$5,723,195 is recognized as Deferred Revenue in the statement of financial position.

Income Taxes

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files exempt organization returns in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Allocations Among Charter Schools

For the year ended June 30, 2024, the School has chosen to identify each charter school separately within the basic financial statements. In cases where specific-identification of each charter's activities was not possible between LCCS and LCCHS, items were allocated based on ADA at 64% and 36% for each site, respectively. In cases where specific identification of each charter's activities was not possible between LCCS, LCCHS, and Lodestar, items were allocated based on ADA at 35%, 20%, and 45%, respectively.

Leases

The School leases certain office space and facilities. The School determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the statement of financial position.

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the School uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The School has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

In evaluating contracts to determine if they qualify as a lease, the School considers factors such as if the School has obtained substantially all of the rights to the underlying asset through exclusivity, if the School can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the School has elected to use a risk-free rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Evaluation of Subsequent Events

The School has evaluated subsequent events through REPORT DATE, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures were comprised of the following as of June 30, 2024:

Cash and Cash Equivalents	\$ 11,229,865
Accounts Receivable - Federal and State	5,490,033
Accounts Receivable - Other	123,602
Contributions Receivable	662,854
Less: Net Assets With Donor Restrictions	(44,810)
Financial Assets Available for General Expenditure	<u><u>\$ 17,461,544</u></u>

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School maintains cash balances held in banks and revolving funds, which are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At times, cash in these accounts exceeds the maximum insured amount. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements is presented net of accumulated depreciation. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000. Depreciation expense for the year ended June 30, 2024 was \$1,331,184.

Property, plant, and equipment as of June 30, 2024 are as follows:

Buildings and Improvements	\$ 28,611,818
Construction in Progress	1,542,853
Furniture, Fixtures, and Equipment	799,504
Less: Accumulated Depreciation	<u>(4,493,220)</u>
Total Property, Plant, and Equipment	<u><u>\$ 26,460,955</u></u>

NOTE 5 EMPLOYEE RETIREMENT

The School has a 403(b) defined contribution plan for those employees who meet the eligibility criteria set forth in the plan. The School matches employee contributions based upon criteria set forth in the plan up to 8% of compensation. Contributions to the plan for the year ended June 30, 2024 totaled \$1,575,649.

NOTE 6 NET ASSETS

As of June 30, 2024, the School's net assets consisted of the following:

Net Assets Without Donor Restrictions	
Undesignated	\$ 11,173,344
Total Net Assets Without Donor Restrictions	<u><u>\$ 11,173,344</u></u>
Net Assets With Donor Restrictions	
Purpose Restrictions:	
Lynn & Len Epstein	\$ 25,000
Educate 78	<u>19,810</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 44,810</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30:

Release of Restrictions	
Subject to Specific Purpose	
MTSS (SUMS)	\$ 38,757
Total Release of Restrictions	<u><u>\$ 38,757</u></u>

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 CONTRIBUTIONS RECEIVABLE

Unconditional promises to give expected to be received in one year or less are recorded as contributions receivable at net realizable value, which approximates fair market value. At June 30, 2024, the School had contributions receivable expected to be received in the following periods:

In One Year or Less	\$ 662,854
Between One and Five Years	-
Total Gross Contributions Receivable	<u>662,854</u>
Less: Discount and Allowance on Pledges Receivable	-
Net Contributions Receivable	<u><u>\$ 662,854</u></u>

NOTE 8 BONDS PAYABLE

On November 1, 2022, the LLCs obtained bond financing from the California School Finance Authority in the amount of \$26,865,000 (Series 2022A and Series 2022B bonds) to finance costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and equipping of certain charter school educational facilities. The bonds carry interest rates that vary from 6.25% to 7.50% and maturity dates from June 2042 to June 2062.

Future maturities of bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ -
2026	185,000
2027	195,000
2028	210,000
2029	225,000
Thereafter	<u>26,050,000</u>
Subtotal	26,865,000
Cost of Issuance and Discounts	<u>(1,447,187)</u>
Total	<u><u>\$ 25,417,813</u></u>

NOTE 9 BANK LOAN ENHANCEMENT PROGRAM

The School obtained bond reserve funding through the bank loan enhancement program in the amount of \$1,927,206. The bank loan enhancement program is funded by a federal award from the U.S. Department of Education to the California School Finance Authority (CSFA) to fund credit enhancement for financings of charter school facilities. The funds were deposited with the trustee and are to be used by the trustee only if the School does not have any other legally available funds for debt service. The funds are to be returned to the CSFA by the trustee upon refinance or maturity of the bonds. There were no amounts used from this program during the year ended June 30, 2024.

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 LEASES

The School leases certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2092. Additionally, the agreements generally require the School to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the School's lease for the year ended June 30, 2024:

	Amount
Lease Costs	
Operating Lease Costs	\$ 2,074,631
Total Lease Costs	<u>\$ 2,074,631</u>
Other Information:	
Operating Cash Flows from Operating Leases	2,073,944
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	-
Weighted-Average Remaining Lease Term - Operating Leases	68 Years
Weighted-Average Discount Rate - Operating	3.11%

The School classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	Operating Leases
2025	\$ 2,092,450
2026	2,095,422
2027	2,010,540
2028	1,993,464
2029	1,993,464
Thereafter	<u>125,588,232</u>
Total Lease Payments	135,773,572
Less: Imputed Interest	<u>(79,072,423)</u>
Present Value of Lease Liabilities	<u>\$ 56,701,149</u>

NOTE 11 CONTINGENCIES, RISKS, AND UNCERTAINTIES

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

SUPPLEMENTARY INFORMATION

Tentative - For Discussion Purposes Only; Subject to Revision

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2024**

	Instructional Minutes		Traditional Calendar	Status
	Requirement	Actual	Days	
LCCS:				
Kindergarten	36,000	59,564	177	In compliance
Grade 1	50,400	59,476	177	In compliance
Grade 2	50,400	59,476	177	In compliance
Grade 3	50,400	59,476	177	In compliance
Grade 4	54,000	59,476	177	In compliance
Grade 5	54,000	59,476	177	In compliance
Grade 6	54,000	59,476	177	In compliance
Grade 7	54,000	64,595	177	In compliance
Grade 8	54,000	64,595	177	In compliance
LCCHS:				
Grade 9	64,800	66,935	177	In compliance
Grade 10	64,800	66,935	177	In compliance
Grade 11	64,800	66,935	177	In compliance
Grade 12	64,800	66,935	177	In compliance
Lodestar:				
Kindergarten	36,000	63,900	177	In compliance
Grade 1	50,400	63,520	177	In compliance
Grade 2	50,400	63,520	177	In compliance
Grade 3	50,400	63,520	177	In compliance
Grade 4	54,000	63,520	177	In compliance
Grade 5	54,000	63,520	177	In compliance
Grade 6	54,000	63,520	177	In compliance
Grade 7	54,000	66,365	177	In compliance
Grade 8	54,000	66,365	177	In compliance
Grade 9	64,800	66,240	177	In compliance
Grade 10	64,800	66,240	177	In compliance
Grade 11	64,800	66,240	177	In compliance
Grade 12	64,800	66,240	177	In compliance

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
YEAR ENDED JUNE 30, 2024**

	Second Period Report		Audit Adjustments		Second Period Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
LCCS:						
Grades TK/K-3	189.69	189.69	-	-	189.69	189.69
Grades 4-6	162.86	162.86	-	-	162.86	162.86
Grades 7-8	146.64	146.64	-	-	146.64	146.64
Totals	499.19	499.19	-	-	499.19	499.19
LCCHS:						
Grades 9-12	265.23	265.23	-	-	265.23	265.23
Totals	265.23	265.23	-	-	265.23	265.23
Lodestar:						
Grades TK/K-3	164.20	164.20	-	-	164.20	164.20
Grades 4-6	163.60	163.60	-	-	163.60	163.60
Grades 7-8	132.56	132.56	-	-	132.56	132.56
Grades 9-11	195.77	195.77	-	-	195.77	195.77
Totals	656.13	656.13	-	-	656.13	656.13
ADA Totals	1,420.55	1,420.55	-	-	1,420.55	1,420.55
	Annual Report		Audit Adjustments		Annual Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
LCCS:						
Grades TK/K-3	193.30	193.30	(3.84)	(3.84)	189.46	189.46
Grades 4-6	164.90	164.90	(2.91)	(2.91)	161.99	161.99
Grades 7-8	150.57	150.57	(4.35)	(4.35)	146.22	146.22
Totals	508.77	508.77	(11.10)	(11.10)	497.67	497.67
LCCHS:						
Grades 9-12	264.40	264.40	-	-	264.40	264.40
Totals	264.40	264.40	-	-	264.40	264.40
Lodestar:						
Grades TK/K-3	164.51	164.51	-	-	164.51	164.51
Grades 4-6	164.78	164.78	-	-	164.78	164.78
Grades 7-8	132.08	132.08	-	-	132.08	132.08
Grades 9-11	196.03	196.03	-	-	196.03	196.03
Totals	657.40	657.40	-	-	657.40	657.40
ADA Totals	1,430.57	1,430.57	(11.10)	(11.10)	1,419.47	1,419.47

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

	<u>LCCS</u>	<u>LCCHS</u>	<u>Lodestar</u>
June 30, 2024 Annual Financial Report Fund Balances (Net Assets)	\$ 1,318,279	\$ 2,597,949	\$ 2,062,929
Adjustments and Reclassifications:			
Increase (Decrease) of Fund Balance (Net Assets):			
Accounts Receivable	(233,148)	1,451,140	129,919
Operating Right-of-Use Asset, Net	(283,235)	(159,320)	40,695,986
Prepaid Expenses and Other Assets	-	(930,112)	-
Property, Plant, and Equipment, Net	1,353,889	773,648	1,740,714
Operating Lease Liability	-	-	(40,346,102)
Deferred Revenue	470,601	410,391	233,660
Accounts Payable and Accrued Liabilities	61,202	(841,205)	(448,258)
Net Adjustments and Reclassifications	<u>1,369,309</u>	<u>704,542</u>	<u>2,005,919</u>
June 30, 2024 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 2,687,588</u>	<u>\$ 3,302,491</u>	<u>\$ 4,068,848</u>

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Identification	LCCS	LCCHS	Lodestar	Total Federal Expenditures
U.S. Department of Education							
Pass-Through Program from California Department of Education:							
Every Child Succeeds Act:							
Title I, Part A, Basic Grants - Low-Income and Neglected	84.010	14329		\$ 129,657	\$ 87,777	\$ 211,779	\$ 429,213
Title II, Part A, Teacher Quality	84.367	14341		24,916	1,667	669	27,252
Title III, Limited English Proficient Student Program	84.365	14346		34,059	3,723	-	37,782
Title IV, Part B, 21st Century Community Learning Centers (CCLC) - High School ASSETs	84.287	14941		-	110,009	-	110,009
Bipartisan Safer Communities Act - Stronger Connections Grant	84.424F	15710		49,025	70,228	143,578	262,831
Special Education Cluster: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379		87,453	49,353	114,461	251,267
Total Special Education Cluster				87,453	49,353	114,461	251,267
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):							
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	COVID-19	8,942	18,015	4,526	31,483
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	COVID-19	199,915	(56,364)	(63,717)	79,834
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	COVID-19	126,673	77,506	152,755	356,934
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	COVID-19	34,145	23,141	24,306	81,592
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	COVID-19	58,595	39,711	73,259	171,565
After School Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer Learning Programs	84.425	15652	COVID-19	70,940	29,708	94,352	195,000
21st Century Community Learning Centers (CCLC) Rate Increase: ESSER III State Reserve Afterschool Programs	84.425	15651	COVID-19	70,940	29,708	94,352	195,000
Total Coronavirus Aid, Relief, and Economic Security Act (CARES Act)				570,150	161,425	379,833	1,111,408
Total U.S. Department of Education				895,260	484,182	850,320	2,229,762
U.S. Department of Agriculture							
Pass-Through Program from California Department of Education:							
Child Nutrition Cluster:							
Breakfast Program Severe Need	10.553	13526		55,136	31,055	81,183	167,374
National School Lunch Program	10.555	13396		126,244	71,107	185,880	383,231
Meal Supplements	10.555	13755		25,292	14,246	37,241	76,779
Supply Chain Assistance Funds	10.555	15655		45,800	-	-	45,800
Total Child Nutrition Cluster				252,472	116,408	304,304	673,184
Total U.S. Department of Agriculture				252,472	116,408	304,304	673,184
Total Federal Expenditures				\$ 1,147,732	\$ 600,590	\$ 1,154,624	\$ 2,902,946

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of California Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the School, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the School. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 5 INDIRECT COST RATE

The School has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

OTHER INFORMATION

Tentative - For Discussion Purposes Only; Subject to Revision

LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

Lighthouse Community Public Schools (the School) is a nonprofit public benefit corporation and operates three charter schools approved by the Oakland Unified School District, established in 2001, 2005, and 2016:

The charter school number for Lighthouse Community Charter School is 413.

The charter school number for Lighthouse Community Charter High School is 700.

The charter school number for Lodestar: A Lighthouse Community Charter Public School is 1783.

The Board of Directors and the Administrators as of the year ended June 30, 2024 were as follows:

BOARD OF DIRECTORS

Member	Office	Term Expires (Term)
Robbie Torney	Board Chair	June 2026 (3 Years)
Mark Milner	Treasurer	June 2024 (3 Years)
Eduardo Figueroa	Secretary	June 2026 (3 Years)
Melissa Barnes-Dholakia	Director	June 2024 (3 Years)
Brandon Wall	Director	June 2024 (3 Years)
Alberto Ocegueda	Director	June 2024 (3 Years)
Alicia Moore	Director	June 2024 (3 Years)
Anique Enright	Director	June 2024 (3 Years)
Jumoke Hinton	Director	June 2024 (3 Years)
Kimi Kean	Director	June 2024 (2 Years)

ADMINISTRATORS

Rich Harrison	Chief Executive Officer
Tina Hernandez	Chief Academic Officer
Anna Martin	Chief Operating Officer
Megan Bacigalupi	Chief Of Staff
Linda Wu	Sr. Director of Finance

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Lighthouse Community Public Schools
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Lighthouse Community Public Schools (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-002.

The School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

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

Board of Directors
Lighthouse Community Public Schools
Oakland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors
Lighthouse Community Public Schools
Oakland, California

Report on Compliance

Opinion on State Compliance

We have audited Lighthouse Community Public Schools's (the School) compliance with the types of compliance requirements applicable to the School described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2024. The School's applicable State compliance requirements are identified in the table below.

Qualified Opinion on Expanded Learning Opportunities Program (ELOP)

In our opinion, except for the noncompliance described in the Basis of Qualified and Unmodified Opinions section of our report, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other State Compliance Requirements

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion

As described in the accompanying schedule of findings and questioned costs, the School did not comply with requirements regarding Expanded Learning Opportunities Program as described in finding number 2024-002. Compliance with such requirements is necessary, in our opinion, for the School to comply with the requirements applicable to the program.

Responsibilities of Management for Compliance

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

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable ¹
Immunizations	Not Applicable ²
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Yes
Expanded Learning Opportunities Program (ELOP)	Yes
Transitional Kindergarten	Not Applicable ³
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable ⁴
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable ⁵
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable¹: The School did not report ADA pursuant to Education Code section 51749.5.

Not Applicable²: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable³: The School did not report ADA for the audit year for transitional kindergarten.

Not Applicable⁴: The School did not report ADA to the CDE as generated through nonclassroom-based instruction (independent study).

Not Applicable⁵: The School did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

Other Matters

The results of our audit procedures disclosed instances of noncompliance, which are required to be reported in accordance with *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and which are described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004. Our opinion on each state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-004 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors
Lighthouse Community Public Schools

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

Tentative - For Discussion Purposes Only; Subject to Revision

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? x yes no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D	Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve
84.425U	Elementary and Secondary School Emergency Relief III Fund
84.425U	Elementary and Secondary School Emergency Relief III Fund: Learning Loss
84.425U	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs
84.425U	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss
84.425	ASES Rate Increase: ESSER III, 21 st Century Community Learning Centers (CCLC) Rate Increase: ESSER III

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors’ Results (Continued)

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Section II – Financial Statement Findings

2024-001 Internal Controls Relating to Closing Process **30000**

Type of Finding: Material weakness in internal controls over the closing process.

Criteria: The closing process should include review of financial information and supporting schedules to ensure proper recording of all transactions in accordance with GAAP and all accounts are fully reconciled by year-end.

Condition: During the course of our audit, material adjustments were identified to correct asset accounts, liability accounts and revenue accounts.

Effect: Accounts receivable were overstated by \$539,988, property, plant, and equipment was understated by \$795,538, accounts payable were understated by \$795,538, deferred revenue was overstated by \$990,876 and revenue was understated by \$512,918.

Cause: Staffing shortages.

Repeat finding: This is not a repeat finding.

Recommendation: It is recommended that the School strengthen procedures that include review of reconciliations and accruals to ensure they are in line with GAAP.

View of Responsible Officials and Planned Corrective Actions: A tighter controls and review process will be implemented for future accounting period closes.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – State Compliance

2024-002 Expanded Learning Opportunities Program (ELOP) 40000

Lighthouse Community Charter School (LCCS) #0413

Lodestar: A Lighthouse Community Public School (Lodestar) #1783

Criteria: LEAs are required to provide for at least 30 nonschooldays, no less than nine hours of in person expanded learning opportunities per day pursuant to Education Code (EC) Section 46120(b)(1)(B).

Condition: During testing we noted that LCCS and Lodestar, provided expanded learning opportunities for less than 9 hours per additional nonschoolday during the year ended June 30, 2024. Therefore, the schools did not to meet the 9 hour requirement for the nonschooldays provided during that period.

Effect: LCCS and Lodestar were not in compliance with EC Section 46120(b)(1)(B).

Cause: Oversight in monitoring and approval of schedules for non-schooldays.

Questioned Costs: Pursuant to EC Section 46120(c)(3) the following penalties were calculated:

ELO-P Audit Adjustment - Lighthouse Community Charter (LCCS) #0413		
Calculating the Cost of ELO-P Audit Finding	Instructions	Charter School Data Input and Calculated Fields
LEA Funding Rate	Select Rate 1, Rate 2, or N/A under the applicable column for a school district or a charter school from the LEA's ELO-P P-2 funding exhibit, Line C-4.	Rate 1
ELO-P Entitlement Calculation based on Rate 1 or Rate 2	Enter entitlement amount from the LEA's ELO-P P-2 funding exhibit, Line C-8.	\$923,382
Section B - Days Instructional Days	Section B - Days Enter the number of instructional days	177
ELO-P offered on instructional days totaling 9 hours [EC 46120(b)(1)(A)]	Enter the number of instructional days in which ELO-P was operated to meet the 9 hours requirement pursuant to EC 46120(b)(1)(A) or (C)	177
Required Intersession ELO-P days	Preload	30
Actual ELO-P intersession days totaling 9 hours	Enter the number of actual ELO-P intersession days totaling 9 hours pursuant to EC 46120(b)(1)(B) or (C)	-
ELO-P days short	Calculated field	30
Penalty Factor	Preload [EC 46120(c)(3)]	0.0049
Penalty Calculation	Calculated field	\$135,737
Total Penalty Total penalty	Calculated field	\$135,737

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section IV – Findings and Questioned Costs – State Compliance (Continued)

2024-002 Expanded Learning Opportunities Program (ELOP)(Continued)

40000

ELO-P Audit Adjustment - Lodestar: A Lighthouse Community Charter #1783		
Calculating the Cost of ELO-P Audit Finding	Instructions	Charter School Data Input and Calculated Fields
LEA Funding Rate	Select Rate 1, Rate 2, or N/A under the applicable column for a school district or a charter school from the LEA's ELO-P P-2 funding exhibit, Line C-4.	Rate 1
ELO-P Entitlement Calculation based on Rate 1 or Rate 2	Enter entitlement amount from the LEA's ELO-P P-2 funding exhibit, Line C-8.	\$827,090
Section B - Days Instructional Days	Section B - Days Enter the number of instructional days	177
ELO-P offered on instructional days totaling 9 hours [EC 46120(b)(1)(A)]	Enter the number of instructional days in which ELO-P was operated to meet the 9 hours requirement pursuant to EC 46120(b)(1)(A) or (C)	177
Required Intersession ELO-P days	Preload	30
Actual ELO-P intersession days totaling 9 hours	Enter the number of actual ELO-P intersession days totaling 9 hours pursuant to EC 46120(b)(1)(B) or (C)	-
ELO-P days short	Calculated field	30
Penalty Factor	Preload [EC 46120(c)(3)]	0.0049
Penalty Calculation	Calculated field	\$121,582
Total Penalty Total penalty	Calculated field	\$121,582

Repeat finding: This is not a repeat finding.

Recommendation: It is recommended that the School add or improve procedures to ensure compliance with state funded programs are met.

Corrective Action Plan: Management has developed additional monitoring processes to ensure that the operations for expanded learning programs meet program requirements.

2024-003 Expanded Learning Opportunities Program (ELOP)

40000

Lighthouse Community Charter School (LCCS) #0413

Lodestar: A Lighthouse Community Public School (Lodestar) #1783

Criteria: Pursuant to EC Section 46120(b)(2)(D) if the program served kindergarten pupils, it is required to maintained a pupil-to-staff member ratio of no more than 10 to 1 and all other grades are required to maintain a pupil-to-staff member ratio of no more than 20 to 1.

Condition: The pupil to staff ratio did not met the requirements per EC 46120(b)(2)(D). For LCCS the pupil to staff ratio was met for only Grade 1 and Grade 4. Grades K, 3, 5, and 6 exceeded the ratio requirement. For Lodestar, all grades in K - 6th grade did not meet the pupil to staff ratio requirements.

Effect: LCCS and Lodestar were not in compliance with EC Section 46120(b)(2)(D).

Cause: Staffing constraints for ELOP program.

Questioned Costs: None.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section IV – Findings and Questioned Costs – State Compliance (Continued)

2024-003 Expanded Learning Opportunities Program (ELOP)(Continued) 40000

Repeat finding: This is not a repeat finding.

Recommendation: It is recommended that the School add or improve procedures to ensure compliance with state funded programs are met.

Corrective Action Plan: Management has developed additional monitoring processes to ensure that the operations for expanded learning programs meet program requirements.

2024-004 Attendance 10000

Lighthouse Community Charter School (LCCS) #0413

Criteria: Per the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel the annual reports of attendance submitted to the CDE must be supported by written contemporaneous records that document all pupil attendance included in the charter school's ADA calculations, by tracing the ADA numbers from the annual reports of attendance through any documentation used by the charter school to summarize attendance, to written contemporaneous data origination documents.

Condition: During attendance testing, we noted the 2023-2024 annual attendance report submitted to the CDE for LCCS contained clerical errors resulting in the over reporting of 11.10 ADA.

Effect: LCCS over reported 11.10 ADA on its annual attendance report as follows: 3.84 in grades K-3, 2.91 in grades 4-6, and 4.35 in grades 7-8.

Cause: Clerical error.

Questioned Costs: Decrease in principal apportionment of \$157,179.48.

Repeat finding: This is not a repeat finding.

Recommendation: It is recommended that LCCS revise its annual attendance report as soon as the School is able.

Corrective Action Plan: The School will correct the reporting in accordance with the correction reporting window.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

2023-001 FEDERAL REPORTING 50000

Federal Agency: U.S. Department of Education

Federal Program Title: Elementary and Secondary School Emergency Relief III Fund
and Elementary and Secondary School Emergency Relief III Fund: Learning Loss

FAL Number: 84.425U

Pass-Through Agency: California Department of Education

Pass-Through Number: 15559, 10155

Type of Finding: Significant Deficiency in Internal Control over Reporting

Lighthouse Community Charter High School – 700 (LCCHS)

Lodestar: A Lighthouse Community Charter Public School – 1783 (Lodestar)

Criteria or specific requirement: Per 2 CFR Part 200, Appendix XI, Compliance Supplement LEAs are required to report annual performance data to its SEA which included expenditure category and object codes for the period of 7/1/21 – 6/30/22.

Condition: During review of 6 ESSER program annual performance reports that were sampled, it was noted that 2 of reports inaccurately reported expenditures for the reporting period ending June 30, 2022.

Status: Implemented.

2023-003 FEDERAL PROCUREMENT 50000

Federal Agency: U.S. Department of Agriculture

Federal Program Title: Child Nutrition Cluster

FAL Number: 10.553, 10.555

Pass-Through Agency: California Department of Education

Pass-Through Number: 13526, 13396, 13755, 15655

Type of Finding: Significant Deficiency in Internal Control over Procurement

Lighthouse Community Charter School – 0413 (LCCS)

Lighthouse Community Charter High School – 700 (LCCHS)

Lodestar: A Lighthouse Community Charter Public School – 1783 (Lodestar)

Criteria or specific requirement: Per 2 CFR Section 200.320 formal procurement methods are required for vendor contracts over \$250,000.

**LIGHTHOUSE COMMUNITY PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

2023-003 FEDERAL PROCUREMENT (Continued)

50000

Condition: During testing of procurement, we noted the School did not follow formal procedures methods required under 2 CFR section 200.320 for a contract with a vendor that resulted in payments totaling \$521,576 during the fiscal year 2022-2023.

Questioned Costs: No questioned costs.

Cause: Bids were obtained in 2019, however, a contract for 2022-2023 was signed without going through the formal bidding process due resource constraints and an increase in unduplicated count and enrollment that shifted the School's focus on support systems for the shift in demographic.

Effect: Noncompliance with 2 CFR Section 200.320.

Repeat Finding: Not a repeat finding.

Recommendation: We recommend the School follow federal procurement methods and establish monitoring procedures to ensure they are completed.

Views of responsible officials and Corrective Action Plan: Management of the School has noted the 2 CFR Section 200.320 to ensure that the procurement requirements are met.

Status: Implemented for fiscal year 2024-2025.

FINDINGS – STATE COMPLIANCE

2023-002 Annual Instructional Minutes – Classroom Based

40000

Lodestar: A Lighthouse Community Charter Public School – 1783 (Lodestar)

Criteria or specific requirement: Pursuant to the provisions of subdivision (a)(1) of Education Code Section 47612.5, the minimum instructional minutes offered for grades K, 1-3, 4-8, and 9-12 should be 36,000, 50,400, 54,000, and 64,800, respectively.

Condition: One teacher at Lodestar that was sampled under mode of instruction testing did not have proper credentials for a portion of the school year. The instructional minutes offered for 9th, 10th, and 11th grade were reduced for the period the teacher did not have the proper credentials. This reduction resulted in pupils within the 9th, 10th, and 11th grade to be offered below the minimum instructional minutes required pursuant to Ed Code 47612.5(a)(1).

Cause: Monitoring of teacher credentials was insufficient to ensure compliance.

Effect: The School was not in compliance with Ed Code 47612.5(a)(1) for 9th, 10th, and 11th grade.

Status: Implemented.