

Great Oaks Career Campuses



Single Audit Reports

June 30, 2018



Dave Yost • Auditor of State

Board of Directors
Great Oaks Institute of Technology & Career Development
3254 East Kemper Road
Cincinnati, Ohio 45241

We have reviewed the *Independent Auditor's Report* of the Great Oaks Institute of Technology & Career Development, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Great Oaks Institute of Technology & Career Development is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 10, 2018

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GREAT OAKS CAREER CAMPUSES

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	3L70	10.553	\$108,946
National School Lunch Program	3L60	10.555	419,399
Total Child Nutrition Cluster			<u>528,345</u>
Total U.S. Department of Agriculture			<u>528,345</u>
U.S. DEPARTMENT OF EDUCATION			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	N/A	84.063	410,796
Federal Direct Student Loans	N/A	84.268	926,559
Total Student Financial Assistance Cluster			<u>1,337,355</u>
Passed Through Ohio Board of Regents:			
Adult Education - Basic Grants to States	ABS1	84.002	1,037,361
Passed Through Ohio Department of Education:			
Career and Technical Education - Basic Grants to States	3L90	84.048	1,900,796
Total U.S Department of Education			<u>4,275,512</u>
Total Federal Assistance			<u><u>\$4,803,857</u></u>

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

GREAT OAKS CAREER CAMPUSES

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of Great Oaks' federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the 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). Great Oaks did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2: FEDERAL DIRECT LOAN PROGRAM

Great Oaks participates in the Federal Direct Loan Program. Great Oaks originates the loans which are then funded through the U.S. Department of Education.

CFDA Number	Program Name	Amount
84.268	Federal Subsidized Loans	\$296,081
84.268	Federal Unsubsidized Loans	630,478
	Total Federal Direct Student Loans	<u>\$926,559</u>

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

Board of Directors
Great Oaks Career Campuses
3254 East Kemper Road
Cincinnati, Ohio 45241

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Great Oaks Career Campuses (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2018, wherein we noted the District adopted GASB No. 75 as disclosed in Note 20.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
November 29, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**

Board of Directors
Great Oaks Career Campuses
3254 East Kemper Road
Cincinnati, Ohio 45241

Report on Compliance for Each Major Federal Program

We have audited the Great Oaks Career Campuses' (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of 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, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 29, 2018, which contained unmodified opinions on those financial statements, wherein we noted the District adopted GASB No. 75 as disclosed in Note 20. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
November 29, 2018

**GREAT OAKS CAREER CAMPUSES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Career and Technical Education – Basic Grants to States
CFDA #84.048

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

GREAT OAKS CAREER CAMPUSES
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2018

Summary of Prior Audit Findings:

None Noted

Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2018

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Great Oaks
Career Campuses
Cincinnati, Ohio



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Great Oaks Career Campuses

Cincinnati, Ohio

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2018

**Issued By
The Executive Management Team**

**Mr. Harry Snyder
President/CEO**

**Ms. Karla Berger
Vice President of Human Resources**

**Mr. Jeffrey Johnson
Business Manager**

**Mr. Ben Vanhorn
Treasurer/CFO**

**Mr. Dan Cox
Director of Curriculum**

**Ms. Nancy Mulvey
Director of Student Services**

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Great Oaks Career Campuses
Cincinnati, Ohio

Introductory Section



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District Office

110 Great Oaks Drive
at 3254 East Kemper Road
Cincinnati, Ohio 45241-1581
Phone: 513-771-8840
Fax: 513-771-0660
Web: www.greatoaks.com

November 29, 2018

Citizens on Behalf of the Board of Directors:

Great Oaks Career Campuses is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the District. The report covers the fiscal year ended June 30, 2018. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America as they apply to governmental entities. Accuracy of the data presented, as well as the completeness and fairness of the presentation, including all disclosures, are the responsibility of the District.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Great Oaks Career Campuses' MD&A can be found immediately following the independent auditor's report.

This report will provide the taxpayers of Great Oaks Career Campuses with comprehensive financial data in a format that will enable them to gain a true understanding of the financial affairs of the District. This report will be published on the Ohio Auditor's website and the district website (www.greatoaks.com). An announcement will be sent to area media and hard copies provided on request.

It is the intent Great Oaks Career Campuses to improve financial reporting based on management experience and suggestions from those with expertise in the area of such reporting. Comments on this CAFR are respectfully solicited.

Great Oaks Career Campuses

In the mid-1960's, Ohio established the system of joint vocational school districts to provide all public high school students with access to career-technical education programs that would prepare them for entry level jobs and/or postsecondary education upon high school graduation. While many comprehensive school districts had some career-technical programs in place, the creation of the joint vocational school districts – districts that would serve as the career-technical education department for several affiliated school districts – meant that students would have a wider range of programs available to them, and that this highly specialized education could be provided more efficiently and economically.

The first Great Oaks classes were offered at the Laurel Oaks campus in Wilmington in August 1972; the other three Great Oaks campuses—Diamond Oaks in western Hamilton County, Live Oaks in Milford, and Scarlet Oaks in Sharonville—opened a year later

Providing high school career-technical education is Great Oaks' primary function, but in addition, Great Oaks has established a strong tradition of cooperating with and responding to the needs of area employers, agencies dealing with economic and human resource development, and the community. As a result, various programs, services and facilities have evolved to fill those needs. In addition to offering over thirty career-technical program options for high school students, the District offers a wide range of full- and part-time courses for adults; an adult literacy program that provides services in our own facilities, in community locations and in the workplace; and customized assessment and training services for business and industry.

School Governance

Great Oaks is governed by a 35-member board of directors representing city, local and exempted village school districts located in suburban and rural areas. Members of the Board of Directors of Great Oaks Career Campuses are appointed by the affiliated school district board of education to serve a three-year term on the Great Oaks board. Members of the Hamilton County Educational Service Center represent the following Hamilton County local school districts: Finneytown, Forest Hills, Oak Hills, Southwest and Three Rivers. One representative from the Southern Ohio Educational Service District represents Blanchester and Clinton-Massie local school districts.

The Reporting Entity and Services Provided

The Great Oaks Career Campuses CAFR includes all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the executive body, the Board of Directors. City, library and member schools' operations are not part of this report.

The Board of Directors serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The President/CEO is the chief administrative officer of the District, responsible for the total education and support operations. The CFO is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds and investing idle funds as specified by Ohio Law. Other officials include the management team including the Vice President, the Vice President of Human Resources, the Business Manager, Deans and Directors of various educational and support services and career-technical supervisors.

The District provides a wide range of instruction and support services as mandated by state statute or public desires. The instruction provided by the District includes the activities dealing directly with the teaching of pupils and the interaction between teacher and pupils. Support services are essential to complete the education process. These services include administrative, technical (such as guidance and health), and to a lesser degree, community services. Proprietary fund types are limited to the internal service fund the District uses for workers compensation self-insurance.

Other Advisory Bodies:

Great Oaks Council

The Great Oaks Council is charged with providing advice and guidance in these areas:

- Developing and expanding activities;
- Updating the programs and services offered by Great Oaks;
- Maintaining the quality of the overall program;
- Promoting the District.

Business Partnership Councils

A Business Partnership Council was established at each operational center during FY '99 to better serve local workforce development needs. Each council assists in studying, evaluating, advising and recommending the total program at the center it serves. Representatives from business, industry, labor, local government, agencies, affiliated school districts and the community serve as members of these councils. Each of the councils has been actively involved in promoting the operational centers in the local community.

Accreditation

Great Oaks Career Campuses has been very aggressive in seeking accreditation from a wide variety of organizations with the highest standards. The accreditation process ensures quality programming because it allows the district and the specific division seeking accreditation to benchmark current practices and determine where there is room for improvement. Great Oaks is accredited by:

- The Council on Occupational Education (COE)
- Air Conditioning and Refrigeration Institute (ARI)
- American Culinary Federation (ACF)
- Automotive Service Excellence (ASE)
- National Board on Fire Service Professional Qualifications (NBFSPO)
- National Center for Construction Education and Research (NCCER)
- The National League for Nursing (NLN)

Economic Conditions and Outlook

Great Oaks serves all or part of twelve counties and 36 school districts in southwest Ohio, and as a result of this Great Oaks is less vulnerable to sudden shifts in revenue due to economic development moving from the immediate area.

Economic summaries and regional economic outlook data from the Ohio Bureau of Labor Services and [2020 Jobs Outlook](#) (published by the Center for Economic Analysis and Development at Northern Kentucky University and the Institute for Policy Research at the University of Cincinnati) are used in the following overview; additional information is available at development.ohio.gov.

Employment

The unemployment rate continues to be slightly higher than the national average: 4.3% in the region vs. 4.1% nationally. Hamilton County, the most populous county in the Great Oaks district, has a slightly higher unemployment rate at 4.5%. This rate is down .2% from one year ago.

Economic Outlook

Employment growth in 2017 was driven by increases in nearly every sector, with trade/transportation/utilities (+4.0%), construction (+6.4%), and financial activities (+6.3%) leading the way. Growth is expected to continue in the coming year.

After starting slowly in 2017, home sales are increasing into 2018. The result was a .4% decrease in home sales over a year ago, but momentum is growing. The average sale price of homes is up 7.7% during that time.

Strategic Plan

The Great Oaks Strategic Plan provides the framework for developing all district initiatives. Components of the Strategic Plan include:

Great Oaks Purpose:

We are Great Oaks—the first choice in providing innovative career training to empower individuals and communities.

Great Oaks Core Values:

- Truth
- Trust
- Respect
- Quality
- Equity

Great Oaks Goals:

All associates work together to:

Prepare and support all learners to successfully enter, compete and advance in their educational and career paths.

Create an environment and provide resources that meet the evolving needs of learners, industry and our communities.

Major District Initiatives for FY 2018

Board policy adoptions After four decades of amending, revising, and piecing together Board policies which govern the district, Great Oaks undertook a multi-year project to develop a complete set of policies that streamline governance and ensure that there are no gaps in governance. With the help of professionals, district staff created a new set of policies which were adopted at the end of the fiscal year. In the coming year, staff will write procedures to accompany and enact those policies.

Levy renewal During the year before the November 2018 renewal vote, district staff surveyed community members to better understand their attitudes toward Great Oaks, became more organized in community engagement and outreach, and researched a variety of options for the ballot issue. The 2.7 mill operating levy renewal passed in November of 2018.

2017-2018 Career-Technical Planning District Report Card

The annual Report Card for Career-Technical Planning Districts (CTPDs) and Joint Vocational School District (JVSDs) issued by the Ohio Department of Education showed continued improvement. This Report gives letter grades in three areas for the graduating class of 2017 and five year graduation rate for the class of 2016, and also provides the community with an accounting of performance measures as required by the U.S. Department of Education for FY 18. Results for the CTPD which includes Great Oaks:

	<u>CTPD</u>	
Students graduated in 4 years:	98.2%	Grade: A
Students graduated in 5 years:	97.8%	Grade: A
Post-program placement:	91.7%	Grade: A
Industry credentials:	25.9%	
Technical skill attainment:	81.3%	Grade: B
Dual enrollment:	19.8%	
Prepared for success:	51.7%	Grade: D

Federal Performance Measures (CTPD):

Academic attainment—reading:	96.6%
Academic attainment—math:	95.6%
Technical Skill attainment:	81.2%
Single year graduation rate:	99.6%
Nontraditional participation:	36.4%
Nontraditional completion:	40.3%

Program Additions at the Campuses: Based on industry demand and student interest, the following workforce development and academic courses/programs have been added to the high school curriculum for the 2017-2018 school year:

- Biology (Diamond, Laurel, Live, Scarlet)
- College Agriculture (Laurel Oaks)
- Computer Science Technology (Diamond, Laurel, Live, Scarlet)
- Heavy Equipment Operations & Engineering (Laurel Oaks)
- Sustainable Urban Agriculture – 2 Year Program (Diamond Oaks)
- Web Applications & Game Development (Diamond, Live, Scarlet)
- Western Civilization (CCP) (Diamond, Laurel, Live, Scarlet)

Satellite Programs: Great Oaks works in partnership with the affiliated school districts to provide on-site programs that serve local needs. For 2017-2018, additions include:

- Gateway to Technology (Sycamore Junior High)
- Project Lead the Way – Engineering III (Wilmington)
- Project Lead the Way – Engineering III (Goshen)
- Project Lead the Way – Engineering II (Mariemont)

- High School of Business (Princeton)
- Project Lead the Way – Biomedical IV (West Clermont)
- Project Lead the Way – Biomedical IV (Mason)

Program Disinvestment: Programs that were disinvested as of the close of the 2017-2018 school year include:

- Information Technology (Roger Bacon)
- Masonry (Laurel Oaks)
- Project Lead the Way - Engineering (Wyoming)
- Restaurant Operations (Live Oaks)
- Sophomore Exploratory Program (Laurel Oaks)
- Sociology (CCP) (Diamond, Laurel, Live, Scarlet)

Legal Compliance/Independent Audit

The financial statements of Great Oaks Career Campuses have been audited by the firm of Plattenburg and Associates, Inc. The audit has been conducted in accordance with auditing standards generally accepted in the United States of America including a review of internal accounting controls and tests of compliance with Federal and State laws and regulations. The Independent Auditor's Report is included in the Comprehensive Annual Financial Report.

Also, in accordance with *Government Auditing Standards*, the auditors have issued a separately bound report on Great Oaks Career Campuses' internal control over financial reporting and on compliance and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of the audit.

Certificate of Achievement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Great Oaks Career Campuses for the year ending June 30, 2017. In order to be awarded a Certificate of Achievement, a governmental unit must publish a Comprehensive Annual Financial Report whose contents and format conform to program standards. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Great Oaks Career Campuses for the year ending June 30, 2017. In order to be awarded a Certificate of Excellence in Financial Reporting, a political subdivision must publish a Comprehensive Annual Financial Report which substantially conforms to the principles and standards of financial reporting as recommended and adopted

by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for fiscal year ended June 30, 2018, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Acknowledgments

It is with great pride and pleasure that we submit this Comprehensive Annual Financial Report for review and wish to express appreciation to the members of the Board of Directors for supporting us in this endeavor and to the staff of the business office and various administrators and associates of Great Oaks Career Campuses who contributed their time and effort to complete this project.

A final thanks to the District's external auditors, Plattenburg & Associates, Inc., for their effort in assisting with this report.

Sincerely,

A handwritten signature in black ink, appearing to read "H Snyder", with a long horizontal flourish extending to the right.

Harry Snyder
President/CEO

A handwritten signature in black ink, appearing to read "Ben Vanhorn", with a long horizontal flourish extending to the right.

Ben Vanhorn
Treasurer/CFO

Great Oaks Institute of Technology and Career Development
List of Principal Officials
June 30, 2018

Board of Directors

David Yockey, Vice Chair
Milford Exempted Village School District

Terry Gibson, Vice Chair
Lockland Local Schools

Deborah Allsop
Hamilton County Educational Service Center

Greg Barr
Greenfield Exempted Village Schools

Jeff Berte
Winton Woods City School District

Justin Buckner
Wyoming City Schools

Mark Chrisman
Washington Court House City Schools

Mary Cleveland
Princeton City Schools

Debbie Delp
Mason City Schools

Carole Ellis
Mt. Healthy City Schools

Lynn Ellis
Norwood City School District

Mark Ewing
Batavia Local Schools

William Ferguson
Hamilton County Educational Service Center

Ron Friend
Fairfield Local Schools (Highland County)

Mark Garen
East Clinton Local Schools

Sandy Harrod
Hamilton County Educational Service Center

Fred Hunt
Hamilton County Educational Service Center

Danny Ilhardt	Clermont Northeastern Local Schools
Bruce Kirkpatrick	Miami-Trace Local Schools
Rod Lane	Southern Ohio Educational Service Center
Al Long	North College Hill City School District
Dr. Kathryn Lorenz	Loveland City School District
Jim Perdue	Reading Community Schools
Beverly Rhoads	Hillsboro City Schools
Ken Richter	Sycamore Community Schools
Tim Sharp	Indian Hill Exempted Village School District
Steve Smith	Deer Park Community City Schools
Micki Spears	St. Bernard – Elmwood Place City School District
J.B. Stamper	Wilmington City Schools
Sue Steele	Goshen Local School District
Dr. Catherine Swami	Maderia City Schools
Matt Van Sant	West Clermont Local School District
Tim Wagner	Hamilton County Educational Service Center
Gary West	Lynchburg-Clay Local School District
Ken White	Mariemont City Schools

District Administration

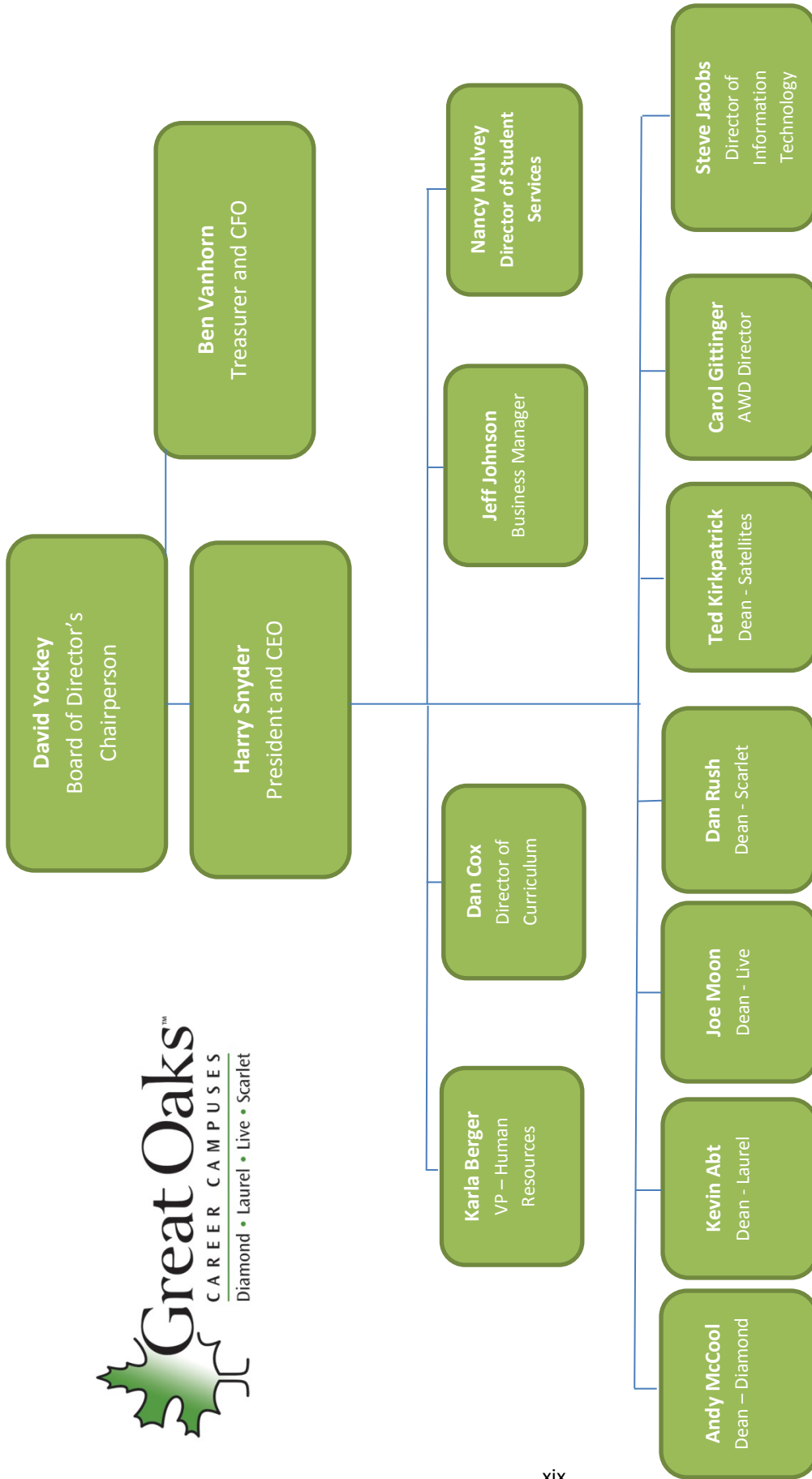
Harry Snyder	President and CEO
Ben Vanhorn	Treasurer and CFO
Karla Berger	Vice President of Human Resources
Dan Cox	Director of Curriculum
Jeffrey Johnson	Business Manager
Nancy Mulvey	Director of Student Services

GREAT OAKS INSTITUTE OF TECHNOLOGY AND CAREER DEVELOPMENT

BOARD OF DIRECTORS – 2018



Name	District Represented	Years of Service	Occupation
Deborah Allsop	Hamilton County Educational Service Center	9	Executive Director, Families Forward
Greg Barr	Greenfield Exempted Village Schools	5	Secretary
Jeff Berte	Winton Woods City School District	2	Retired – CFO Healthcare Services
Justin Buckner	Wyoming City Schools	2	SR Director of Transformation
Mark Chrisman	Washington Court House City Schools	7	Entrepreneur
Mary Cleveland	Princeton City Schools	5	CEO – National Vitiligo Foundation
Debbie Delp	Mason City Schools	11	Administrative Associate
Carole Ellis	Mt. Healthy City Schools	22	Retired – USPS Manager
Lynn Ellis	Norwood City School District	2	Consultant
Mark Ewing	Batavia Local Schools	9	Electronics Technician
William Ferguson	Hamilton County Educational Service Center	9	Writer
Ronald Friend	Fairfield Local School District	23	Entrepreneur – Agriculture
Mark Garen	East Clinton Local Schools	11	Manager
Terry Gibson	Lockland Local School District	13	Manufacturing
Sandy Harrod	Hamilton County Educational Service Center	4	Sr. Administrative Assistant
Fred Hunt	Hamilton County Educational Service Center	7	IT Project Manager
Danny Ilhardt	Clermont Northeastern Local Schools	7	Entrepreneur – Agriculture
Bruce Kirkpatrick	Miami Trace Local Schools	5	Co-Owner/GM – Kirk’s Furniture
Rod Lane	Southern Ohio Educational Service Center	9	Retired – Superintendent
Al Long	North College Hill City School District	5	Training Specialist
Dr. Kathryn Lorenz	Loveland City School District	21	University of Cincinnati – Professor
Jim Perdue	Reading Community Schools	15	GE – Project Team Leader
Beverly Rhoads	Hillsboro City Schools	13	Retired
Ken Richter	Sycamore Community Schools	13	Retired – Avon Executive
Tim Sharp, Esq.	Indian Hill Exempted Village School District	9	VP – KZF Design Inc.
Steve Smith	Deer Park Community City Schools	16	Civil Engineer – Burgess & Niple
Micki Spears	St. Bernard-Elmwood Place City School District	11	Retired – Xavier University
J.B. Stamper	Wilmington City Schools	17	VP – Liberty Savings
Sue Steele	Goshen Local School District	17	Retired
Dr. Cathy Swami	Madeira City Schools	7	Retired – Principal
Matt Van Sant	West Clermont Local School District	5	President/CEO – Clermont Chamber
Tim Wagner	Hamilton County Educational Service Center	2	Asst. Director of Transportation & Food Services
Gary West	Lynchburg-Clay Local School District	4	Retired - Superintendent
Ken White	Mariemont City Schools	10	Group Mgr – Kemira Chemicals Inc
David Yockey	Milford Exempted Village School District	17	Entrepreneur – Travel Consultant





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Great Oaks Career Campuses
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Great Oaks Career Campuses, Ohio

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Charles E. Peterson, Jr.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso

John D. Musso, CAE
Executive Director

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Great Oaks Career Campuses
Cincinnati, Ohio

Financial Section



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Great Oaks Career Campuses
3254 East Kemper Road
Cincinnati, Ohio 45241

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Great Oaks Career Campuses (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and postemployment benefit information listed in the table of contents 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
November 29, 2018

Great Oaks Career Campuses
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The discussion and analysis of Great Oaks Career Campuses' (Great Oaks) financial performance provides an overall review of Great Oaks' financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at Great Oaks' financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of Great Oaks' performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- Net position of governmental activities increased \$33,946,248 from 2017.
- General revenues accounted for \$56,790,677 in revenue or 78% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$15,706,670 or 22% of total revenues of \$72,497,347.
- Great Oaks had \$38,551,099 in expenses related to governmental activities; \$15,706,670 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$56,790,677 were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Great Oaks as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of Great Oaks' finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at Great Oaks' most significant funds with all other nonmajor funds presented in total in one column. The General Fund and the Capital Project Fund are the major funds of Great Oaks.

Government-wide Financial Statements

While this document contains the large number of funds used by Great Oaks to provide programs and activities, the view of Great Oaks as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows*, and *liabilities and deferred inflows* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Great Oaks Career Campuses
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

These two statements report Great Oaks' *net position* and changes in net position. This change in net position is important because it tells the reader that, for Great Oaks as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include Great Oaks' property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors. In the Government-wide Financial Statements, overall financial position of Great Oaks is presented in the following manner:

- **Governmental Activities** – Most of Great Oaks' programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of Great Oaks' major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about Great Oaks' major funds. Great Oaks uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on Great Oaks' most significant funds.

Governmental Funds Most of Great Oaks' activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of Great Oaks' general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds Great Oaks maintains one proprietary internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Great Oaks' various functions. Great Oaks' internal service fund accounts for workers compensation benefits of Great Oaks.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Great Oaks' own programs.

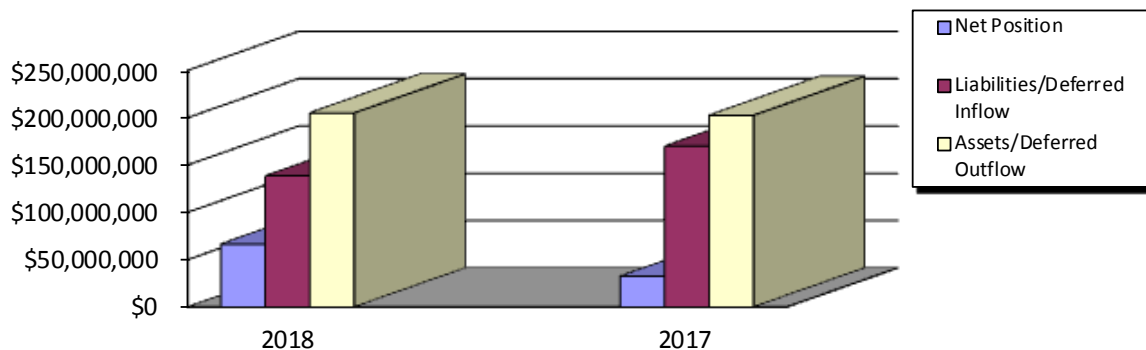
Great Oaks as a Whole

As stated previously, the Statement of Net Position looks at Great Oaks as a whole. Table 1 provides a summary of Great Oaks' net position for 2018 compared to 2017:

**Great Oaks Career Campuses
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)**

**Table 1
Net Position**

	Governmental Activities	
	2018	2017-Restated
Assets:		
Current and Other Assets	\$84,734,138	\$82,483,939
Capital Assets	96,467,748	99,575,474
Total Assets	181,201,886	182,059,413
Deferred Outflows of Resources:		
Deferred Charge on Refunding	115,058	191,763
OPEB	724,340	123,734
Pension	22,934,169	20,099,118
Total Deferred Outflows of Resources	23,773,567	20,414,615
Liabilities:		
Other Liabilities	2,735,917	3,743,347
Long-Term Liabilities	100,250,923	139,055,456
Total Liabilities	102,986,840	142,798,803
Deferred Inflows of Resources:		
Property Taxes	25,385,064	24,003,675
Revenue in Lieu of Taxes	1,358,608	1,118,593
OPEB	2,546,247	0
Pension	6,197,042	1,997,553
Total Deferred Inflows of Resources	35,486,961	27,119,821
Net Position:		
Net Investment in Capital Assets	90,355,162	90,874,494
Restricted	3,281,696	881,750
Unrestricted	(27,135,206)	(59,200,840)
Total Net Position	\$66,501,652	\$32,555,404



Great Oaks Career Campuses
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The net pension liability (NPL) is the largest single liability reported by Great Oaks at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, Great Oaks adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of Great Oaks' actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal Great Oaks' proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, Great Oaks is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Great Oaks Career Campuses
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, Great Oaks' statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, Great Oaks is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$53,416,472 to \$32,555,404.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, Great Oaks' assets and deferred outflows exceeded liabilities and deferred inflows by \$66,501,652.

At year-end, capital assets represented 53% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Net investment in capital assets at June 30, 2018, totaled \$90,355,162. These capital assets are used to provide services to the students and are not available for future spending. Although Great Oaks' investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of Great Oaks' net position, \$3,281,696 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital assets decreased due to depreciation expense being more than current year additions. Long term liabilities decreased mainly due to a decrease in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2018 and 2017.

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Great Oaks Career Campuses
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$4,702,882	\$4,750,572
Operating Grants and Contributions	11,003,788	10,965,218
Total Program Revenues	<u>15,706,670</u>	<u>15,715,790</u>
General Revenues:		
Property Taxes	38,168,388	39,361,286
Grants and Entitlements	16,272,775	16,584,458
Investment Earnings	431,529	149,645
Other	1,917,985	2,232,568
Total General Revenues	<u>56,790,677</u>	<u>58,327,957</u>
Total Revenues	<u><u>72,497,347</u></u>	<u><u>74,043,747</u></u>
Program Expenses:		
Regular	2,754,682	7,585,906
Vocational	15,632,044	26,133,880
Adult/Continuing	2,913,527	5,959,874
Pupil	2,309,011	4,988,161
Instructional Staff	215,171	1,995,026
General Administration	322,981	426,250
School Administration	74,356	3,639,751
Fiscal	890,607	1,873,510
Business	105,651	361,469
Operations and Maintenance	5,508,906	7,928,925
Pupil Transportation	1,132,794	1,121,316
Central	5,642,935	7,846,899
Operation of Non-Instructional Services	846,408	1,412,388
Extracurricular Activities	13,615	14,127
Intergovernmental	0	218,300
Interest and Fiscal Charges	188,411	257,681
Total Program Expenses	<u>38,551,099</u>	<u>71,763,463</u>
Changes in Net Position	33,946,248	2,280,284
Net Position - Beginning of Year, Restated	<u>32,555,404</u>	N/A
Net Position - End of Year	<u><u>\$66,501,652</u></u>	<u><u>\$32,555,404</u></u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$123,734 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB

Great Oaks Career Campuses
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$2,855,488. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 operating expenses under GASB 75	\$38,551,099
Negative OPEB expense under GASB 75	2,855,488
2018 contractually required contribution	154,829
Adjusted 2018 operating expenses	41,561,416
Total 2017 operating expenses under GASB 45	71,763,463
Change in operating expenses not related to OPEB	(\$30,202,047)

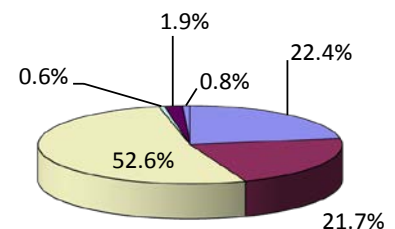
Great Oaks revenues came from mainly two sources. Property taxes levied for general purposes, as well as grants and entitlements comprised 75% of Great Oaks’ revenues for governmental activities.

Great Oaks depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation.

Property taxes made up 53% of governmental activities for Great Oaks in fiscal year 2018. Great Oaks’ reliance upon tax revenues is demonstrated in the following graph:

Governmental Activities
Revenue Sources

Revenue Sources	2018	Percent of Total
General Grants	\$16,272,775	22.4%
Program Revenues	15,706,670	21.7%
Property Tax Revenues	38,168,388	52.6%
Investment Earnings	431,529	0.6%
Revenues in Lieu of Taxes	1,358,608	1.9%
Other Revenues	559,377	0.8%
	\$72,497,347	100.0%



Instruction comprises 55% of governmental program expenses. Support services expenses were 42% of governmental program expenses. All other expenses including interest and fiscal charges were 3%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenue decreased mainly due to the decrease in grant revenue. Total expenses decreased mainly due to changes related to net pension liability and other post employment benefits liability.

Great Oaks Career Campuses
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$21,300,253	\$39,679,660	(\$8,470,337)	(\$33,012,394)
Support Services:				
Pupil and Instructional Staff	2,524,182	6,983,187	(1,002,592)	(5,808,564)
School Administrative, General				
Administration, Fiscal and Business	1,393,595	6,300,980	(1,269,507)	(6,167,572)
Operations and Maintenance	5,508,906	7,928,925	(5,407,656)	(7,854,508)
Pupil Transportation	1,132,794	1,121,316	(1,132,794)	(1,121,316)
Central	5,642,935	7,846,899	(5,633,935)	(7,839,699)
Operation of Non-Instructional Services	846,408	1,412,388	274,418	(266,160)
Extracurricular Activities	13,615	14,127	(13,615)	(14,127)
Intergovernmental	0	218,300	0	(10,652)
Interest and Fiscal Charges	188,411	257,681	(188,411)	(257,681)
Total Expenses	<u>\$38,551,099</u>	<u>\$71,763,463</u>	<u>(\$22,844,429)</u>	<u>(\$62,352,673)</u>

Great Oaks’ Funds

Great Oaks has two major governmental funds: the General Fund and the Capital Projects Fund. Assets of the General Fund comprised \$69,689,637 (83%) and assets of the Capital Projects Fund comprised \$10,129,435 (12%) of the total \$83,846,907 governmental fund assets.

General Fund: Fund balance at June 30, 2018 was \$39,024,660. Fund balance decreased \$195,929 from the prior year. The primary reason for the decrease in fund balance was due to the increase in instruction expenses.

Capital Projects Fund: Fund balance at June 30, 2018 was \$10,084,254. Fund balance decreased \$510,646 from the prior year.

General Fund Budgeting Highlights

Great Oaks’ budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

**Great Oaks Career Campuses
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)**

During the course of fiscal year 2018, Great Oaks amended its general fund budget. Great Oaks uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, Great Oaks revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis estimated revenue was \$65,239,165, compared to original budget estimates of \$59,169,296. Of the \$6,069,869 difference, most was due to underestimating taxes and intergovernmental revenue. Original budget expenditures were \$52,715,897, compared to final budget expenditures of \$54,039,181.

Great Oaks’ ending unobligated actual fund balance for the General Fund was \$29,028,182.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, Great Oaks had \$96,467,748 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to fiscal year 2017:

**Table 4
Capital Assets at Year End
(Net of Depreciation)**

	Governmental Activities	
	2018	2017
Land	\$2,453,557	\$2,453,557
Construction in Progress	172,212	541,955
Land Improvements	27,156	29,782
Building and Improvements	89,725,337	92,958,384
Furniture and Equipment	3,314,490	2,800,654
Vehicles	774,996	791,142
Total Net Capital Assets	<u>\$96,467,748</u>	<u>\$99,575,474</u>

Total net capital assets decreased mainly due to current year depreciation expense exceeding current year additions.

See Note 6 to the basic financial statements for further details on Great Oaks’ capital assets.

Debt

At fiscal year end, Great Oaks had \$6,227,644 in bonds payable, \$2,965,000 due within one year. Table 5 summarizes bonds outstanding at year end.

**Great Oaks Career Campuses
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)**

**Table 5
Outstanding Debt at Year End**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Bonds Payable:		
2010 School Improvement Bonds	\$2,900,000	\$4,100,000
Premium on 2010 Bonds	21,144	35,242
2012 Refunding Bonds	3,170,000	4,530,000
Premium on 2012 Refunding Bonds	<u>136,500</u>	<u>227,501</u>
Total Outstanding Debt at Year End	<u>\$6,227,644</u>	<u>\$8,892,743</u>

Great Oaks did not enter into any new long-term debt agreements during fiscal year 2018 but continued to make regularly scheduled principal and interest payments on existing debt. There have been no changes in credit ratings from the prior fiscal year. See Note 11 in the notes to the basic financial statements for further details on Great Oaks’ outstanding debt.

For the Future

Career Tech Planning Districts (CTPD) in the state of Ohio have a newer funding model. Currently the cap is only 3% for fiscal year 2018 and beyond (with the possibility of 6%, depending on student growth). The cap changed in the last biennium budget to reflect the drop in overall state revenues.

Projected valuations for future tax years are below previous valuations with slower growth of new construction. Additionally, a significant portion of Great Oaks’ public utility personal property tax revenues paid by Duke Energy, which lost its appeals to the Ohio Department of Taxation challenging the method used to assess valuations of its assets throughout the region. Great Oaks will continue to closely monitor trends and potential changes in this class of property tax revenues in the future.

In November 2018 Great Oaks passed a 2.7 mill operating levy. This levy will provide funding to Great Oaks in future years.

All of Great Oaks’ financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of Great Oaks’ finances, Great Oaks’ management is confident that Great Oaks can continue to provide a quality education for our students and provide a secure financial future.

Contacting Great Oaks’ Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of Great Oaks’ finances and to show Great Oaks’ accountability for the money it receives. If you have questions about this report or need additional financial information, contact Great Oaks Career Campuses, 110 Great Oaks Drive at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Great Oaks Career Campuses
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$44,672,461
Receivables (Net):	
Taxes	38,181,309
Accounts	169,899
Interest	46,640
Intergovernmental	1,663,829
Nondepreciable Capital Assets	2,625,769
Depreciable Capital Assets, Net	<u>93,841,979</u>
 Total Assets	 <u>181,201,886</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	115,058
OPEB	22,934,169
	<u>724,340</u>
 Total Deferred Outflows of Resources	 <u>23,773,567</u>
Liabilities:	
Accounts Payable	137,018
Accrued Wages and Benefits	2,582,093
Accrued Interest Payable	14,971
Claims Payable	1,835
Long-Term Liabilities:	
Due Within One Year	3,495,864
Due In More Than One Year	
Net Pension Liability	73,533,628
Net OPEB Liability	15,998,843
Other Amounts	<u>7,222,588</u>
 Total Liabilities	 <u>102,986,840</u>
Deferred Inflows of Resources:	
Property Taxes	25,385,064
OPEB	2,546,247
Revenue in Lieu of Taxes	1,358,608
Pension	<u>6,197,042</u>
 Total Deferred Inflows of Resources	 <u>35,486,961</u>
Net Position:	
Net Investment in Capital Assets	90,355,162
Restricted for:	
Debt Service	2,904,579
Vocational Adult Education	158,297
Adult Basic Education & Literacy Grant	14,418
Food Service	182,487
Other Local and State Grants	21,915
Unrestricted	<u>(27,135,206)</u>
 Total Net Position	 <u><u>\$66,501,652</u></u>

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$2,754,682	\$819,027	\$36,000	(\$1,899,655)
Vocational	15,632,044	0	6,655,422	(8,976,622)
Adult/Continuing	2,913,527	3,166,898	2,152,569	2,405,940
Support Services:				
Pupil	2,309,011	0	1,521,590	(787,421)
Instructional Staff	215,171	0	0	(215,171)
General Administration	322,981	0	0	(322,981)
School Administration	74,356	0	76,987	2,631
Fiscal	890,607	33,600	13,501	(843,506)
Business	105,651	0	0	(105,651)
Operations and Maintenance	5,508,906	101,250	0	(5,407,656)
Pupil Transportation	1,132,794	0	0	(1,132,794)
Central	5,642,935	0	9,000	(5,633,935)
Operation of Non-Instructional Services	846,408	582,107	538,719	274,418
Extracurricular Activities	13,615	0	0	(13,615)
Interest and Fiscal Charges	188,411	0	0	(188,411)
Total Governmental Activities	\$38,551,099	\$4,702,882	\$11,003,788	(22,844,429)

General Revenues:	
Property Taxes Levied for:	
General Purposes	38,168,388
Grants and Entitlements, Not Restricted	16,272,775
Revenue in Lieu of Taxes	1,358,608
Investment Earnings	431,529
Other Revenues	559,377
Total General Revenues	56,790,677
Change in Net Position	33,946,248
Net Position - Beginning of Year, Restated	32,555,404
Net Position - End of Year	\$66,501,652

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Balance Sheet
Governmental Funds
June 30, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$29,701,497	\$10,129,435	\$3,649,076	\$43,480,008
Receivables (Net):				
Taxes	38,181,309	0	0	38,181,309
Accounts	96,361	0	73,538	169,899
Interest	46,640	0	0	46,640
Intergovernmental	1,358,608	0	305,221	1,663,829
Interfund	305,222	0	0	305,222
Total Assets	69,689,637	10,129,435	4,027,835	83,846,907
Liabilities:				
Accounts Payable	91,037	45,181	800	137,018
Accrued Wages and Benefits	2,313,084	0	269,009	2,582,093
Compensated Absences	132,879	0	0	132,879
Interfund Payable	0	0	305,222	305,222
Total Liabilities	2,537,000	45,181	575,031	3,157,212
Deferred Inflows of Resources:				
Property Taxes	26,739,691	0	0	26,739,691
Grants	0	0	17,391	17,391
Revenue in Lieu of Taxes	1,358,608	0	0	1,358,608
Investment Earnings	29,678	0	0	29,678
Total Deferred Inflows of Resources	28,127,977	0	17,391	28,145,368
Fund Balances:				
Restricted	0	0	3,526,551	3,526,551
Committed	0	10,084,254	0	10,084,254
Assigned	246,187	0	0	246,187
Unassigned	38,778,473	0	(91,138)	38,687,335
Total Fund Balances	39,024,660	10,084,254	3,435,413	52,544,327
Total Liabilities, Deferred Inflows and Fund Balances	\$69,689,637	\$10,129,435	\$4,027,835	\$83,846,907

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2018

Total Governmental Fund Balance		\$52,544,327
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 funds.		
Capital assets used in the operation of Governmental Funds		96,467,748
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	\$1,354,627	
Interest	29,678	
Intergovernmental	17,391	
		<u>1,401,696</u>
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		1,190,618
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(14,971)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(4,357,929)
Deferred outflows associated with long-term liabilities are not reported in the funds.		
		115,058
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	22,934,169	
Deferred inflows of resources related to pensions	(6,197,042)	
Deferred outflows of resources related to OPEB	724,340	
Deferred inflows of resources related to OPEB	(2,546,247)	
		<u>14,915,220</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(73,533,628)	
Net OPEB Liability	(15,998,843)	
Other Amounts	(6,227,644)	
		<u>(95,760,115)</u>
Net Position of Governmental Activities		<u>\$66,501,652</u>

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$38,053,197	\$0	\$0	\$38,053,197
Tuition and Fees	900,208	0	3,046,159	3,946,367
Investment Earnings	426,765	0	0	426,765
Intergovernmental	22,580,602	0	4,693,838	27,274,440
Extracurricular Activities	65,732	0	0	65,732
Charges for Services	0	0	589,533	589,533
Revenue in Lieu of Taxes	1,358,608	0	0	1,358,608
Other Revenues	472,325	0	188,302	660,627
Total Revenues	63,857,437	0	8,517,832	72,375,269
Expenditures:				
Current:				
Instruction:				
Regular	7,409,343	0	52,000	7,461,343
Vocational	23,866,986	482,121	358,470	24,707,577
Adult/Continuing	0	0	5,981,277	5,981,277
Support Services:				
Pupil	3,357,029	0	1,583,582	4,940,611
Instructional Staff	1,262,885	0	0	1,262,885
General Administration	354,171	0	0	354,171
School Administration	3,465,275	0	83,741	3,549,016
Fiscal	1,565,819	0	53,451	1,619,270
Business	316,329	0	0	316,329
Operations and Maintenance	6,880,703	0	0	6,880,703
Pupil Transportation	831,928	202,818	0	1,034,746
Central	3,828,716	3,237,657	17,480	7,083,853
Operation of Non-Instructional Services	219,643	0	1,039,156	1,258,799
Extracurricular Activities	13,615	0	0	13,615
Capital Outlay	0	1,394,050	0	1,394,050
Debt Service:				
Principal Retirement	0	0	2,560,000	2,560,000
Interest and Fiscal Charges	0	0	222,750	222,750
Total Expenditures	53,372,442	5,316,646	11,951,907	70,640,995
Excess of Revenues Over (Under) Expenditures	10,484,995	(5,316,646)	(3,434,075)	1,734,274
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,376	0	0	2,376
Transfers In	0	4,806,000	5,752,300	10,558,300
Transfers (Out)	(10,683,300)	0	0	(10,683,300)
Total Other Financing Sources (Uses)	(10,680,924)	4,806,000	5,752,300	(122,624)
Net Change in Fund Balance	(195,929)	(510,646)	2,318,225	1,611,650
Fund Balance - Beginning of Year	39,220,589	10,594,900	1,117,188	50,932,677
Fund Balance - End of Year	\$39,024,660	\$10,084,254	\$3,435,413	\$52,544,327

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2018

Net Change in Fund Balance - Total Governmental Funds		\$1,611,650
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.</p>		
Capital assets used in governmental activities	\$1,273,984	
Depreciation Expense	<u>(4,348,843)</u>	(3,074,859)
<p>Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.</p>		
		(32,867)
<p>Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.</p>		
District pension contributions	5,414,738	
Cost of benefits earned net of employee contributions - Pension	24,364,725	
District pension contributions	154,829	
Cost of benefits earned net of employee contributions - OPEB	<u>2,885,488</u>	32,819,780
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent Property Taxes	115,191	
Interest	4,764	
Intergovernmental	<u>2,123</u>	122,078
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		2,560,000
<p>In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.</p>		
		5,945
<p>Some expenses 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.</p>		
Compensated Absences	(152,279)	
Amortization of Bond Premium	105,099	
Amortization of Deferred Charge on Refunding	<u>(76,705)</u>	(123,885)
<p>The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.</p>		
Change in Net Position - Internal Service Funds		<u>58,406</u>
Change in Net Position of Governmental Activities		<u>\$33,946,248</u>
<p>See accompanying notes to the basic financial statements.</p>		

Great Oaks Career Campuses
Statement of Net Position
Proprietary Fund
June 30, 2018

	<u>Governmental Activities- Internal Service Fund</u>
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$1,192,453</u>
Total Assets	<u>1,192,453</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>1,835</u>
Total Liabilities	<u>1,835</u>
Net Position:	
Unrestricted	<u>1,190,618</u>
Total Net Position	<u>\$1,190,618</u>

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2018

	<u>Governmental Activities- Internal Service Fund</u>
Operating Revenues:	
Other Revenues	<u>\$0</u>
Total Operating Revenues	<u>0</u>
Operating Expenses:	
Contractual Services	20,170
Other	<u>46,424</u>
Total Operating Expenses	<u>66,594</u>
Operating Income (Loss)	<u>(66,594)</u>
Transfers In	<u>125,000</u>
Change in Net Position	58,406
Net Position - Beginning of Year	<u>1,132,212</u>
Net Position - End of Year	<u>\$1,190,618</u>

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2018

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Payments to Suppliers	<u>(\$107,513)</u>
Net Cash Provided (Used) by Operating Activities	<u>(107,513)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from Other Funds	<u>125,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>125,000</u>
Net Increase (Decrease) in Cash and Cash Equivalent	17,487
Cash and Cash Equivalents - Beginning of Year	<u>1,174,966</u>
Cash and Cash Equivalents - End of Year	<u><u>1,192,453</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(66,594)
Changes in Assets & Liabilities:	
Increase (Decrease) in Claims Payables	<u>(40,919)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$107,513)</u>

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2018

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$249,760
Receivables (Net):	
Accounts	1,723
Intergovernmental	<u>95,364</u>
Total Assets	<u>346,847</u>
Liabilities:	
Other Liabilities	<u>346,847</u>
Total Liabilities	<u>\$346,847</u>

See accompanying notes to the basic financial statements.

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 – Summary of Significant Accounting Policies

The financial statements of Great Oaks Career Campuses (“Great Oaks”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of Great Oaks’ accounting policies are described below.

Reporting Entity

Great Oaks is a joint vocational school organized under Section 3311.18 of the Ohio Revised Code. Great Oaks provides vocational education for thirty-six school districts serving the population of approximately 600,000 throughout 2,200 square miles of southwest Ohio. A 35-member Board of Directors governs Great Oaks, which is supported by a 2.70 mill operating levy on over \$17 billion of assessed valuation, funds from the State of Ohio School Foundation Program and State reimbursements for voted property tax revenues eliminated or diverted by subsequent legislation. Great Oaks serves as the career and technical planning Great Oaks for southwest Ohio, providing leadership, work-force development education, training and resources in collaboration with its partners in business, industry, affiliate districts, local governments and agencies, as well as its community partners and organizations.

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from Great Oaks. Component units are legally separate organizations for which Great Oaks is financially accountable. Great Oaks is financially accountable for an organization if Great Oaks appoints a voting majority of the organization's governing board and (1) Great Oaks is able to significantly influence the programs or services performed or provided by the organization; or (2) Great Oaks is legally entitled to or can otherwise access the organization's resources; Great Oaks is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or Great Oaks is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on Great Oaks in that Great Oaks approves the budget, the issuance of debt, or the levying of taxes. Great Oaks has no component units.

Great Oaks is associated with one organization; Butler Health Plan, which is an insurance purchasing pool. This organization is presented in Note 13 to the basic financial statements.

Basis of Presentation

Government-wide Financial Statements The statement of net position and the statement of activities display information about Great Oaks as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of Great Oaks that are governmental and those that are considered business-type activities. Great Oaks has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of Great Oaks' governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues, with certain limited exceptions. 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 Great Oaks.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how Great Oaks finances and meets the cash flow needs of its proprietary activities.

Fund Accounting

Great Oaks uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Great Oaks' functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of Great Oaks are grouped into the categories governmental and fiduciary.

Governmental Funds

Governmental Funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows, and liabilities and deferred inflows is reported as fund balance. The following are Great Oaks' major governmental funds:

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to Great Oaks for any purpose provided it is expended or transferred according to the general laws of Ohio.

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Capital Projects - The fund provided to account for all transactions related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. Great Oaks has no enterprise funds. The following is a description of Great Oaks' internal service fund:

Internal Service Fund – This fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of Great Oaks, or to other governments, on a cost reimbursement basis. Great Oaks has a self-insurance fund which is used to provide employee workers compensation benefits.

Fiduciary Funds

Fiduciary Funds report on net position and changes in net position. Great Oaks' fiduciary funds consist of agency funds used for student activities programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Great Oaks' only fiduciary funds are two agency funds. The student managed activity (agency) fund account for the resources that belong to various student groups at Great Oaks. Great Oaks agency fund accounts for assets held by Great Oaks as an agent for individuals, private organizations, other governmental units, and/or other funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made.

The modified accrual basis of accounting is used by the governmental funds. Revenues are recorded when they become both measurable and available. "Measurable" means the amount can be determined and "available" means funds are collectible within the current fiscal year or soon enough thereafter to be applied against liabilities of the current fiscal year. The available period for Great Oaks is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Internal Service funds and Agency funds are also accounted for on the accrual basis of accounting.

Great Oaks Career Campuses
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Revenues - Exchange and Non-exchange transactions Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which Great Oaks receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which Great Oaks must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to Great Oaks on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For Great Oaks, deferred outflows of resources includes pension, a deferred charge on refunding, and other post-employment benefits. These amounts are reported on government-wide statement of net position. The deferred outflows of resources related to a deferred charge on refunding, OPEB, and pension are explained in Notes 8 and 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For Great Oaks, deferred inflows of resources include property taxes, revenue in lieu of taxes, pension, OPEB, grants, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Revenue in lieu of taxes has been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and investments are recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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Notes to the Basic Financial Statements
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Equity in Pooled Cash and Investments

To improve cash management, all cash received by Great Oaks is pooled in central bank accounts. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through Great Oaks records. Each fund's portion in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet. During 2018, investments were limited to STAR Ohio, U.S. money market funds, negotiable CD's, federal agency securities, and commercial paper.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. Great Oaks recorded investments, held at June 30, 2018 at the fair value.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." Great Oaks measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

Restricted cash and investments in the Capital Projects is restricted for certain capital projects (retainage held by vendors) and cannot be expended on any other items.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$426,765 credited to the General Fund.

For purposes of the statement of cash flows, the internal service portion of pooled cash and investments is considered a cash equivalent because Great Oaks is able to withdraw resources from the internal service funds without prior notice or penalty.

Capital Assets

Great Oaks defines capital assets as those with an individual cost of more than \$10,000 and an estimated useful life in excess of eight years. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated

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fair values as of the date received. Great Oaks does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	15 years, 20 years
Buildings and Improvements	30 years, 40 years
Equipment	8 years, 15 years
Vehicles	8 years

Interfund Balances

On the governmental fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the associates' rights to receive compensation are attributable to services already rendered and it is probable that Great Oaks will compensate the associates for the benefits through paid time off or some other means. Great Oaks records a liability for accumulated unused vacation time when earned for all associates with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the associates who are currently eligible to receive termination benefits and those Great Oaks has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and associates' wage rates at fiscal year end, taking into consideration any limits specified in Great Oaks' severance policy.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured, for example, as a result of associate resignations and retirements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which Great Oaks is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of Great Oaks' Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by Great Oaks for specific purposes as approved through Great Oaks' formal purchasing procedure by the Treasurer, as established by the board approved purchasing policy. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Directors.

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Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Great Oaks applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Great Oaks or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Great Oaks applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. Of Great Oaks' \$3,281,696 in restricted net position, none were restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For Great Oaks, these revenues are charges for services for the primary activity of the fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 – Equity in Pooled Cash and Investments

State statutes classify monies held by Great Oaks into three categories.

Active deposits are public deposits necessary to meet current demands on the Treasury. Such monies must be maintained either as cash in Great Oaks' Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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Inactive deposits are public deposits that the Board has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit or by savings or deposit accounts including pass book accounts. Protection of Great Oaks' deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public monies on deposit.

Protection of the Great Oak's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and,

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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of Great Oaks, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures":

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, Great Oaks will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2018, \$1,591,714 of Great Oak's bank balance of \$1,841,714 was exposed to custodial credit risk because it was uninsured and collateralized.

Great Oaks has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to Great Oaks and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

Great Oaks' investments at June 30, 2018 are summarized as follows:

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For the Fiscal Year Ended June 30, 2018

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>	<u>Weighted Average Maturity (Years)</u>
Federal Home Loan Bank	\$989,150	Level 2	4.93
Fannie Mae	3,218,795	Level 2	0.85
Freddie Mac	3,759,755	Level 2	0.95
Federal Farm Credit Bank	3,102,630	Level 2	1.19
Negotiable CDs	10,651,033	Level 2	1.11
Commercial Paper	7,902,211	Level 2	0.18
Money Market Funds	34,334	N/A	0.00
STAROhio	14,069,910	N/A	0.12
Total Fair Value	<u>\$43,727,818</u>		
Portfolio Weighted Average Maturity			0.60

Great Oaks categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the Great Oaks' recurring fair value measurements as of June 30, 2018. STAR Ohio is reported at its share price (Net Asset value per share).

Credit Risk. It is Great Oaks' policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. Great Oaks' investments in Federal Home Loan Bank, Fannie Mae, Freddie Mac, and Federal Farm Credit Bank were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. Investments in Commercial Paper were rated A-1+ by Standard & Poor's and P-1 by Moody's investment service. Investments in STAROhio were rated AAAM by Standard & Poor's. Investments in Money Market Funds and Negotiable CDs were not rated.

Concentration of Credit Risk. Great Oaks' investment policy allows investments in U.S. Agencies or Instrumentalities. Great Oaks has invested 7% in Fannie Mae, 9% in Freddie Mac, 7% in Federal Farm Credit Bank, 24% in Negotiable CDs, less than 1% in Money Market Funds, 32% in STAROhio, 2% in Federal Home Loan Bank, and 18% in Commercial Paper.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a failure of a counter party, Great Oaks will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Great Oaks' investment securities are registered in its name.

Interest Rate Risk. In accordance with the investment policy, Great Oaks manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

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Notes to the Basic Financial Statements
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Note 3 – Property Taxes

Great Oaks received two types of property taxes: real property (assessed on land and buildings) and public utility (assessed on land and buildings). These taxes are calculated based on taxable values and property tax rates. Taxable values are determined based on the property's true value (or appraised value) and an assessment rate. All real property has an assessment rate of 35 percent of true value. The assessment rate on personal property varies depending on the property class, ranging from 24 percent to 88 percent.

In June 2005, the 126th General Assembly passed House Bill No. 66, which phases out the tax on tangible personal property of general business, telephone, and telecommunication companies and railroads beginning in tax year 2006 and ending by tax year 2010. The law provided for school districts to be held harmless by the state for their local tax revenue losses for a period of time referred to as the 'hold-harmless' period, through a combination of additional state formula funding and direct state reimbursement. The hold-harmless period was to be followed by a period of phasing out of the hold-harmless guarantee. The phase-out period was slated to start in August 2011 and to go on for the following six years. However, the 128th General Assembly passed House Bill 1 that postponed the starting of the phase-out to August 2013. School districts will continue to be reimbursed for the loss of tangible personal property tax revenue if their reliance on the reimbursement exceeds 2% of other selected revenue. If the 2% reliance is reached by 2013, the reimbursement is completely phased out. If the reliance exceeds 2% after 2013, the reimbursement is frozen until further action by the State legislature.

Great Oaks currently operates under a 2.7 mill, 10-year tax levy that was passed by the voters in November 2008.

Property taxes are levied and collected on a calendar year basis. 2018 real property taxes were levied in April 2017, became a lien on January 1, 2017, and settled in February and August 2017. 2017 public utility taxes were levied in April 2017, became a lien on December 31, 2016, and settled with real property taxes in February and August 2018.

Real property taxes and public utility taxes are payable annually or semiannually. Due and collection dates are established by each of the twelve County Auditors.

The assessed values upon which fiscal year 2018 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$17,431,000,000
Public Utility	<u>804,000,000</u>
Total	<u><u>\$18,235,000,000</u></u>

Great Oaks receives property taxes from twelve counties. The County Auditors periodically advance to Great Oaks its portion of taxes collected. Second-half real property tax payments collected by the counties by June 30, 2018, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary, based on the date the tax bills are sent.

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For the Fiscal Year Ended June 30, 2018

Accrued property taxes receivable represents outstanding delinquent taxes, to the extent they are considered collectible, and next fiscal year's real property and public utility taxes, which became measurable as of June 30, 2018. Although property tax collections for the next fiscal year are measurable, only the amounts available for advance as of June 30, 2018 are intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows for that portion not intended to finance current fiscal year operations. The amount available for advance as of June 30, 2018 was \$11,225,391 and was recognized as revenue in the General Fund.

Note 4 – Receivables

Receivables at June 30, 2018, consisted of taxes, accounts, interest, intergovernmental, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Intergovernmental Receivables consisted of the following detailed balances on the Balance Sheet and the Statement of Fiduciary Assets and Liabilities:

<u>Description</u>	<u>Amount</u>
TIF	\$1,358,608
Grants	400,585

Note 5 – Interfund Transactions

Interfund transactions at June 30, 2018 consisted of the following interfund receivables and interfund payables, and transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$305,222	\$0	\$0	\$10,683,300
Capital Projects	0	0	4,806,000	0
Other Governmental Funds	0	305,222	5,752,300	0
Internal Service Fund	0	0	125,000	0
Total All Funds	<u>\$305,222</u>	<u>\$305,222</u>	<u>\$10,683,300</u>	<u>\$10,683,300</u>

The interfund loans were made to provide operating capital. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) maintain debt service.

Note 6 – Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

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Notes to the Basic Financial Statements
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	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,453,557	\$0	\$0	\$2,453,557
Construction in Progress	541,955	646,055	1,015,798	172,212
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,283,590	0	0	1,283,590
Buildings and Improvements	151,146,831	383,104	0	151,529,935
Furniture and Equipment	9,008,451	1,077,005	0	10,085,456
Vehicles	3,037,580	183,618	564,995	2,656,203
Totals at Historical Cost	<u>167,471,964</u>	<u>2,289,782</u>	<u>1,580,793</u>	<u>168,180,953</u>
Less Accumulated Depreciation:				
Land Improvements	1,253,808	2,626	0	1,256,434
Building and Improvements	58,188,447	3,616,151	0	61,804,598
Equipment	6,207,797	563,169	0	6,770,966
Vehicles	2,246,438	166,897	532,128	1,881,207
Total Accumulated Depreciation	<u>67,896,490</u>	<u>4,348,843</u>	<u>532,128</u>	<u>71,713,205</u>
Governmental Activities Capital Assets, Net	<u>\$99,575,474</u>	<u>(\$2,059,061)</u>	<u>\$1,048,665</u>	<u>\$96,467,748</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$2,881,696
Support Services:	
Pupil	74,198
Instructional Staff	11,754
General Administration	4,231
School Administration	33,628
Fiscal	2,110
Operations and Maintenance	899,059
Pupil Transportation	98,048
Central	344,119
Total Depreciation Expense	<u>\$4,348,843</u>

Note 7 – Risk Management

Great Oaks is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to associates; and natural disasters. Great Oaks has a blanket building, contents and miscellaneous property policies purchased from commercial insurance carriers. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

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Notes to the Basic Financial Statements
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For fiscal year 2018, Great Oaks participated in the Butler Health Plan (BHP), a group insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to associates, their dependents and designated beneficiaries and to set aside funds for such purposes. The Trustee provides insurance policies in whole or in part through one or more group insurance policies.

Great Oaks offers workers compensation on a self-insured basis with third party administrative services provided by Hunter Consulting. Great Oaks is responsible for payment of all claim amounts. Great Oaks has \$400,000/\$1,000,000 per occurrence of stop-loss liability with Midwest Casualty Insurance.

The liability for unpaid claims cost of \$1,835 at fiscal year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated.

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2018	\$42,754	\$20,170	\$61,089	\$1,835
2017	8,333	100,638	66,217	42,754
2016	39,118	47,368	78,153	8,333

Note 8 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the employer’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the obligation for this liability to annually required payments. The employer cannot control benefit terms or the manner in which pensions are financed; however, the employer does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All

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contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – Non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.20% for the first thirty years of service and 2.50% for years of service credit over 30 or \$86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

Post-Retirement Increases – Before January 1, 2018; on each anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased by 3% of the base benefit. On or after January 1, 2018; on each anniversary of the initial retirement, the allowance of all retirees and survivors are increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0% nor greater than 2.5%. COLA’s shall be suspended for calendar years 2018, 2019, and 2020.

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Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the employer is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% was allocated to the Health Care Fund.

The contractually required contribution to SERS was \$989,641 for fiscal year 2018. Of this amount \$118,176 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – Licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, plan members were required to contribute 14% of their annual covered salary. The employer was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$4,425,097 for fiscal year 2018. Of this amount \$294,711 is reported as accrued wages and benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on the share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$13,465,820	\$60,067,808	\$73,533,628
Proportion of the Net Pension Liability:			
Current Measurement Date	0.22537770%	0.25286157%	
Prior Measurement Date	<u>0.24879830%</u>	<u>0.25832089%</u>	
Change in Proportionate Share	-0.02342060%	-0.00545932%	
Pension Expense	(\$650,353)	(\$23,714,371)	(\$24,364,724)

At June 30, 2018, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$579,522	\$2,319,537	\$2,899,059
Changes of assumptions	696,328	13,137,490	13,833,818
Changes in employer proportionate share of net pension liability	331,412	455,142	786,554
Contributions subsequent to the measurement date	989,641	4,425,097	5,414,738
Total Deferred Outflows of Resources	\$2,596,903	\$20,337,266	\$22,934,169
Differences between expected and actual experience	\$0	\$484,123	\$484,123
Net difference between projected and actual earnings on pension plan investments	63,919	1,982,308	2,046,227
Changes in employer proportionate share of net pension liability	1,053,518	2,613,174	3,666,692
Total Deferred Inflows of Resources	\$1,117,437	\$5,079,605	\$6,197,042

\$5,414,738 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2019	\$370,811	\$1,868,972	\$2,239,783
2020	520,525	4,717,307	5,237,832
2021	(87,595)	3,196,931	3,109,336
2022	(313,916)	1,049,354	735,438
Total	\$489,825	\$10,832,564	\$11,322,389

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan

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members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumptions Experience Study Date	5 year period ended June 30, 2015

Prior to 2017, an assumption of 3.0% was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
US Stocks	22.50%	4.75%
Non-US Stocks	22.50%	7.00%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	8.00%
Real Assets	15.00%	5.00%
Multi-Asset Strategies	10.00%	3.00%
Total	100.00%	

Discount Rate

The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return 7.50%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.50%, or one percentage point higher 8.50% than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$18,687,058	\$13,465,820	\$9,091,967

Changes in Benefit Terms

The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

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Actuarial Assumptions - STRS

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	July 1, 2017	July 1, 2016
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.75%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.50%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017	2% simple applied as follows: for members retiring before August 1, 2013, 2% per year; for members retiring August 1 2013, or later, 2% COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table represents the net pension liability as of June 30, 2017, calculated using the current period discount rate assumption of 7.45%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.45% or one percentage point higher 8.45% than the current assumption:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$86,105,158	\$60,067,808	\$38,135,243

Changes in Assumptions

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate

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was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms

Effective July 1, 2017, the COLA was reduced to zero.

Note 9 – Defined Benefit OPEB Plans

Net Other Postemployment Benefits (OPEB) Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred

The net OPEB liability represents the employer’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the employer’s obligation for this liability to annually required payments. The employer cannot control benefit terms or the manner in which OPEB are financed; however, the employer does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at year-end is included in accrued liabilities on the accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The employer contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare

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benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the surcharge obligation was \$118,176.

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The employer's contractually required contribution to SERS was \$154,829 for fiscal year 2018. Of this amount \$118,176 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all

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health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$6,133,118	\$9,865,725	\$15,998,843
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.22852900%	0.25286157%	
Prior Measurement Date	0.25153694%	0.25832089%	
Change in Proportionate Share	<u>-0.02300794%</u>	<u>-0.00545932%</u>	
OPEB Expense	\$166,710	(\$3,052,198)	(\$2,885,488)

At June 30, 2018, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$569,511	\$569,511
Contributions subsequent to the measurement date	<u>154,829</u>	<u>0</u>	<u>154,829</u>
Total Deferred Outflows of Resources	<u>\$154,829</u>	<u>\$569,511</u>	<u>\$724,340</u>
Changes of assumptions	\$582,002	\$794,715	\$1,376,717
Net difference between projected and actual earnings on pension plan investments	16,196	421,684	437,880
Changes in employer proportionate share of net pension liability	<u>481,393</u>	<u>250,257</u>	<u>731,650</u>
Total Deferred Inflows of Resources	<u>\$1,079,591</u>	<u>\$1,466,656</u>	<u>\$2,546,247</u>

\$154,829 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Great Oaks Career Campuses
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For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	(\$389,337)	(\$184,664)	(\$574,001)
2020	(389,337)	(184,665)	(574,002)
2021	(296,868)	(184,665)	(481,533)
2022	(4,049)	(184,665)	(188,714)
2023	0	(79,243)	(79,243)
Thereafter	0	(79,243)	(79,243)
Total	<u>(\$1,079,591)</u>	<u>(\$897,145)</u>	<u>(\$1,976,736)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

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Notes to the Basic Financial Statements
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Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50% net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56%
Prior Measurement Date	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	3.63%
Prior Measurement Date	2.98%
Medical Trend Assumption	
Medicare	5.50% to 5.00%
Pre-Medicare	7.50% to 5.00%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
US Stocks	22.50%	4.75%
Non-US Stocks	22.50%	7.00%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	8.00%
Real Assets	15.00%	5.00%
Multi-Asset Strategies	10.00%	3.00%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease 2.63%	Current Discount Rate 3.63%	1% Increase 4.63%
Proportionate share of the net OPEB liability	\$7,406,521	\$6,133,118	\$5,124,258

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	1% Decrease 6.50% decreasing to 4.00%	Current Trend Rate 7.50% decreasing to 5.00%	1% Increase 8.50% decreasing to 6.00%
Proportionate share of the net OPEB liability	\$4,976,566	\$6,133,118	\$7,663,835

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017
Blended Discount Rate of Return	4.13%
Health Care Cost Trends	6.00% to 11.00% initial, 4.5% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Since the prior measurement date, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

*10 year annualized geometric nominal returns, which includes the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Proportionate share of the net OPEB liability	\$13,244,578	\$9,865,725	\$7,195,328
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$6,854,283	\$9,865,725	\$13,829,136

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 10 – Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified associates earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified associates and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified associates earn sick leave at the rate based on their length of contract ranging from 15 days per year to 19 days per year. Sick leave may be accumulated to a maximum depending on the associate’s contract. Upon retirement, payment is made for 32% of the associate’s accumulated sick leave up to a maximum based on the length of the associate’s contract ranging from 66 to 89 days.

Note 11 – Long-Term Liabilities

The changes in Great Oaks’ long-term liabilities during fiscal year 2018 were as follows:

	Issue Date	Maturity Date	Interest Rate	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities:								
General Obligation Bonds:								
\$9,200,000 - School Improvements	3/11/10	12/1/19	1.50 - 3.25%	\$4,100,000	\$0	\$1,200,000	\$2,900,000	\$1,400,000
\$143,796 - Premium on School Improvements				35,242	0	14,098	21,144	0
\$7,795,000 - School Improvements	3/20/12	12/1/19	2.00-3.00%	4,530,000	0	1,360,000	3,170,000	1,565,000
\$728,006 - Premium on School Improvements				227,501	0	91,001	136,500	0
Subtotal Bonds				8,892,743	0	2,665,099	6,227,644	2,965,000
Compensated Absences				4,500,383	606,550	616,125	4,490,808	530,864
Subtotal Bonds and Other Amounts				13,393,126	606,550	3,281,224	10,718,452	3,495,864
Net Pension Liability:								
STRS				86,467,788	0	26,399,980	60,067,808	0
SERS				18,209,740	0	4,743,920	13,465,820	0
Subtotal Net Pension Liability				104,677,528	0	31,143,900	73,533,628	0
Net OPEB Liability:								
STRS				13,815,068	0	3,949,343	9,865,725	0
SERS				7,169,734	0	1,036,616	6,133,118	0
Subtotal Net OPEB Liability				20,984,802	0	4,985,959	15,998,843	0
Total Long-Term Debt				<u>\$139,055,456</u>	<u>\$606,550</u>	<u>\$39,411,083</u>	<u>\$100,250,923</u>	<u>\$3,495,864</u>

General obligation bonds will be paid from the Debt Service Fund. Compensated Absences are generally paid from the General Fund, the Vocational Adult Education Fund, and the Vocational Education Perkins Grant Fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Principal and interest requirements to retire the school improvement bonds outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$2,965,000	\$141,375	\$3,106,375
2020	3,105,000	48,450	3,153,450
Total	<u>\$6,070,000</u>	<u>\$189,825</u>	<u>\$6,259,825</u>

Note 12 – Contingencies

Grants

Great Oaks received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of Great Oaks at June 30, 2018.

Litigation

Great Oaks is not currently party to any legal proceedings which would have a material impact on the financial statements.

Note 13 – Insurance Purchasing Pool

Butler Health Plan

Great Oaks also participates in the Butler Health Plan (BHP), an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's associates, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from BHP at 400 North Erie Boulevard, Suite B, Hamilton, OH 45011.

Note 14 – Fund Balance Deficit

The following funds had deficit fund balances at June 30, 2018:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Vocational Education Perkins Grant	\$91,138

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The deficit fund balance was created by the application of general accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 15 – Fund Balances

Fund balance is classified as restricted, committed, assigned and/or unassigned based primarily on the extent to which Great Oaks is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Capital Projects	Other Governmental Funds	Total
Restricted for:				
Food Services	\$0	\$0	\$195,738	\$195,738
Other Grants	0	0	4,524	4,524
Vocational Adult Education	0	0	392,321	392,321
Debt Service	0	0	2,919,550	2,919,550
Adult Basic Education & Literacy	0	0	14,418	14,418
Total Restricted	0	0	3,526,551	3,526,551
Committed to:				
Capital Improvements	0	10,084,254	0	10,084,254
Total Committed	0	10,084,254	0	10,084,254
Assigned to:				
Public School Support	8,219	0	0	8,219
Encumbrances	237,968	0	0	237,968
Total Assigned	246,187	0	0	246,187
Unassigned (Deficit)	38,778,473	0	(91,138)	38,687,335
Total Fund Balance	\$39,024,660	\$10,084,254	\$3,435,413	\$52,544,327

Fund balance classified as assigned for encumbrances in the general fund are assigned for all ordinary day-to-day operations of Great Oaks and for the purchase and sale of supplies throughout the career campuses.

Note 16 – Construction and Other Commitments

Great Oaks utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, Great Oaks' commitments for encumbrances in the governmental funds were as follows:

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

<u>Description</u>	<u>Remaining Commitment</u>
General	\$329,005
Capital Projects	792,003
Other Governmental	4,625

Note 17 – Required Set-Asides

Great Oaks is required by State Statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end. The following cash basis information describes the change in the year-end set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set Aside Reserve Balance as of June 30, 2017	\$0
Current Year Set Aside Requirements	643,928
Qualified Disbursements	<u>(2,782,750)</u>
Set Aside Reserve Balance as of June 30, 2018	<u><u>(\$2,138,822)</u></u>

Note 18 – Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, Great Oaks.

Note 19 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone Agreement (“EZA”) programs with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of Great Oaks, many other governments have entered into CRA and EZA agreements. Under these agreements Great Oak’s property taxes were reduced by \$73,427.

Note 20 – Implementation of New Accounting Principles and Restatement of Net Position

For the fiscal year ended June 30, 2018, Great Oaks has implemented GASB Statement No. 81, Irrevocable Split-Interest Agreements, and GASB No. 86, Certain Debt Extinguishment Issues, and GASB

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Statement No. 85, Omnibus 2017, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and related guidance from (GASB) Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

GASB Statement No. 81 sets out to improve accounting and financial reporting for irrevocable split interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement also enhances the decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying the resources that are available for the government to carry out its mission. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of Great Oaks.

GASB Statement No. 86 sets out to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. One of the criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments should disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of Great Oaks.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in Great Oaks' fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Great Oaks Career Campuses
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Net position June 30, 2017	\$53,416,472
Adjustments:	
Net OPEB Liability	(20,984,802)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>123,734</u>
Restated Net Position June 30, 2017	<u><u>\$32,555,404</u></u>

Other than employer contributions subsequent to the measurement date, Great Oaks made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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REQUIRED SUPPLEMENTARY INFORMATION



Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.25286157%	0.25832089%	0.25564655%	0.26729169%	0.26729169%
District's Proportionate Share of the Net Pension Liability	\$60,067,808	\$86,467,788	\$70,653,229	\$65,014,589	\$77,236,389
District's Covered Payroll	\$30,257,179	\$27,379,800	\$26,836,786	\$29,410,585	\$30,687,246
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	198.52%	315.81%	263.27%	221.06%	251.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Five Fiscal Years (1)

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.22537770%	0.24879830%	0.241133%	0.245291%	0.245291%
District's Proportionate Share of the Net Pension Liability	\$13,465,820	\$18,209,740	\$13,759,300	\$12,414,038	\$14,591,039
District's Covered Payroll	\$7,556,307	\$8,649,214	\$7,395,303	\$7,199,654	\$6,849,725
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	178.21%	210.54%	186.05%	172.43%	213.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of District Contributions
 for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$4,425,097	\$4,236,005	\$3,833,172	\$3,757,150	\$3,823,376	\$3,989,342	\$4,342,486	\$4,283,000	\$4,688,000	\$4,198,000
Contributions in Relation to the Contractually Required Contribution	(4,425,097)	(4,236,005)	(3,833,172)	(3,757,150)	(3,823,376)	(3,989,342)	(4,342,486)	(4,283,000)	(4,688,000)	(4,198,000)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered Payroll	\$31,607,836	\$30,257,179	\$27,379,800	\$26,836,786	\$29,410,585	\$30,687,246	\$33,403,738	\$32,946,154	\$36,061,538	\$32,292,308
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of District Contributions
 for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$989,641	\$1,057,883	\$1,210,890	\$974,701	\$997,872	\$948,002	\$1,017,076	\$1,032,000	\$1,030,000	\$1,111,000
Contributions in Relation to the Contractually Required Contribution	(989,641)	(1,057,883)	(1,210,890)	(974,701)	(997,872)	(948,002)	(1,017,076)	(1,032,000)	(1,030,000)	(1,111,000)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered Payroll	\$7,330,674	\$7,556,307	\$8,649,214	\$7,395,303	\$7,199,654	\$6,849,725	\$7,561,903	\$8,210,024	\$7,607,090	\$11,290,650
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

See accompanying notes to the required supplementary information.

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Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 State Teachers Retirement System of Ohio
 Last Two Fiscal Years (1)

	2018	2017
District's Proportion of the Net OPEB Liability	0.25286157%	0.25832089%
District's Proportionate Share of the Net OPEB Liability	\$9,865,725	\$13,815,068
District's Covered Payroll	\$30,257,179	\$27,379,800
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	32.61%	50.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 School Employees Retirement System of Ohio
 Last Two Fiscal Years (1)

	2018	2017
District's Proportion of the Net OPEB Liability	0.22852900%	0.25153694%
District's Proportionate Share of the Net OPEB Liability	\$6,133,118	\$7,169,733
District's Covered Payroll	\$7,556,307	\$8,649,214
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	81.17%	82.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of District Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 State Teachers Retirement System of Ohio
 Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$31,607,836	\$30,257,179	\$27,379,800
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
 Required Supplementary Information
 Schedule of District Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 School Employees Retirement System of Ohio
 Last Three Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB (2)	\$154,829	\$123,734	\$124,730
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(154,829)</u>	<u>(123,734)</u>	<u>(124,730)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$7,330,674	\$7,556,307	\$8,649,214
Contributions to OPEB as a Percentage of Covered Payroll	2.11%	1.64%	1.44%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) - Includes Surcharge.

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$35,638,174	\$39,294,109	\$38,588,945	(\$705,164)
Revenue in lieu of taxes	1,254,720	1,383,435	1,358,608	(24,827)
Tuition and Fees	756,399	833,994	819,027	(14,967)
Investment Earnings	517,712	570,821	560,577	(10,244)
Intergovernmental	20,853,937	22,993,234	22,580,602	(412,632)
Other Revenues	148,354	163,572	160,637	(2,935)
Total Revenues	59,169,296	65,239,165	64,068,396	(1,170,769)
Expenditures:				
Current:				
Instruction:				
Regular	7,342,498	7,526,811	7,405,607	121,204
Vocational	23,280,062	23,864,442	23,480,154	384,288
Support Services:				
Pupil	3,328,252	3,411,798	3,356,858	54,940
Instructional Staff	1,386,583	1,421,390	1,398,501	22,889
General Administration	363,898	373,033	367,026	6,007
School Administration	3,432,935	3,519,109	3,462,441	56,668
Fiscal	1,659,127	1,700,774	1,673,387	27,387
Business	313,633	321,506	316,329	5,177
Operations and Maintenance	6,947,313	7,121,705	7,007,025	114,680
Pupil Transportation	828,564	849,363	835,686	13,677
Central	3,814,342	3,910,090	3,847,126	62,964
Operation of Non-Instructional Services	18,690	19,160	18,851	309
Total Expenditures	52,715,897	54,039,181	53,168,991	870,190
Excess of Revenues Over (Under) Expenditures	6,453,399	11,199,984	10,899,405	(300,579)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,194	2,419	2,376	(43)
Advances In	473,750	522,350	512,976	(9,374)
Advances (Out)	(397,171)	(407,141)	(400,585)	6,556
Transfers (Out)	(10,926,189)	(11,200,460)	(11,020,100)	180,360
Total Other Financing Sources (Uses)	(10,847,416)	(11,082,832)	(10,905,333)	177,499
Net Change in Fund Balance	(4,394,017)	117,152	(5,928)	(123,080)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	29,034,110	29,034,110	29,034,110	0
Fund Balance End of Year	\$24,640,093	\$29,151,262	\$29,028,182	(\$123,080)

See accompanying notes to the required supplementary information.

Great Oaks Career Campuses
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2018

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2018.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

While Great Oaks is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budget Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis).

Great Oaks Career Campuses
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2018

The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the general fund.

Net Change in Fund Balance	
	General
GAAP Basis	(\$195,929)
Revenue Accruals	210,959
Expenditure Accruals	532,456
Transfers Out	(336,800)
Advances In	512,976
Advances (Out)	(400,585)
Encumbrances	(329,005)
Budget Basis	(\$5,928)

Note 2 - SERS Change in Assumptions-Net Pension Liability

The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Note 3 - STRS Change in Assumptions and Benefit Terms-Net Pension Liability

Changes in Assumptions

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms

Effective July 1, 2017, the COLA was reduced to zero.

Note 4 - SERS Change in Assumptions-Net OPEB Liability

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Great Oaks Career Campuses
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2018

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Note 5 - STRS Change in Assumptions-Net OPEB Liability

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

Capital Projects

A fund provided to account for all transactions related to the acquiring, constructing, or improving or such permanent improvements as are authorized by Chapter 5705, Revised Code.

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Capital Projects Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Vocational	825,704	613,582	212,122
Support Services:			
Pupil Transportation	504,506	374,899	129,607
Central	5,464,921	4,060,991	1,403,930
Capital Outlay	2,648,767	1,968,303	680,464
Total Expenditures	9,443,898	7,017,775	2,426,123
Excess of Revenues Over (Under) Expenditures	(9,443,898)	(7,017,775)	2,426,123
Other Financing Sources (Uses):			
Transfers In	0	4,806,000	4,806,000
Total Other Financing Sources (Uses)	0	4,806,000	4,806,000
Net Change in Fund Balance	(9,443,898)	(2,211,775)	7,232,123
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,549,208	11,549,208	0
Fund Balance End of Year	\$2,105,310	\$9,337,433	\$7,232,123

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

Great Oaks Career Campuses
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$729,526	\$2,919,550	\$3,649,076
Receivables (Net):			
Accounts	73,538	0	73,538
Intergovernmental	305,221	0	305,221
Total Assets	1,108,285	2,919,550	4,027,835
Liabilities:			
Accounts Payable	800	0	800
Accrued Wages and Benefits	269,009	0	269,009
Interfund Payable	305,222	0	305,222
Total Liabilities	575,031	0	575,031
Deferred Inflows of Resources:			
Grants	17,391	0	17,391
Total Deferred Inflows of Resources	17,391	0	17,391
Fund Balances:			
Restricted	607,001	2,919,550	3,526,551
Unassigned	(91,138)	0	(91,138)
Total Fund Balances	515,863	2,919,550	3,435,413
Total Liabilities, Deferred Inflows and Fund Balances	\$1,108,285	\$2,919,550	\$4,027,835

Great Oaks Career Campuses
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$3,046,159	\$0	\$3,046,159
Intergovernmental	4,693,838	0	4,693,838
Charges for Services	589,533	0	589,533
Other Revenues	188,302	0	188,302
Total Revenues	8,517,832	0	8,517,832
Expenditures:			
Current:			
Instruction:			
Regular	52,000	0	52,000
Vocational	358,470	0	358,470
Adult/Continuing	5,981,277	0	5,981,277
Support Services:			
Pupil	1,583,582	0	1,583,582
School Administration	83,741	0	83,741
Fiscal	53,451	0	53,451
Central	17,480	0	17,480
Operation of Non-Instructional Services	1,039,156	0	1,039,156
Debt Service:			
Principal Retirement	0	2,560,000	2,560,000
Interest and Fiscal Charges	0	222,750	222,750
Total Expenditures	9,169,157	2,782,750	11,951,907
Excess of Revenues Over (Under) Expenditures	(651,325)	(2,782,750)	(3,434,075)
Other Financing Sources (Uses):			
Transfers In	50,000	5,702,300	5,752,300
Total Other Financing Sources (Uses)	50,000	5,702,300	5,752,300
Net Change in Fund Balance	(601,325)	2,919,550	2,318,225
Fund Balance - Beginning of Year	1,117,188	0	1,117,188
Fund Balance - End of Year	\$515,863	\$2,919,550	\$3,435,413

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NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Services - To account for the financial transactions related to the food service operation of Great Oaks.

Other Grants - To account for local funds, which are provided to assist Great Oaks with various programs.

Vocational Adult Education - To account for revenues and expenditures involved in upgrading and retraining out-of-school youth and adults for the purpose of improving their skills and knowledge in their current or planned occupation.

Public School Preschool - To account for state resources provided to assist Great Oaks with the cost of pre-school programs for three and four year old students.

Data Communication - To account for money appropriated for Ohio Educational Computer Network Connections.

High Schools That Work – To account for state funds for the school improvement initiative to raise student achievement in high school.

Miscellaneous State Grants – To account for various monies received directly from the state government, which are, not classified elsewhere.

Adult Basic Education & Literacy - To account for federal monies used to provide for instructional programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth-grade education or its equivalent. Funds are expended for development of basic educational skills; increase of opportunities for useful employment; improvement of attitudes towards self, family and community.

Vocational Education Perkins Grant - To account for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, ancillary services, research, advisory committees, and work-study projects.

Improving Teacher Quality Grant - To account for federal funds designed to provide professional development for teachers and increasing the quality of teachers in the classroom.

Great Oaks Career Campuses
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Food Services	Other Grants	Vocational Adult Education	Public School Preschool
Assets:				
Equity in Pooled Cash and Investments	\$211,712	\$4,524	\$475,332	\$0
Receivables (Net):				
Accounts	0	0	73,538	0
Intergovernmental	0	0	0	0
Total Assets	211,712	4,524	548,870	0
Liabilities:				
Accounts Payable	0	0	800	0
Accrued Wages and Benefits	15,974	0	155,749	0
Interfund Payable	0	0	0	0
Total Liabilities	15,974	0	156,549	0
Deferred Inflows of Resources:				
Grants	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Restricted	195,738	4,524	392,321	0
Unassigned	0	0	0	0
Total Fund Balances	195,738	4,524	392,321	0
Total Liabilities, Deferred Inflows and Fund Balances	\$211,712	\$4,524	\$548,870	\$0

Data Communication	High Schools That Work	Miscellaneous State Grants	Adult Basic Education & Literacy	Vocational Education Perkins Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$17,391	\$20,567	\$0	\$729,526
0	0	0	0	0	73,538
0	0	17,391	148,228	139,602	305,221
0	0	34,782	168,795	139,602	1,108,285
0	0	0	0	0	800
0	0	0	6,149	91,137	269,009
0	0	17,391	148,228	139,603	305,222
0	0	17,391	154,377	230,740	575,031
0	0	17,391	0	0	17,391
0	0	17,391	0	0	17,391
0	0	0	14,418	0	607,001
0	0	0	0	(91,138)	(91,138)
0	0	0	14,418	(91,138)	515,863
<u>\$0</u>	<u>\$0</u>	<u>\$34,782</u>	<u>\$168,795</u>	<u>\$139,602</u>	<u>\$1,108,285</u>

Great Oaks Career Campuses
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Food Services	Other Grants	Vocational Adult Education	Public School Preschool
Revenues:				
Tuition and Fees	\$0	\$0	\$3,046,159	\$0
Intergovernmental	538,719	0	1,286,020	36,000
Charges for Services	435,194	0	154,339	0
Other Revenues	38,463	9,200	140,639	0
Total Revenues	1,012,376	9,200	4,627,157	36,000
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	52,000
Vocational	0	0	0	0
Adult/Continuing	0	0	5,028,041	0
Support Services:				
Pupil	0	0	0	0
School Administration	0	0	0	0
Fiscal	0	0	53,451	0
Central	0	8,404	0	0
Operation of Non-Instructional Services	1,039,156	0	0	0
Total Expenditures	1,039,156	8,404	5,081,492	52,000
Excess of Revenues Over (Under) Expenditures	(26,780)	796	(454,335)	(16,000)
Other Financing Sources (Uses):				
Transfers In	50,000	0	0	0
Total Other Financing Sources (Uses)	50,000	0	0	0
Net Change in Fund Balance	23,220	796	(454,335)	(16,000)
Fund Balance - Beginning of Year	172,518	3,728	846,656	16,000
Change in Reserve for Inventory	0	0	0	0
Fund Balance - End of Year	\$195,738	\$4,524	\$392,321	\$0

Data Communication	High Schools That Work	Miscellaneous State Grants	Adult Basic Education & Literacy	Vocational Education Perkins Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$3,046,159
9,000	16,000	15,268	957,037	1,835,794	4,693,838
0	0	0	0	0	589,533
0	0	0	0	0	188,302
9,000	16,000	15,268	957,037	1,835,794	8,517,832
0	0	0	0	0	52,000
0	0	15,268	0	343,202	358,470
0	0	0	953,236	0	5,981,277
0	16,000	0	0	1,567,582	1,583,582
0	0	0	83,741	0	83,741
0	0	0	0	0	53,451
9,076	0	0	0	0	17,480
0	0	0	0	0	1,039,156
9,076	16,000	15,268	1,036,977	1,910,784	9,169,157
(76)	0	0	(79,940)	(74,990)	(651,325)
0	0	0	0	0	50,000
0	0	0	0	0	50,000
(76)	0	0	(79,940)	(74,990)	(601,325)
76	0	0	94,358	(16,148)	1,117,188
0	0	0	0	0	0
\$0	\$0	\$0	\$14,418	(\$91,138)	\$515,863

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Food Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$530,384	\$538,719	\$8,335
Charges for Services	428,461	435,194	6,733
Other Revenues	37,868	38,463	595
Total Revenues	<u>996,713</u>	<u>1,012,376</u>	<u>15,663</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,065,353	1,037,295	28,058
Total Expenditures	<u>1,065,353</u>	<u>1,037,295</u>	<u>28,058</u>
Excess of Revenues Over (Under) Expenditures	<u>(68,640)</u>	<u>(24,919)</u>	<u>43,721</u>
Other Financing Sources (Uses):			
Transfers In	49,226	50,000	774
Total Other Financing Sources (Uses)	<u>49,226</u>	<u>50,000</u>	<u>774</u>
Net Change in Fund Balance	(19,414)	25,081	44,495
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>186,629</u>	<u>186,629</u>	<u>0</u>
Fund Balance End of Year	<u>\$167,215</u>	<u>\$211,710</u>	<u>\$44,495</u>

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$9,200	\$9,200	\$0
Total Revenues	9,200	9,200	0
Expenditures:			
Current:			
Support Services:			
Central	12,927	8,404	4,523
Total Expenditures	12,927	8,404	4,523
Net Change in Fund Balance	(3,727)	796	4,523
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,727	3,727	0
Fund Balance End of Year	\$0	\$4,523	\$4,523

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Vocational Adult Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$2,918,982	\$3,079,204	\$160,222
Intergovernmental	1,219,104	1,286,020	66,916
Charges for Services	147,229	155,310	8,081
Other Revenues	133,321	140,639	7,318
Total Revenues	<u>4,418,636</u>	<u>4,661,173</u>	<u>242,537</u>
Expenditures:			
Current:			
Instruction:			
Adult/Continuing	5,234,358	5,042,497	191,861
Support Services:			
Fiscal	55,485	53,451	2,034
Total Expenditures	<u>5,289,843</u>	<u>5,095,948</u>	<u>193,895</u>
Excess of Revenues Over (Under) Expenditures	<u>(871,207)</u>	<u>(434,775)</u>	<u>436,432</u>
Other Financing Sources (Uses):			
Transfers In	356,532	376,102	19,570
Transfers (Out)	(390,412)	(376,102)	14,310
Total Other Financing Sources (Uses)	<u>(33,880)</u>	<u>0</u>	<u>33,880</u>
Net Change in Fund Balance	(905,087)	(434,775)	470,312
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>905,491</u>	<u>905,491</u>	<u>0</u>
Fund Balance End of Year	<u>\$404</u>	<u>\$470,716</u>	<u>\$470,312</u>

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$64,000	\$52,000	(\$12,000)
Total Revenues	64,000	52,000	(12,000)
Expenditures:			
Current:			
Instruction:			
Regular	61,176	52,000	9,176
Total Expenditures	61,176	52,000	9,176
Excess of Revenues Over (Under) Expenditures	2,824	0	(2,824)
Other Financing Sources (Uses):			
Advances (Out)	(18,824)	(16,000)	2,824
Total Other Financing Sources (Uses)	(18,824)	(16,000)	2,824
Net Change in Fund Balance	(16,000)	(16,000)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,000	16,000	0
Fund Balance End of Year	\$0	\$0	\$0

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,000	\$9,000	\$0
Total Revenues	9,000	9,000	0
Expenditures:			
Current:			
Support Services:			
Central	9,076	9,076	0
Total Expenditures	9,076	9,076	0
Net Change in Fund Balance	(76)	(76)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	76	76	0
Fund Balance End of Year	\$0	\$0	\$0

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	High Schools That Work Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,000	\$16,000	\$0
Total Revenues	16,000	16,000	0
Expenditures:			
Current:			
Support Services:			
Pupil	16,000	16,000	0
Total Expenditures	16,000	16,000	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Advances In	0	0	0
Advances (Out)	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$7,138	\$15,268	\$8,130
Total Revenues	7,138	15,268	8,130
Expenditures:			
Current:			
Instruction:			
Vocational	15,268	15,268	0
Total Expenditures	15,268	15,268	0
Excess of Revenues Over (Under) Expenditures	(8,130)	0	8,130
Other Financing Sources (Uses):			
Advances In	8,130	17,391	9,261
Advances (Out)	(15,268)	(15,268)	0
Total Other Financing Sources (Uses)	(7,138)	2,123	9,261
Net Change in Fund Balance	(15,268)	2,123	17,391
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,268	15,268	0
Fund Balance End of Year	\$0	\$17,391	\$17,391

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Adult Basic Education & Literacy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$962,376	\$962,376	\$0
Total Revenues	<u>962,376</u>	<u>962,376</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Adult/Continuing	970,390	953,911	16,479
Support Services:			
School Administration	84,890	83,448	1,442
Total Expenditures	<u>1,055,280</u>	<u>1,037,359</u>	<u>17,921</u>
Excess of Revenues Over (Under) Expenditures	<u>(92,904)</u>	<u>(74,983)</u>	<u>17,921</u>
Other Financing Sources (Uses):			
Advances In	148,228	148,228	0
Advances (Out)	<u>(156,220)</u>	<u>(153,567)</u>	<u>2,653</u>
Total Other Financing Sources (Uses)	<u>(7,992)</u>	<u>(5,339)</u>	<u>2,653</u>
Net Change in Fund Balance	(100,896)	(80,322)	20,574
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>100,895</u>	<u>100,895</u>	<u>0</u>
Fund Balance End of Year	<u>(\$1)</u>	<u>\$20,573</u>	<u>\$20,574</u>

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Vocational Education Perkins Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,974,603	\$1,968,065	(\$6,538)
Total Revenues	<u>1,974,603</u>	<u>1,968,065</u>	<u>(6,538)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	342,998	341,896	1,102
Support Services:			
Pupil	1,563,925	1,558,901	5,024
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,906,923</u>	<u>1,900,797</u>	<u>6,126</u>
Excess of Revenues Over (Under) Expenditures	<u>67,680</u>	<u>67,268</u>	<u>(412)</u>
Other Financing Sources (Uses):			
Advances In	140,067	139,603	(464)
Advances (Out)	<u>(272,748)</u>	<u>(271,872)</u>	<u>876</u>
Total Other Financing Sources (Uses)	<u>(132,681)</u>	<u>(132,269)</u>	<u>412</u>
Net Change in Fund Balance	(65,001)	(65,001)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>65,001</u>	<u>65,001</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Improving Teacher Quality Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$6,267	\$6,267	\$0
Total Revenues	6,267	6,267	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	6,267	6,267	0
Other Financing Sources (Uses):			
Advances (Out)	(6,267)	(6,267)	0
Total Other Financing Sources (Uses)	(6,267)	(6,267)	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NONMAJOR DEBT SERVICE FUND

Fund Description

Debt Service Fund – The Debt Service Fund is used for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when Great Oaks is obligated in some manner for the payment.

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Debt Service:			
Principal Retirement	2,560,000	2,560,000	0
Interest and Fiscal Charges	222,750	222,750	0
Total Expenditures	2,782,750	2,782,750	0
Excess of Revenues Over (Under) Expenditures	(2,782,750)	(2,782,750)	0
Other Financing Sources (Uses):			
Transfers In	2,782,750	5,702,300	2,919,550
Total Other Financing Sources (Uses)	2,782,750	5,702,300	2,919,550
Net Change in Fund Balance	0	2,919,550	2,919,550
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$2,919,550	\$2,919,550

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that Great Oaks prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. Great Oaks has only presented the budget schedules for these funds.

Fund Descriptions

Uniform School Supplies - To account for the purchase and sale of school supplies, such as workbooks and toolkits, as adopted by the Board of Directors.

Public School Support - To account for specific local revenue sources generated by the individual school buildings. Expenditures generally include field trips, materials, equipment and other items to supplement co-curricular and extracurricular programs.

District Managed Student Activity - To account for those student activity programs which have student participation in the activity but do not have student management in the programs.

Child Care Services - To account for operations of child care for students and is financed partly through user charges.

Flex Spending Plan – To account for monies related to Great Oaks' flex spending plan.

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Uniform School Supplies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	91,165	91,165	0
Total Expenditures	91,165	91,165	0
Net Change in Fund Balance	(91,165)	(91,165)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	91,165	91,165	0
Fund Balance End of Year	\$0	\$0	\$0

(1) For GAAP reporting, this fund is combined with the General Fund

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$11,227	\$11,227	\$0
Total Revenues	11,227	11,227	0
Expenditures:			
Current:			
Extracurricular Activities	20,579	12,360	8,219
Total Expenditures	20,579	12,360	8,219
Net Change in Fund Balance	(9,352)	(1,133)	8,219
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,353	9,353	0
Fund Balance End of Year	\$1	\$8,220	\$8,219

(1) For GAAP reporting, this fund is combined with the General Fund

Great Oaks Career Campuses
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	District Managed Student Activity Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$65,667	\$65,732	\$65
Total Revenues	<u>65,667</u>	<u>65,732</u>	<u>65</u>
Expenditures:			
Current:			
Instruction:			
Vocational	64,867	64,362	505
Extracurricular Activities	1,265	1,255	10
Total Expenditures	<u>66,132</u>	<u>65,617</u>	<u>515</u>
Net Change in Fund Balance	(465)	115	580
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>465</u>	<u>465</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$580</u></u>	<u><u>\$580</u></u>

(1) For GAAP reporting, this fund is combined with the General Fund

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Child Care Services Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$86,639	\$81,181	(\$5,458)
Total Revenues	<u>86,639</u>	<u>81,181</u>	<u>(5,458)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	137,071	134,521	2,550
Total Expenditures	<u>137,071</u>	<u>134,521</u>	<u>2,550</u>
Excess of Revenues Over (Under) Expenditures	<u>(50,432)</u>	<u>(53,340)</u>	<u>(2,908)</u>
Other Financing Sources (Uses):			
Transfers In	53,361	50,000	(3,361)
Total Other Financing Sources (Uses)	<u>53,361</u>	<u>50,000</u>	<u>(3,361)</u>
Net Change in Fund Balance	2,929	(3,340)	(6,269)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>110,182</u>	<u>110,182</u>	<u>0</u>
Fund Balance End of Year	<u>\$113,111</u>	<u>\$106,842</u>	<u>(\$6,269)</u>

(1) For GAAP reporting, this fund is combined with the General Fund

Great Oaks Career Campuses
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Flex Spending Plan Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$261,591	\$305,961	\$44,370
Total Revenues	<u>261,591</u>	<u>305,961</u>	<u>44,370</u>
Expenditures:			
Current:			
Instruction:			
Vocational	543,000	444,033	98,967
Total Expenditures	<u>543,000</u>	<u>444,033</u>	<u>98,967</u>
Excess of Revenues Over (Under) Expenditures	<u>(281,409)</u>	<u>(138,072)</u>	<u>143,337</u>
Other Financing Sources (Uses):			
Transfers In	245,209	286,800	41,591
Total Other Financing Sources (Uses)	<u>245,209</u>	<u>286,800</u>	<u>41,591</u>
Net Change in Fund Balance	(36,200)	148,728	184,928
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>265,053</u>	<u>265,053</u>	<u>0</u>
Fund Balance End of Year	<u>\$228,853</u>	<u>\$413,781</u>	<u>\$184,928</u>

(1) For GAAP reporting, this fund is combined with the General Fund

NONMAJOR FUNDS

Fiduciary funds

Fiduciary fund types are used to account for assets held by Great Oaks in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Student Managed Activity (Agency Fund) – Fund used to account for resources that belong to various student groups in Great Oaks. Students are involved in the management of the program.

District Agency (Agency Fund) – Fund used to account for assets held by Great Oaks as an agent for individuals, private organizations, other governmental units, and/or other funds.

Great Oaks Career Campuses
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$134,200	\$235,706	\$209,895	\$160,011
Receivables (Net):				
Accounts	6,673	1,723	6,673	1,723
Total Assets	140,873	237,429	216,568	161,734
Liabilities:				
Other Liabilities	140,873	237,429	216,568	161,734
Total Liabilities	\$140,873	\$237,429	\$216,568	\$161,734

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$67,943	\$747,441	\$725,635	\$89,749
Receivables (Net):				
Accounts	4,734	0	4,734	0
Intergovernmental	50,000	95,364	50,000	95,364
Total Assets	122,677	842,805	780,369	185,113
Liabilities:				
Accrued Wages and Benefits	25,577	0	25,577	0
Other Liabilities	97,100	842,805	754,792	185,113
Total Liabilities	\$122,677	\$842,805	\$780,369	\$185,113

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$202,143	\$983,147	\$935,530	\$249,760
Receivables (Net):				
Accounts	11,407	1,723	11,407	1,723
Intergovernmental	50,000	95,364	50,000	95,364
Total Assets	263,550	1,080,234	996,937	346,847
Liabilities:				
Accrued Wages and Benefits	25,577	0	25,577	0
Other Liabilities	237,973	1,080,234	971,360	346,847
Total Liabilities	\$263,550	\$1,080,234	\$996,937	\$346,847

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Great Oaks Career Campuses
Cincinnati, Ohio

Statistical Section



STATISTICAL SECTION

This part of Great Oak's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Great Oak's overall financial health.

Contents

Financial Trends - These schedules contain trend information to help the reader understand how Great Oak's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess Great Oak's most significant local revenue source, property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of Great Oak's current levels of outstanding debt and Great Oak's ability to issue additional debt in the future.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which Great Oak's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in Great Oak's financial report relates to the services Great Oaks provides and the activities it performs.

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

GREAT OAKS CAREER CAMPUSES

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Schedule 1

	2009	2010	2011	2012	2013	2014	2015	2016	2017, Restated	2018
Governmental Activities										
Net investment in Capital Assets	\$73,901,083	\$89,107,739	\$88,422,801	\$90,396,415	\$91,102,941	\$90,252,504	\$90,877,414	\$91,079,644	\$90,874,494	\$90,355,162
Restricted	0	1,258,960	3,663,767	287,911	439,563	765,235	858,309	835,871	881,750	3,281,696
Unrestricted	60,932,606	45,027,282	40,186,190	38,256,894	37,474,782	42,327,480	(40,780,210)	(40,779,327)	(59,200,840)	(27,135,206)
Total Governmental Net Position	\$134,833,689	\$135,393,981	\$132,272,758	\$128,941,220	\$129,017,286	\$133,345,219	\$50,955,513	\$51,136,188	\$32,555,404	\$66,501,652

Source: District Records

GREAT OAKS CAREER CAMPUSES
Expenses, Program Revenues and Net (Expense)/Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
Schedule Z

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
Instruction	\$47,158,084	\$41,725,548	\$41,431,681	\$41,090,514	\$37,301,526	\$36,883,430	\$36,206,180	\$36,874,256	\$39,679,660	\$21,300,253
Pupil	3,169,358	3,362,956	3,481,175	3,906,382	5,172,692	4,368,187	4,815,529	4,751,267	4,988,161	2,309,011
Instructional Staff	4,715,642	4,799,227	2,838,111	2,358,540	2,734,677	2,464,871	2,213,687	1,891,601	1,995,026	215,171
General Administration	273,283	456,679	465,900	373,719	390,422	384,473	405,228	423,376	426,250	322,981
School Administration	4,562,223	4,285,374	4,220,937	4,129,999	3,675,807	3,963,680	3,914,856	3,335,804	3,639,751	74,356
Fiscal	2,135,544	2,607,857	2,258,619	1,954,423	1,763,315	1,686,566	1,675,529	1,805,332	1,873,510	890,607
Business	1,078,216	904,405	1,182,177	1,032,296	795,413	795,413	556,978	454,410	361,469	105,651
Operation and Maintenance	9,340,637	7,559,738	8,688,624	7,940,687	6,983,410	7,274,668	7,627,281	7,590,345	7,928,925	5,508,906
Pupil Transportation	409,059	387,489	397,964	546,461	715,515	686,452	733,962	1,242,819	1,121,316	1,132,794
Central	5,858,163	4,991,271	6,368,679	5,298,381	5,044,525	5,144,291	6,502,259	6,044,803	7,846,899	5,642,935
Operation of Non-Instructional Services	1,257,912	2,485,914	1,284,375	1,333,706	1,575,549	1,473,897	1,364,783	2,191,502	1,412,388	846,408
Extracurricular Activities	0	0	0	2,616	6,831	2,973	12,946	15,710	14,127	13,615
Intergovernmental	0	0	0	0	0	0	0	220,244	218,300	0
Interest and Fiscal Charges	473,173	525,246	576,693	471,745	499,620	392,960	363,717	316,235	257,681	188,411
Total Governmental Activities Expenses	\$80,431,294	\$74,091,704	\$73,194,935	\$70,439,469	\$66,514,567	\$65,521,861	\$66,392,935	\$67,157,704	\$71,763,463	\$38,551,099
Program Revenues										
Governmental Activities:										
Charges for Services and Sales										
Instruction	5,276,699	4,645,081	4,093,296	4,158,093	3,968,103	4,041,861	3,455,404	4,383,328	4,032,356	12,829,916
Pupil	2,331	0	0	0	0	0	0	0	0	1,521,590
Instructional Staff	0	0	0	0	0	0	0	0	0	0
Board of Education	0	0	0	0	0	0	0	0	0	0
School Administration	0	0	0	0	0	0	0	0	0	0
Fiscal	0	0	0	52,864	46,151	34,808	30,597	40,649	38,989	76,987
Business	0	150,621	0	0	0	0	0	0	0	0
Operations and Maintenance	70,583	75	0	0	216,187	142,424	82,434	34,250	74,417	101,250
Pupil Transportation	0	0	0	0	0	0	0	0	0	0
Central	0	0	0	0	0	0	0	0	0	0
Operation of Non-Instructional Services	1,415,129	1,169,218	786,915	518,201	493,440	491,809	507,060	570,287	604,810	9,000
Pass Through Payments	0	0	0	0	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0	0	0	0	0
Operating Grants and Contributions	5,891,342	5,024,290	4,534,023	4,542,074	4,468,645	4,524,302	5,224,447	4,685,115	4,660,218	0
Total Program Revenues	12,656,084	10,989,285	9,414,234	9,271,232	9,192,526	9,235,204	9,299,942	9,713,629	9,410,790	15,706,670
Net (Expense)/Revenue	(\$67,775,210)	(\$63,102,419)	(\$63,780,701)	(\$61,168,237)	(\$57,322,041)	(\$56,286,657)	(\$57,092,993)	(\$57,444,075)	(\$62,352,673)	(\$22,844,429)

Source: District Records

GREAT OAKS CAREER CAMPUSES
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue	(\$67,775,210)	(\$63,102,419)	(\$63,780,701)	(\$61,168,237)	(\$57,322,041)	(\$56,286,657)	(\$57,092,993)	(\$57,444,075)	(\$62,352,673)	(\$22,844,429)
General Revenues										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	37,230,847	36,903,406	36,640,353	34,641,281	35,116,672	37,140,829	37,084,502	34,325,683	39,361,286	38,168,388
Grants and Entitlements Not Restricted to Specific Programs	21,576,547	23,228,114	23,090,002	21,517,807	20,611,783	21,554,285	22,564,100	21,006,111	22,889,458	16,272,775
Revenue in Lieu of Taxes	0	791,963	0	876,407	950,775	1,005,510	1,105,988	1,135,728	1,118,593	1,358,608
Investment Earnings	3,538,181	1,319,024	205,459	210,071	(76,007)	392,299	323,849	489,083	149,645	431,529
Other Revenues	1,224,392	1,420,204	723,664	556,530	794,884	728,194	631,028	668,145	1,113,975	559,377
Total General Revenues	63,569,967	63,662,711	60,659,478	57,802,096	57,398,107	60,821,117	61,709,467	57,624,750	64,632,957	56,790,677
Change in Net Position	(\$4,205,243)	\$560,292	(\$3,121,223)	(\$3,366,141)	\$76,066	\$4,534,460	\$4,616,474	\$180,675	\$2,280,284	\$33,946,248

Source: District Records

GREAT OAKS CAREER CAMPUSES

Governmental Funds - Fund Balances
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 4

	2009	2010	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018
General Fund										
Reserved	\$10,486,074	\$11,320,332	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	44,146,602	24,930,189	0	0	0	0	0	0	0	0
Assigned			941,951	456,782	134,800	221,961	418,119	247,326	4,609,026	246,187
Unassigned			36,096,920	35,779,664	35,915,704	37,838,613	39,236,678	37,226,991	34,611,563	38,778,473
Total General Fund	54,632,676	36,250,521	37,038,871	36,236,446	36,050,504	38,060,574	39,654,797	37,474,317	39,220,589	39,024,660
All Other Governmental Funds										
Reserved	4,370,149	13,377,482	0	0	0	0	0	0	0	0
Unreserved, Reported In:										
Capital Project Funds	9,448,734	4,426,465	0	0	0	0	0	0	0	0
Special Revenue Funds	731,886	872,156	0	0	0	0	0	0	0	0
Nonspendable			26,628	0	0	0	0	0	0	0
Restricted			2,300,352	604,659	628,854	703,332	680,360	979,913	1,133,336	3,526,551
Committed			4,046,284	3,212,881	2,645,946	5,523,519	6,534,559	7,420,921	10,594,900	10,084,254
Unassigned			(98,917)	(36,596)	(41,465)	(1,491)	(27,458)	(20,800)	(16,148)	(91,138)
Total All Other Governmental Funds	\$14,550,769	\$18,676,103	\$6,274,347	\$3,780,944	\$3,233,335	\$6,225,360	\$7,187,461	\$8,380,034	\$11,712,088	\$13,519,667

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

GREAT OAKS CAREER CAMPUSES

Governmental Funds - Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 5

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Property and Other Local Taxes	\$37,359,574	\$36,641,771	\$36,560,049	\$34,830,061	\$35,577,852	\$37,110,367	\$37,325,755	\$34,357,463	\$39,414,842	\$38,053,197
Revenue in Lieu of Taxes	0	791,963	0	876,407	950,775	1,005,510	1,105,988	1,135,728	1,118,593	1,358,608
Tuition and Fees	5,767,515	5,026,914	4,319,588	3,595,390	3,645,249	3,854,480	3,338,963	4,384,326	3,985,531	3,946,367
Investment Earnings	3,538,181	1,207,420	290,910	215,158	(70,730)	384,201	324,547	480,619	156,384	426,765
Intergovernmental	27,518,107	28,054,101	27,676,553	26,126,386	25,159,421	25,857,939	27,661,817	25,901,619	27,700,411	27,274,440
Extracurricular Activities	0	121,918	76,190	62,512	70,689	66,928	72,374	74,390	85,900	65,732
Charges for Services	848,627	816,087	484,433	1,096,258	1,007,943	789,494	664,158	536,533	604,724	589,533
Other Revenues	1,372,991	1,420,280	771,952	488,229	780,467	728,096	745,391	654,253	1,123,867	660,627
Total Revenues	\$76,404,995	\$74,080,454	\$70,179,675	\$67,290,501	\$67,121,666	\$69,797,015	\$71,238,993	\$67,524,931	\$74,190,252	\$72,375,269

Source: District Records

GREAT OAKS CAREER CAMPUSES
 Governmental Funds - Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Regular	\$297,788	\$129,252	\$8,014,961	\$7,203,198	\$7,139,003	\$7,477,596	\$6,990,463	\$7,092,944	\$7,342,880	\$7,461,343
Vocational Education	33,016,806	34,075,861	22,256,819	23,913,125	21,653,098	20,436,624	21,234,235	21,598,074	22,004,857	24,707,577
Adult/Continuing	10,275,324	7,044,175	7,485,513	6,759,027	5,989,437	5,913,395	5,921,852	6,167,880	5,720,853	5,981,277
Pupil	3,149,672	3,366,114	3,502,680	3,371,799	5,114,187	4,418,677	4,865,801	4,648,069	4,675,412	4,940,611
Instructional Staff	4,703,858	4,832,294	2,848,265	2,343,708	2,503,227	2,537,400	2,275,989	1,903,501	1,968,201	1,262,885
General Administration	269,101	454,281	461,719	365,033	382,246	376,230	398,192	416,281	419,890	354,171
School Administration	4,418,886	4,291,866	4,468,029	3,713,940	3,651,998	3,892,424	3,983,018	3,471,536	3,295,246	3,549,016
Fiscal	2,133,483	2,608,541	2,206,699	1,975,356	1,750,316	1,646,007	1,676,767	1,813,226	1,848,165	1,619,270
Business	1,044,973	898,583	1,177,243	1,116,907	650,807	683,970	628,771	486,717	350,812	316,329
Operations and Maintenance	8,288,511	7,841,215	7,125,949	6,464,208	6,162,046	6,378,196	6,918,699	6,674,594	6,905,623	6,880,703
Pupil Transportation	409,059	387,489	397,964	546,461	654,561	659,712	749,262	1,170,212	1,022,004	1,034,746
Central	5,581,714	5,128,814	6,291,016	4,591,268	4,740,970	4,854,977	6,326,262	5,756,832	7,335,333	7,083,853
Operation of Non-Instructional Services	1,256,134	2,467,614	1,302,675	1,292,756	1,586,704	1,473,143	1,380,438	2,214,495	1,355,447	1,258,799
Extracurricular Activities	0	0	0	2,616	6,831	2,973	12,946	15,710	14,127	13,615
Intergovernmental	0	0	0	0	0	0	0	220,244	218,300	0
Capital Outlay	19,284,974	20,038,159	12,892,461	5,524,034	3,606,305	1,860,850	2,984,282	2,181,814	1,833,150	1,394,050
Debt Service:										
Principal Retirement	4,495,000	3,470,000	750,000	950,000	1,325,000	1,475,000	1,710,000	2,080,000	2,275,000	2,560,000
Interest and Fiscal Charges	453,306	507,918	601,088	470,662	468,788	434,350	395,388	348,850	291,150	222,750
Bond Issuance Cost	144,423	138,895	0	111,920	0	0	0	0	0	0
Total Expenditures	\$99,223,012	\$97,681,071	\$81,793,081	\$70,716,018	\$67,385,524	\$64,521,524	\$68,392,365	\$68,260,979	\$68,876,450	\$70,640,995

Debt Service as a Percentage of Noncapital Expenditures 6.19% 5.20% 1.94% 2.14% 2.80% 3.04% 3.23% 3.75% 3.83% 4.05%

Source: District Records

GREAT OAKS CAREER CAMPUSES

Governmental Funds - Other Financing Sources and Uses and Net Change in Fund Balances

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 7

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Issuance of Long-Term Capital-Related Debt	\$10,000,000	\$9,200,000	\$0	\$7,795,000	\$0	\$0	\$0	\$0	\$0	\$0
Premium on Sale of Bonds	53,315	143,796	0	728,006	0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	(8,408,641)	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	52,385	0	0	43,200	14,416	1,604	59,696	48,141	64,524	2,376
Transfers In	21,205,597	26,576,668	5,264,900	7,524,882	7,204,764	9,422,730	8,899,616	8,373,979	11,736,619	10,558,300
Transfers (Out)	(21,205,597)	(26,576,668)	(5,264,900)	(7,587,361)	(7,688,873)	(9,697,730)	(9,249,616)	(8,673,979)	(12,036,619)	(10,683,300)
Total Other Financing Sources (Uses)	10,105,700	9,343,796	0	95,086	(469,693)	(273,396)	(290,304)	(251,859)	(235,476)	(122,624)
Net Change in Fund Balances	(\$12,712,317)	(\$14,256,821)	(\$11,613,406)	(\$3,330,431)	(\$733,551)	\$5,002,095	\$2,556,324	(\$987,907)	\$5,078,326	\$1,611,650

Source: District Records

GREAT OAKS CAREER CAMPUSES

Assessed Value and Actual Value of Taxable Property -- All Counties

Last Ten Calendar Years

Schedule 8

Calendar Year	Agricultural And Residential Real Estate	Other Real Estate	Public Utility and Tangible Personal	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate (1)
2008	14,362,459,920	4,101,453,675	694,431,034	19,158,344,629	54,076,491,599	2.70
2009	14,607,120,350	4,092,415,500	573,098,420	19,272,634,270	54,010,652,666	2.70
2010	14,557,091,340	3,971,366,300	625,926,322	19,154,383,962	54,726,811,320	2.70
2011	13,491,616,640	3,694,404,480	641,905,934	17,827,927,054	50,936,934,440	2.70
2012	13,456,034,780	3,639,638,770	721,459,730	17,817,133,280	50,906,095,086	2.70
2013	13,488,894,570	3,656,320,110	754,564,570	17,899,779,250	51,142,226,429	2.70
2014	13,825,941,680	3,617,997,160	780,121,610	18,224,060,450	52,068,744,143	2.70
2015	13,790,000,000	3,500,000,000	780,000,000	18,070,000,000	51,628,571,429	2.70
2016	13,862,000,000	3,542,000,000	804,000,000	18,208,000,000	52,022,857,143	2.70
2017	13,882,000,000	3,549,000,000	804,000,000	18,235,000,000	52,100,000,000	2.70

Source: Ohio Department of Taxation

(1) - Since Great Oaks is a regional government; management has elected to forego presenting rate information for overlapping governments.

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

Personal property tax was assessed on all tangible personal property used in business in Ohio until it was phased out in 2009. Beginning 2007, House Bill 66 switched telephone companies from public utilities to general business taxpayers, effectively eliminating this tax on local and inter-exchange telephone companies.

GREAT OAKS CAREER CAMPUSES

Principal Property Tax Payers -- Hamilton County (1)

Current Calendar Year and Six Years Ago

Schedule 9

2017		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc	\$267,182,490	1.47%
Duke Energy Ohio Inc C/O Tax Department	158,310,020	0.87%
Hgreit II Edmondson Road LLC	39,200,010	0.22%
Duke Energy Miami Fort LLC	29,577,350	0.16%
Hgreit II Madison Road LLC	27,300,000	0.15%
Proctor & Gamble Co	23,855,720	0.13%
Twin Lakes	13,681,410	0.08%
Dayton Power & Light Co	12,958,170	0.07%
Kroger Co	12,741,040	0.07%
Ethicon Inc	10,623,700	0.06%
	<u>\$595,429,910</u>	<u>3.27%</u>

2011		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Duke Energy Ohio Inc	\$230,310,510	1.29%
Duke Realty Ohio	33,884,550	0.19%
Cincinnati Trophy LLC	29,677,330	0.17%
Dayton Power & Light	24,898,470	0.14%
Tri County Mall LLC	19,346,530	0.11%
Procter & Gamble	18,944,100	0.11%
CLP-SPF Rookwood Pavilion LLC	19,608,020	0.11%
Wells Fargo	14,637,020	0.08%
CLP-SPF Rookwood Tower	10,232,460	0.06%
Ethicon Inc Tax Manager	10,000,140	0.06%
	<u>\$411,539,130</u>	<u>2.31%</u>

Source: Hamilton County Auditor

(1) - This schedule focuses on the largest property tax payers within District's boundaries in which the majority were located within Hamilton County.

GREAT OAKS CAREER CAMPUSES
Property Tax Levies and Collections -- All Counties
Last Ten Calendar Years
Schedule 10

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	41,117,977	40,512,493	98.53%	605,484	41,117,977	100.00%
2009	41,322,096	39,441,142	95.45%	1,480,223	40,921,365	99.03%
2010	40,697,613	39,615,543	97.34%	1,082,070	40,697,613	100.00%
2011	40,289,772	38,988,003	96.77%	964,316	39,952,319	99.16%
2012	40,201,961	39,147,668	97.38%	908,601	40,056,269	99.64%
2013	40,418,705	39,164,949	96.90%	1,061,376	40,226,325	99.52%
2014	40,856,124	39,770,488	97.34%	1,085,636	40,856,124	100.00%
2015 (1)	24,883,746	23,610,305	94.88%	529,581	24,139,886	97.01%
2016 (1)	25,000,702	23,621,942	94.49%	542,168	24,164,110	96.65%
2017	25,262,682	23,734,530	93.95%	604,778	24,339,308	96.34%

Source: County Auditors

(1) - Only Hamilton County information was available for 2015 and 2016.

GREAT OAKS CAREER CAMPUSES

Outstanding Debt by Type

Last Ten Fiscal Years

Schedule 11

Fiscal Year	Energy Conservation Bonds (1)	School Improvements (1)	Total Primary Government	Percentage of Estimated Actual Value of Property (2)	Percentage of Personal Income	Per Capita
2009	0	13,558,397	13,558,397	0.03%	0.02%	351
2010	0	19,381,124	19,381,124	0.04%	0.02%	516
2011	0	18,609,815	18,609,815	0.03%	0.02%	469
2012	0	17,737,938	17,737,938	0.03%	0.02%	433
2013	0	16,364,551	16,364,551	0.03%	0.02%	377
2014	0	15,273,040	15,273,040	0.03%	0.02%	348
2015	0	13,457,941	13,457,941	0.03%	0.01%	293
2016	0	11,272,842	11,272,842	0.02%	0.01%	236
2017	0	8,892,743	8,892,743	0.02%	0.01%	183
2018	0	6,227,644	6,227,644	0.01%	0.01%	128

Source: District Records

(1) - Governmental Activities

(2) - Estimated Actual Value is on a calendar basis (i.e. fiscal year 2017 is calendar year 2016).

Note: Since Great Oaks is a regional government; management has elected to forego presenting debt information for its overlapping governments

GREAT OAKS CAREER CAMPUSES

Legal Debt Margin Information

Last Ten Fiscal Years

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$1,724,236,186	\$1,732,984,052	\$1,723,894,557	\$1,608,071,009	\$1,603,805,788	\$1,608,131,821	\$1,640,165,441	\$1,626,300,000	\$1,638,720,000	\$1,641,150,000
Total net debt applicable to limit	13,470,000	19,200,000	18,450,000	17,495,000	16,170,000	14,695,000	12,985,000	10,905,000	8,630,000	6,070,000
Legal debt margin	\$1,710,766,186	\$1,713,784,052	\$1,705,444,557	\$1,590,576,009	\$1,587,635,788	\$1,593,436,821	\$1,627,180,441	\$1,615,395,000	\$1,630,090,000	\$1,635,080,000
Total net debt applicable to the limit as a percentage of debt limit	0.78%	1.11%	1.07%	1.09%	1.01%	0.91%	0.79%	0.67%	0.53%	0.37%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2017 is calendar year 2016)

GREAT OAKS CAREER CAMPUSES
Demographic and Economic Statistics -- Hamilton County
Last Ten Calendar Years
Schedule 13

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2008	2,104,482	81,290,146	38,627	6.3%
2009	2,115,746	79,536,208	37,593	10.7%
2010	2,117,466	84,599,660	39,673	9.7%
2011	2,083,928	87,484,877	40,918	7.2%
2012	2,087,566	92,497,133	43,454	7.3%
2013	2,128,603	93,882,332	43,923	5.4%
2014	2,137,406	98,613,244	45,878	4.3%
2015	2,149,449	102,998,645	47,787	4.5%
2016	2,165,139	105,372,017	48,668	4.0%
2017	2,130,761	107,287,250	51,536	4.6%

- Sources:
- (1) U.S. Census Bureau Population Estimates, sum of all counties.
 - (2) Personal Income information provided by Bureau of Economic Analysis:
Personal income - Cincinnati-Middletown metropolitan statistical area.
 - (3) Per Capita Personal Income information provided by Bureau of Economic
Per Capita Personal income - Cincinnati-Middletown metropolitan statistical area
 - (4) Bureau of Labor Statistics for annual unemployment rate for Cincinnati-Middletown metropolitan statistical area for the District's fiscal year end.

GREAT OAKS CAREER CAMPUSES

Major Employers

Current Calendar Year and Nine Years Ago

Schedule 14

2017

Major Employer	Nature of Business	Approximate Number of Employees	Employer's Percentage Of Total Employment
Kroger Co.	Consumer Goods	21,646	18.6%
Children's Hospital Medical Center	Healthcare	15,257	13.1%
UC Health	Healthcare	12,200	10.5%
TriHealth Inc.	Healthcare	11,992	10.3%
Cincinnati/Northern Kentucky International Airport	International Travel	10,166	8.7%
The Procter & Gamble Co.	Consumer Goods	10,000	8.6%
University of Cincinnati	Education	9,981	8.6%
Mercy Health Partners	Healthcare	9,000	7.7%
St. Elizabeth Healthcare	Healthcare	8,236	7.1%
GE Aviation	Aircraft Engines	7,800	6.7%

2008

Major Employer	Nature of Business	Approximate Number of Employees	Employer's Percentage Of Total Employment
University of Cincinnati	Education	16,000	13.8%
Kroger Co.	Consumer Goods	16,000	13.8%
Health Alliance	Healthcare	15,000	12.9%
Procter & Gamble Co.	Consumer Goods	12,500	10.8%
Children's Hospital	Healthcare	9,500	8.2%
TriHealth, Inc.	Healthcare	9,400	8.1%
Fifth Third Bancorp	Financial	7,700	6.6%
Mercy Health Partners	Healthcare	7,000	6.0%
City of Cincinnati	City Government	5,500	4.7%
Cincinnati Public Schools	Education	5,000	4.3%

Sources: Hamilton County at website www.hamiltoncountyohio.gov

GREAT OAKS CAREER CAMPUSES
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years
Schedule 15

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Administration, Deans and Assistant Deans										
Administrators	7	7	6	6	6	6	5	7	7	7
Principals	5	5	5	5	5	5	5	5	5	5
Assistant Principals	7	8	8	8	8	8	13	13	9	9
Total Administration, Deans and Assistant Deans	19	20	19	19	19	19	23	25	21	21
Instruction and Student Services										
Regular Vocational Instruction	247	263	257	253	247	238	241	241	258	267
Special Needs	25	25	27	25	24	24	20	18	12	27
Counseling Services	13	14	12	12	11	11	11	9	9	9
Curriculum & Instruction	14	14	14	13	14	12	11	9	8	5
School Library Services - IMC	4	4	4	4	4	4	4	4	4	4
Nurse Services	0	0	0	0	0	0	0	0	0	0
Total Instruction and Student Services	303	320	314	307	300	289	287	281	291	312
Support Services										
Directors Offices	22	22	22	27	23	22	20	23	24	22
Buildings Upkeep	30	30	30	34	32	32	32	34	34	32
IT	10	10	10	9	9	8	14	14	14	16
Treasurer Office	6	6	6	6	6	6	6	6	5	5
Maintenance	9	9	7	6	7	7	8	8	8	11
Service Area Direction	3	3	1	0	0	0	0	0	0	0
Superintendent Services	1	3	2	1	1	1	1	1	1	1
Human Resources	3	3	3	2	2	2	4	4	3	5
Public Information	2	2	2	2	2	2	2	2	2	2
Total Support and Administration	86	88	83	87	82	80	87	92	91	94
Other Services										
Adult Education and Grant Programs	80	65	65	56	57	56	45	45	40	27
Total support and administration	80	65	65	56	57	56	45	45	40	27
Total employees	488	493	481	469	458	444	442	443	443	454

Source: State Department of Education

GREAT OAKS CAREER CAMPUSES

Operating Statistics
Last Ten Fiscal Years
Schedule 16

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil (2)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2009	3,105	51,243,300	16,503	12.81%	272	11	36.31%
2010	3,662	54,882,890	14,987	-9.19%	288	13	43.00%
2011	3,610	54,072,352	14,978	-0.06%	284	13	51.00%
2012	3,362	50,711,166	15,084	0.70%	278	12	44.50%
2013	3,439	50,792,816	14,768	-2.09%	271	13	63.60%
2014	3,314	49,419,740	14,911	0.96%	262	13	40.85%
2015	2,950	51,499,910	17,458	17.08%	261	11	48.02%
2016	3,110	51,782,665	16,650	-4.62%	259	12	41.04%
2017	3,451	51,682,216	14,976	-10.06%	270	13	42.01%
2018	3,552	52,839,988	14,876	-0.67%	267	13	40.00%

Source: District Records

(1) - Operating Expenditure is Total General Fund Expenditures

(2) - Operating Expenditure by Enrollment

GREAT OAKS CAREER CAMPUSES

School Building Information
Last Ten Fiscal Years
Schedule 17

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Schools:										
Vocational High Schools										
Scarlet Oaks										
Square feet	486,073	486,073	486,073	486,073	486,073	486,073	486,073	486,073	486,073	486,073
Enrollment**	979	1,138	1,122	807	779	783	683	683	683	727
Live Oaks										
Square feet	198,835	198,835	198,835	198,835	198,835	198,835	198,835	198,835	198,835	198,835
Enrollment	755	885	872	642	616	628	623	623	623	588
Diamond Oaks										
Square feet	233,895	233,895	233,895	248,895	248,895	248,895	248,895	248,895	248,895	248,895
Enrollment	789	945	932	617	603	580	544	544	544	575
Laurel Oaks										
Square feet	207,037	207,037	207,037	207,037	207,037	207,037	207,037	207,037	207,037	207,037
Enrollment	582	694	684	489	508	484	436	436	436	557

** - These enrollment figures do not include students that attend Great Oaks satellite locations.

Source: District Records

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Dave Yost • Auditor of State

GREAT OAKS CAREER CAMPUSES

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 20, 2018