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Building Extraordinary Relationships

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
[A COMPONENT UNIT OF THE STATE OF DELAWARE]

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2025  
[WITH COMPARATIVE TOTALS FOR 2024]

**GREAT OAKS CHARTER SCHOOL - WILMINGTON**  
[A Component Unit of the State of Delaware]

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[A Component Unit of the State of Delaware]

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## **Independent Auditor's Report**

To the Board of Directors  
**Great Oaks Charter School – Wilmington**

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

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Great Oaks Charter School – Wilmington [a component unit of the State of Delaware], as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Great Oaks Charter School - Wilmington's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Great Oaks Charter School - Wilmington, as of June 30, 2025 and 2024, and the respective changes financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Great Oaks Charter School - Wilmington and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Great Oaks Charter School - Wilmington's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Great Oaks Charter School - Wilmington's internal control. Accordingly, no such opinion is expressed. evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Great Oaks Charter School - Wilmington's ability to continue as a going concern for a reasonable period of time.

***Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)***

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

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis (pages 6-12), budgetary comparison information (pages 44-45), schedules of Great Oaks Charter School - Wilmington’s proportionate share of net pension liability and school contributions (pages 46-47), and schedules of net other post-employment benefits liability and school contributions (page 48) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Great Oaks Charter School - Wilmington's basic financial statements. The supplementary information reflected on (pages 50-52) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Directors  
**Great Oaks Charter School – Wilmington**

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2025, on our consideration of the Great Oaks Charter School - Wilmington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Great Oaks Charter School - Wilmington's 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 Great Oaks Charter School - Wilmington's internal control over financial reporting and compliance.

**Restriction on Use**

Our report is intended solely for the information and use of management, the Finance Committee, the School Board, others within the School, Delaware Department of Education, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Secretary of Finance, Office of Auditor of Accounts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public record, and its distribution is not limited.

*Whisman Giordano & Associates, LLC*

Newark, Delaware  
September 30, 2025

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

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
YEAR ENDED JUNE 30, 2025

The Board of Directors of Great Oaks Charter School - Wilmington (School) is pleased to present to readers of the financial statements of the School this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2025.

## FINANCIAL HIGHLIGHTS

**Governmental Activities** - As of June 30, 2025, the School's net position reflects a deficit balance of \$9,376,513. Program revenues accounted for \$171,718, or 4.32%, of total revenue, and general revenues accounted for \$3,807,512, or 95.68%, of total revenue.

As of June 30, 2024, the School's net position, reflected a deficit balance of \$10,286,182 Program revenues accounted for \$483,343, or 10.89%, of total revenue, and general revenues accounted for \$3,953,976, or 89.11%, of total revenue.

Fund Level - For the year ended June 30, 2025, the Governmental Fund reported a positive change in fund balance in the amount of \$450,131.

For the year ended June 30, 2024, the Governmental Fund reported a positive change in fund balance in the amount of \$551,209.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the School's basic financial statements. The School's financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The Statement of Net Position (page 14) presents information on all the School's assets, liabilities, and deferred inflow of resources, with the difference between the two reported as net position. Over time, the increases or decreases in net position may serve as useful indicators as to whether the financial position of the School is improving or deteriorating.

## **OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED**

### ***Government-Wide Financial Statements - Continued***

The Statement of Activities (page 15) presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow in future fiscal periods.

***Fund Financial Statements*** - The fund financial statements begin on page 18 and provide detailed information about the General Fund. A "fund" is a fiscal and accounting entity with a self-balancing set of accounts that the School uses to keep track of specific sources of funding and spending for a particular purpose. The General Fund falls into the governmental category.

*Governmental Funds* - The School's basic services are reported in a Governmental Fund, which focuses on how cash flows into and out of the fund and the balances left at year-end that are available for future spending. The Governmental Fund financial statements provide a detailed, short-term view of the School's operations and the services it provides. Governmental Fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the long-term focus of the government-wide statements, reconciliations are provided (page 19) to explain the differences between the Governmental Fund Balance Sheet and the Statement of Net Position and between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities (page 21). These funds are reported using the modified accrual basis of accounting, which primarily measures cash and other financial assets available to satisfy current liabilities.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 23 of this report.

**Required Supplementary Information** - In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the School's actual revenues and expenses compared to its budget, as well as the School's proportionate share of the net pension liability. The required supplementary information can be found on pages 44 through 48.

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**FINANCIAL ANALYSIS**

*Required Supplementary Information - Continued*

As noted earlier, net position may serve over time as a useful indicator of the School’s overall financial position. In the case of the School, liabilities and deferred inflows exceeded assets and deferred outflows by \$9,376,513 at the close of fiscal year 2025, and \$10,286,182 at the close of fiscal year 2024, resulting in a negative net position in both years.

The School’s net position analysis of fiscal years 2025 and 2024 follows:

	2025	2024
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Current Assets	\$ 1,271,327	\$ 920,327
Noncurrent Assets	2,671,811	3,360,227
Deferred Outflows of Resources	1,373,717	2,883,741
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,316,855</b>	<b>7,164,295</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Current Liabilities	739,651	830,874
Noncurrent Liabilities	7,127,512	11,314,338
Deferred Inflows of Resources	6,826,205	5,305,265
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>14,693,368</b>	<b>17,450,477</b>
<b>NET POSITION (DEFICIT)</b>		
Invested in Capital Assets	30,521	50,822
Unrestricted	(9,612,255)	(10,662,004)
Restricted	205,221	325,000
<b>TOTAL NET POSITION</b>	<b>(9,376,513)</b>	<b>(10,286,182)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,316,855</b>	<b>\$ 7,164,295</b>

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**FINANCIAL ANALYSIS**

*Required Supplementary Information - Continued*

The Statement of Activities below reflects the cost of program services and the net cost of those services after taking into account the program revenue for governmental activities.

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Charges to School Districts	\$ 1,291,637	\$ 1,182,107
State Aid	2,234,629	2,220,145
Tranporation	166,004	157,109
Federal Aid	243,554	531,563
Contributions	5,714	326,234
Earnings on Cash and Investments	37,692	20,161
<b>Total revenues</b>	<u>3,979,230</u>	<u>4,437,319</u>
<b>EXPENDITURES</b>		
Current:		
Instructional services	1,865,230	3,440,551
Supporting services:		
Operation and maintenance of facilities	825,415	765,809
Transportation	329,413	342,325
Interest from leasing	49,503	-
<b>Total expenditures</b>	<u>3,069,561</u>	<u>4,548,685</u>
<b>CHANGE IN NET POSITION</b>	<u>909,669</u>	<u>(111,366)</u>
<b>FUND BALANCES (DEFICIT)</b>		
Beginning of year	<u>(10,286,182)</u>	<u>(10,174,816)</u>
End of year	<u>\$ (9,376,513)</u>	<u>\$ (10,286,182)</u>

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**THE SCHOOL’S FUND**

The School’s Governmental Fund reported a surplus in the amount of \$450,131 for the year ended June 30, 2025 as compared to a surplus in the amount of \$551,209 for the year ended June 30, 2024.

**Governmental Fund** - The Statement of Revenues, Expenditures, and Changes in Fund Balance that follows assist in illustrating the financial activities of the General Fund.

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Charges to School Districts	\$ 1,291,637	\$ 1,182,107
State Aid	2,234,629	2,220,145
Transporation	166,004	157,109
Federal Aid	243,554	531,563
Contributions	5,714	326,234
Earnings on Cash and Investments	37,692	20,161.00
<b>Total revenues</b>	<u>3,979,230</u>	<u>4,437,319</u>
<b>EXPENDITURES</b>		
Current:		
Instructional services	2,374,271	2,777,976
Supporting services:		
Operation and maintenance of facilities	825,415	765,809
Transportation	329,413	342,325
<b>Total expenditures</b>	<u>3,529,099</u>	<u>3,886,110</u>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	450,131	551,209
<b>FUND BALANCES</b>		
Beginning of year	<u>708,065</u>	<u>156,856</u>
End of year	<u>\$ 1,158,196</u>	<u>\$ 708,065</u>

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**THE SCHOOL'S FUND - CONTINUED**

The majority of the School's total revenue (93% in fiscal year 2025 and 88% in fiscal year 2024) comes from state sources and local school district contributions. State revenue is contingent upon the School's total enrollment population and the students' residential districts. The socioeconomic diversity and special needs of the School's population dictate entitlement to federal funding, which accounted for 7% and 12% of total revenue in fiscal years 2025 and 2024. The reliance on this revenue is to support programs and facility expenditures that are not allotted for in federal, state, and local funds.

*General Fund Budget Information* - The School budget is prepared in accordance with the cash basis of accounting.

Appropriate adjustments are made to the budget based on unanticipated revenue increases or shortfalls due to federal, state, and Delaware Department of Education requirements and/or legislation, lack of contributions, etc. Some appropriations required changes in functional categories due to spending patterns.

The School adopted a preliminary fiscal year 2025 budget at the onset of the fiscal year. A final budget was adopted after the student enrollment count was certified by the Delaware Department of Education. The final budget contained revenues of \$3,896,641 and expenditures of \$3,844,138. The budget is prepared on a cash basis; the annual financial statements are prepared on a modified accrual basis. Variances of budget to actuals are outlined as follows:

**Revenues**

**State Support** – The favorable variance of \$51,846 is attributed to increased funding received for Mental Health Services within the last month of the fiscal year.

**Earnings on Cash and Investments** - The favorable variance of \$20,692 is due to investment earnings greater than anticipated.

**Contributions and School Programs** – The favorable variance of \$3,615 is due to additional donations during the current fiscal year.

GREAT OAKS CHARTER SCHOOL - WILMINGTON  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**THE SCHOOL'S FUND - CONTINUED**

**Expenditures**

**Salaries and Employment Costs** - The favorable variance of \$216,046 is attributed to vacant staff positions not filled by year end.

**Contractual Services** - The favorable variance of \$23,654 is due to less than anticipated contracted instructional and student support hours.

**Communications** – The unfavorable variance of \$1,396 is due to more than anticipated telecommunication costs.

**Transportation** - The favorable variance of \$64,026 is a result of lower than anticipated transportation costs associated with homeless transportation.

**Supplies and Materials** - The favorable variance of \$21,065 is due to lower than anticipated office supply needs.

**FACTORS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS**

The School opened in August 2015 enrolling sixth grade. The seventh, eighth, ninth, tenth, and eleventh grades were added in August 2016, 2017, 2018, 2019, and 2020, respectively. In the 2020-21 academic year, the Delaware Department of Education approved a major modification for Great Oaks Charter School - Wilmington to become a high school (without grades 6-8) over the course of a few years. With fewer grades, the number of administrator and support positions will decrease over time. As of 2023-24, only grades 9-12 are offered at the school. This will allow the school community to focus on the key elements of successful, robust high schools: college and career access, world-class social-emotional programming, and age-relevant proponents for social determinants of health.

On December 14, 2023, Delaware Department of Education approved a charter modification to reduce student enrollment to 148 students. In addition, Delaware Department of Education approved a renewal of the School's charter for five years through June 30, 2029.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the School's finances to its various stakeholders and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to the Executive Director, 302 660-4790.

**GOVERNMENT- WIDE FINANCIAL STATEMENTS**

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**STATEMENTS OF NET POSITION**  
As of June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and Equivalents	\$ 1,250,637	\$ 880,171
Prepaid Expenses	-	4,198
Other Receivables	20,690	35,958
<b>Total current assets</b>	<u>1,271,327</u>	<u>920,327</u>
<b>Noncurrent assets:</b>		
Capital Assets, Net of Accumulated Depreciation	30,521	50,822
Right to use assets, Net of Amortization	2,641,290	3,301,613
Security Deposits	-	7,792
<b>Total noncurrent assets</b>	<u>2,671,811</u>	<u>3,360,227</u>
<b>TOTAL ASSETS</b>	<u>3,943,138</u>	<u>4,280,554</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts on Pensions	558,531	998,482
Deferred Amounts on Other Post-Employment Benefits	815,186	1,885,259
<b>Total deferred outflows of resources</b>	<u>1,373,717</u>	<u>2,883,741</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 5,316,855</u>	<u>\$ 7,164,295</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts Payable	\$ 6,532	\$ 33,320
Accrued Salaries And Related Costs	106,599	186,734
Lease liability, Current Portion	626,520	610,820
<b>Total current liabilities</b>	<u>739,651</u>	<u>830,874</u>
<b>Noncurrent liabilities:</b>		
Net Pension Liability	841,098	1,418,672
Net Other Postemployment Benefits Liability	4,222,141	7,204,873
Lease liability, Non-Current Portion	2,064,273	2,690,793
<b>Total noncurrent liabilities</b>	<u>7,127,512</u>	<u>11,314,338</u>
<b>TOTAL LIABILITIES</b>	<u>7,867,163</u>	<u>12,145,212</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts on Pensions	403,045	219,686
Deferred Amounts on Other Post-Employment Benefits	6,423,160	5,085,579
<b>Total deferred inflows of resources</b>	<u>6,826,205</u>	<u>5,305,265</u>
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	30,521	50,822
Restricted	205,221	325,000
Unrestricted	(9,612,255)	(10,662,004)
<b>TOTAL NET POSITION (LIABILITY)</b>	<u>(9,376,513)</u>	<u>(10,286,182)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 5,316,855</u>	<u>\$ 7,164,295</u>

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

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
					2025
<b>GOVERNMENTAL ACTIVITIES</b>					
Instructional services	\$ 1,865,230	\$ 4,324	\$ 1,390	\$ -	\$ (1,859,516)
Supporting services:					
Operation and maintenance of facilities	825,415	-	-	-	(825,415)
Transportation	329,413	-	166,004	-	(163,409)
Interest from leasing	49,503	-	-	-	(49,503)
<b>TOTAL GOVERNMENT ACTIVITIES</b>	<u>\$ 3,069,561</u>	<u>\$ 4,324</u>	<u>\$ 167,394</u>	<u>\$ -</u>	<u>(2,897,843)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>					
Charges To School Districts					1,291,637
State Aid					2,234,629
Federal Aid					243,554
Earnings On Cash And Equivalents					37,692
<b>Total general revenues and transfers</b>					<u>3,807,512</u>
<b>CHANGES IN NET POSITION</b>					909,669
<b>NET POSITION (LIABILITY)</b>					
Beginning of year					<u>(10,286,182)</u>
End of year					<u>\$ (9,376,513)</u>

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

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2024

Functions	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue & Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
					2024
<b>GOVERNMENTAL ACTIVITIES</b>					
Instructional services	\$ 3,440,551	\$ 709	\$ 325,525	\$ -	\$ (3,114,317)
Supporting services:					
Operation and maintenance of facilities	765,809	-	-	-	(765,809)
Transportation	342,325	-	157,109	-	(185,216)
Interest from leasing	-	-	-	-	-
<b>TOTAL GOVERNMENT ACTIVITIES</b>	<u>\$ 4,548,685</u>	<u>\$ 709</u>	<u>\$ 482,634</u>	<u>\$ -</u>	<u>(4,065,342)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>					
Charges To School Districts					1,182,107
State Aid					2,220,145
Federal Aid					531,563
Earnings On Cash And Equivalents					20,161
<b>Total general revenues and transfers</b>					<u>3,953,976</u>
<b>CHANGES IN NET POSITION</b>					(111,366)
<b>NET POSITION (LIABILITY)</b>					
Beginning of year					<u>(10,174,816)</u>
End of year					<u>\$ (10,286,182)</u>

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

## **FUND FINANCIAL STATEMENTS**

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**BALANCE SHEETS–GOVERNMENTAL FUNDS**  
As of June 30, 2025 and 2024

	General Fund	Total Governmental Funds	
		2025	2024
<b>ASSETS</b>			
Cash and Equivalents	\$ 1,250,637	\$ 1,250,637	\$ 880,171
Security Deposits	-	-	7,792
Prepaid Expenses	-	-	4,198
Other Receivables	20,690	20,690	35,958
<b>TOTAL ASSETS</b>	<u>1,271,327</u>	<u>1,271,327</u>	<u>928,119</u>
<b>LIABILITIES</b>			
Accounts Payable	6,532	6,532	33,320
Accrued Salaries And Related Costs	106,599	106,599	186,734
<b>TOTAL LIABILITIES</b>	<u>113,131</u>	<u>113,131</u>	<u>220,054</u>
<b>FUND BALANCES</b>			
Unassigned	952,975	952,975	383,065
Restricted	205,221	205,221	325,000
<b>TOTAL FUND BALANCES</b>	<u>1,158,196</u>	<u>1,158,196</u>	<u>708,065</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,271,327</u>	<u>\$ 1,271,327</u>	<u>\$ 928,119</u>

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

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE**  
**TO THE STATEMENTS OF NET POSITION**  
**As of June 30, 2025 and 2024**

	Governmental Funds	
	2025	2024
Amounts reported for governmental activities in the statements of net position are different because:		
<b>Fund Balances-Total Governmental Funds</b>	\$ 1,158,196	\$ 708,065
Capital assets and right to use assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds. Capital assets and right to use assets net of accumulated depreciation, as detailed in the footnotes, are included in the Government-Wide statement of net position.		
Capital assets	30,521	50,822
Right to use assets	2,641,290	3,301,613
Some long-term assets, including net pension and net OPEB assets, are not due and payable in the current period and, are therefore not reported in the fund financial statements:		
Deferred Outflows on Pensions	558,531	998,482
Deferred Outflows on Other Post-Employment Benefits	815,186	1,885,259
Some liabilities, including lease liability, net pension and net OPEB obligations, are not due and payable in the current period and, are therefore not reported in the fund financial statements:		
Lease Liability	(2,690,793)	(3,301,613)
Net Pension Liability	(841,098)	(1,418,672)
Net Other Post-Employment benefits Liability	(4,222,141)	(7,204,873)
Deferred Inflows on Pensions	(403,045)	(219,686)
Deferred Inflows on Other Post-Employment Benefits	(6,423,160)	(5,085,579)
<b>Net position (liability)-Governmental activities</b>	<b>\$ (9,376,513)</b>	<b>\$ (10,286,182)</b>

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

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-GOVERNMENTAL FUND**  
As of June 30, 2025 and 2024

	General Fund	Total Governmental Funds	
		2025	2024
<b>REVENUES</b>			
Charges to School Districts	\$ 1,291,637	\$ 1,291,637	\$ 1,182,107
State Aid	2,234,629	2,234,629	2,220,145
Tranporation	166,004	166,004	157,109
Federal Aid	243,554	243,554	531,563
Contributions	5,714	5,714	326,234
Earnings on Cash and Investments	37,692	37,692	20,161
<b>Total revenues</b>	<u>3,979,230</u>	<u>3,979,230</u>	<u>4,437,319</u>
<b>EXPENDITURES</b>			
Current:			
Instructional services	2,374,271	2,374,271	2,777,976
Supporting services:			
Operation and maintenance of facilities	825,415	825,415	765,809
Transportation	329,413	329,413	342,325
<b>Total expenditures</b>	<u>3,529,099</u>	<u>3,529,099</u>	<u>3,886,110</u>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	450,131	450,131	551,209
<b>FUND BALANCES</b>			
Beginning of year	<u>708,065</u>	<u>708,065</u>	<u>156,856</u>
End of year	<u>\$ 1,158,196</u>	<u>\$ 1,158,196</u>	<u>\$ 708,065</u>

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

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**TO THE STATEMENT OF ACTIVITIES**  
As of June 30, 2025 and 2024

	Governmental Funds	
	2025	2024
Amounts reported for governmental activities in the statements of net position are different because:		
<b>Fund Balances-Total Governmental Funds</b>	\$ 450,131	\$ 551,209
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,500 are capitalized, and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation Expense	(20,301)	(38,414)
Lease amortization	(49,503)	-
Pension and OPEB expenses in the statement of activities differ from the amounts reported in the Governmental Funds because pension and OPEB expenses are recognized on the statement of activities based on the School's proportionate share of the expenses of the cost-sharing pension and OPEB plans, whereas pension expenditures are recognized in the Governmental Funds when a requirement to remit contributions to the plan exists.		
Pension	(45,736)	(85,615)
OPEB	575,078	(538,546)
<b>Net position (liability)-Governmental activities</b>	<b>\$ 909,669</b>	<b>\$ (111,366)</b>

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

## **NOTES TO FINANCIAL STATEMENTS**

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Charter School** - Great Oaks Charter School - Wilmington is organized under Delaware Code, Title 14, Chapter 5 of the State of Delaware. The Charter School Law grants authority for independent public schools to be created for the purpose of increasing choices for parents of public-school students and increasing academic performance. A charter school is an independent public school governed by an independent board of directors. In Delaware, charter schools have the same basic standing as a school district with some exceptions – most notably, they may not levy taxes. To encourage innovation, charter schools operate free from a number of state laws and regulations. Great Oaks Charter School - Wilmington's initial charter was granted for a four-year period, renewable every five years thereafter. Great Oaks Charter School - Wilmington's first full year of school started August 2015. The School's initial charter expired on June 30, 2019 and was renewed on December 21, 2023 through June 30, 2029.

Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Public funds are not provided for facilities. Charter schools may charge for selected additional costs consistent with those permitted by other school districts. Because charter schools receive local, state, and federal funds, they may not charge tuition.

The financial statements of Great Oaks Charter School - Wilmington have been prepared in conformity with generally accepted accounting principles as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of Great Oaks Charter School – Wilmington (School) are described below.

**Reporting Entity** - The School is considered a component unit of the State of Delaware. A component unit, although a legally separate entity, is, in substance, part of the State of Delaware's operations. The School has no component units for which it is considered to be financially accountable.

**Government-Wide and Fund Financial Statements** - The government-wide financial statements (statement of net position and statement of activities) report information on all of the activities of the School.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds. The sole major individual governmental fund is reported as a separate column in the fund financial statements.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]**

***Measurement Focus, Basis of Accounting, and Financial Statements*** Presentation - Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges to the school districts are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include (1) charges to students for services provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include charges to school districts.

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

Charges to the school districts, state appropriations, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School receives cash.

The School reports the following major governmental fund:

- ***General Fund*** - The General Fund is the School's primary operating fund. It accounts for all financial resources of the School.

***Budgetary Data*** - General Fund budgets are presented on the modified accrual basis of accounting. Annual appropriations lapse at fiscal-year-end with the exception of those indicated as a fund balance reserve.

***Cash and Cash Equivalents*** - Cash and cash equivalents are considered to be cash on hand and demand deposits.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]**

**Capital Assets** - Capital assets are reported in the entity-wide financial statements. The School defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction are capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets. The School generally uses the following estimated useful lives:

Leasehold Improvements	5-10 years
Furniture	5-10 years
Equipment	3 years

**Compensated Absences** - Vacation pay plus related payroll taxes are accrued when incurred in the entity-wide financial statements. The liability for these amounts is reported in the governmental funds only when the liability matures, for example, as a result of employee resignations and retirements. The School does not permit for carryover of vacation or sick leave. As a result, the School does not recognize a liability for compensated absences.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods that will be recognized as an outflow of resources (expense/expenditure) in the future periods. The School reports deferred outflows related to pension and other post-employment benefits activity in the government-wide statement of net position.

As of June 30, 2025 and 2024, the School's deferred outflows are \$558,531 and \$998,482 for pensions and \$815,186 and \$1,885,259 for other post-employment benefits, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) that will be recognized as an inflow of resources (revenue) in the future periods. The School reports deferred inflows related to pension and other post-employment benefits in the government wide statement of net position.

As of June 30, 2025 and 2024, the School's deferred inflows are \$403,045 and \$219,686 for pensions and \$6,423,160 and \$5,085,579 for other post-employment benefits as of June 30, 2025 and 2024, respectively.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]**

***Fund Balance*** - In the fund financial statements, the Governmental Fund reports classifications of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

The classifications used in the Governmental Fund financial statements are as follows:

- ***Nonspendable*** - This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) are legally or contractually required to be maintained intact. The School did not have any nonspendable resources as of June 30, 2025 and 2024.
- ***Restricted*** - This classification includes amounts for which constraints have been placed on the use of the resources either (1) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. The School classifies unspent grant monies as being restricted because their use is restricted by donors. The School had restricted resources of \$205,221 and \$325,000 as of June 30, 2025 and 2024.
- ***Committed*** - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal vote of the Board of Directors (the highest level of decision-making authority of the School). These 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 (formal vote of the Board of Directors) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School did not have any committed resources as of June 30, 2025 and 2024.
- ***Assigned*** - This classification includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Executive Director. The School did not have any assigned resources as of June 30, 2025 and 2024.
- ***Unassigned*** - This classification includes the residual fund balance for the General Fund. The unassigned classification would also include negative residual fund balances of any other Governmental Fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When both restricted and nonrestricted resources are available for use, it is the School's policy to use restricted resources first and then unrestricted resources as they are needed.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** [continued]

**Income Taxes** - The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the School's financial statements. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The School believes it has appropriate support for any tax positions taken and, thus, does not have any uncertain tax positions that are material to the financial statements. The School's federal Returns of Organization Exempt from Income Tax (Form 990) for tax years 2024, 2023, and 2022 are subject to examination by authorities, generally for three years after they were filed.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Comparative Date** – Comparative total data for the prior year is presented in the basic financial statements to provide an understanding of changes in the School's financial position and operations. That comparative data is not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America and, therefore, should be read in conjunction with the School's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

**Reclassification** - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

As of June 30, 2025 and 2024, the School had a cash and cash equivalent balance of \$1,250,637 and \$880,171, the entirety of which was part of an investment pool controlled by the State of Delaware Treasurer's Office in Dover, Delaware. All investment decisions are made by the State of Delaware Treasurer's Office. These funds are considered to be highly liquid and available for immediate use and, thus, are recorded as cash and cash equivalents in these financial statements.

The funds held by the State of Delaware investment pool, an internal investment pool, are specifically identified for the School, but the credit risk cannot be categorized for these funds. Credit risk for such investments depends on the financial stability of the State of Delaware.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 3: FAIR VALUE MEASUREMENTS**

The School follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 establishes a fair value hierarchy per inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- **Level 1** - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the School has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- **Level 2** - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- **Level 3** - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The School participates, with other state organizations, in a cash and investment pool controlled by the State of Delaware Treasurer's Office (Note 2). The pool is invested in a combination of cash and fixed income instruments with maturities of up to five years. The State reports that investments are stated at their quoted market prices, except investment securities with a remaining maturity of one year or less at the time of purchase which are stated at cost or amortized cost. These investments would normally be considered level 1 and level 2 inputs on the fair value hierarchy; however, the existence of pooled allocations in determining the School's share of the pool is considered to be a level 2 input. The fair value for pooled cash and investments categorized as level 2 as of June 30, 2025 and 2024 was \$1,250,637 and \$880,171 respectively.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 is as follows:

Description	As of and Year Ended June 30, 2025			
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Computer Equipment	\$ 246,320	\$ -	\$ -	\$ 246,320
Furniture and Equipment	481,691	-	-	481,691
Leasehold Improvements	37,980	-	-	37,980
Totals	<u>765,991</u>	<u>-</u>	<u>-</u>	<u>765,991</u>
Less accumulated depreciation:				
Computer Equipment	246,319	-	-	246,319
Furniture and Equipment	454,519	17,769	-	472,288
Leasehold Improvements	14,331	2,532	-	16,863
Totals	<u>715,169</u>	<u>20,301</u>	<u>-</u>	<u>735,470</u>
Governmental activities capital assets, net	<u>\$ 50,822</u>	<u>\$ (20,301)</u>	<u>\$ -</u>	<u>\$ 30,521</u>

Depreciation expense was \$20,301 for the year ended June 30, 2025, which is included in instructional services on the statement of activities.

Capital asset activity for the year ended June 30, 2024 is as follows:

Description	As of and Year Ended June 30, 2024			
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Computer Equipment	\$ 246,320	\$ -	\$ -	\$ 246,320
Furniture and Equipment	481,691	-	-	481,691
Leasehold Improvements	37,980	-	-	37,980
Totals	<u>765,991</u>	<u>-</u>	<u>-</u>	<u>765,991</u>
Less accumulated depreciation:				
Computer Equipment	245,016	1,303	-	246,319
Furniture and Equipment	419,940	34,579	-	454,519
Leasehold Improvements	11,799	2,532	-	14,331
Totals	<u>676,755</u>	<u>38,414</u>	<u>-</u>	<u>715,169</u>
Governmental activities capital assets, net	<u>\$ 89,236</u>	<u>\$ (38,414)</u>	<u>\$ -</u>	<u>\$ 50,822</u>

Depreciation expense was \$38,414 for the year ended June 30, 2024, which is included in instructional services on the statement of activities.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 5: PENSION PLAN**

***Summary of Significant Accounting Policies***

The School's employees are considered state employees and are covered under the State of Delaware Public Employees' Retirement System - State Employees' Pension Plan (DPERS). Tutors working in the School's programs are employees of the Great Oaks Foundation and are not included in the Plan.

*Pensions* - For purposes of measuring the School's allocation of net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the DPERS, and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by DPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The State of Delaware General Assembly is responsible for setting benefits and contributions and amending plan provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees (Board).

The following are brief descriptions of the Plan in effect as of June 30, 2024. For a more complete description, please refer to the Delaware Employees' Pension Plan Comprehensive Annual Financial Report. Separately issued financial statements for the Plan may be obtained by writing to the State of Delaware Public Employee Retirement System, McArdle Building, Suite 1, 860 Silver Lake Boulevard, Dover, Delaware 19904; by calling 1-800-722-7300; or by visiting the DPERS website at [www.delawarepensions.com](http://www.delawarepensions.com).

***General Information About the Pension Plan***

*Plan Description* - DPERS is a cost-sharing multiple employer defined benefit pension plan that provides retirement benefits to virtually all full-time or regular part-time employees of the State of Delaware, including employees of other affiliated entities. There are two tiers within the plan: (1) employees hired prior to January 1, 2012 (pre-2012), and (2) employees hired on or after January 1, 2012 (post-2011).

*Service Benefits* - Service benefits are calculated by taking the final average monthly compensation (employees hired on or after January 1, 2012 may not include overtime in pension compensation) multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For this Plan, final average monthly compensation is the monthly average of the highest 3 periods of 12 consecutive months of compensation.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
(A COMPONENT UNIT OF THE STATE OF DELAWARE)  
NOTES TO FINANCIAL STATEMENTS

**NOTE 5: PENSION PLAN** [continued]

*Vesting and Benefits Provided* - DPERS provides retirement, disability and death benefits. Pre-2012 members vest after 5 years of credited service. Post-2011 members vest after 10 years of credited service. Pre-2012 members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 5 years of credited service; (b) age 60 with 15 years of credited service; or (c) 30 or more years of service regardless of age. Post-2011 members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 10 years of credited service; (b) age 60 with 20 years of credited service; or (c) 30 or more years of service regardless of age.

Pre-2012 participants are eligible for disability benefits after 5 years of credited service. In lieu of disability pension benefits, over 90% of the members in this Plan opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 participants are not offered disability pension benefits and are in the Disability Insurance Program.

Death benefits are payable upon the death of an active member who has reached age 62 with at least 5 years of credited service. Such benefits are paid at 75% of the benefit the employee would have received at age 62. If an employee is currently receiving a pension, the eligible survivor receives 50% of the pension benefit (or 67.7% with 2% reduction of benefit, 75% with a 3% reduction of benefit, or 100% with a 6% reduction of benefit). Burial benefits of \$7,000 per member are also provided.

*Contributions*

**Members' Contributions** - Pre-2012 members contribute at 3% of earnings in excess of \$6,000. Post-2011 members contribute at 5% of earnings in excess of \$6,000.

**Employer Contributions** - Employer contributions are determined by the State of Delaware General Assembly. Employer contributions were set by the Board at 13.48% and 12.30% of covered payroll for fiscal years ended June 30, 2025 and 2024, respectively. Contributions to the Plan from the School were \$139,325 and \$165,958 during the year ended June 30, 2025 and 2024.

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

As of June 30, 2025 and 2024, the School reported a liability of \$841,098 and \$1,418,672, respectively, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward DPERS' total pension liability as of June 30, 2024 to June 30, 2025 and June 30, 2023 to June 30, 2024, respectively. The School's proportion of the net pension liability was calculated utilizing the employer's contribution as it relates to the total reported contributions. As of June 30, 2025 and 2024, the School's proportion was .0402% and .0539%, respectively.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5: PENSION PLAN** [continued]

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** [continued]

For the year ended June 30, 2025 and 2024, the School recognized pension expense of \$185,064 and \$395,369, respectively. As of June 30, 2025 and 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

Description	Deferred Resources		Deferred Resources	
	2025		2024	
	Outflows	Inflows	Outflows	Inflows
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ 163,121	\$ -	\$ 452,853	\$ -
Changes of Assumptions	39,843	-	100,431	-
Changes in Proportion	22,198	403,045	92,659	219,686
Differences Between Expected and Actual Experience in the Measurement of the Total Pension Liability	194,044	-	186,581	-
Contributions Made After the Measurement Date	139,325	-	165,958	-
Totals	<u>\$ 558,531</u>	<u>\$ 403,045</u>	<u>\$ 998,482</u>	<u>\$ 219,686</u>

The School's share of net deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Years Ending June 30	
2026	\$ 3,232
2027	3,232
2028	3,232
2029	3,232
2030	3,233
Totals	<u>\$ 16,161</u>

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5: PENSION PLAN** [continued]

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** [continued]

Actuarial Assumptions - The measurement of the collective DPERS total pension liability as of June 30, 2024 and 2023, was determined by an actuarial valuation as of June 30, 2023 and 2022 with update procedures used to roll forward the total pension liability to June 30, 2024 and 2023, using the following actuarial assumptions:

- Investment Rate of Return/Discount Rate - 7.0%
- Projected Salary Increases - 2.50% plus merit with no COLA's, including inflation.

Mortality rates were based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the DPERS' current and expected asset allocation, measured for the period ending June 30, 2024 and 2023, is summarized in the following table:

Asset Class	2024		2023	
	Long-term expected real rate of return	Asset allocation	Long-term expected real rate of return	Asset allocation
Domestic Equity	5.7%	33.6%	5.7%	33.8%
International Equity	5.7%	13.9%	5.7%	15.9%
Fixed Income	2.0%	25.3%	2.0%	25.2%
Alternative Investments	7.8%	21.7%	7.8%	19.3%
Cash and Equivalents	0.0%	5.5%	0.0%	5.8%

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
 (A COMPONENT UNIT OF THE STATE OF DELAWARE)  
 NOTES TO FINANCIAL STATEMENTS

**NOTE 5: PENSION PLAN** [continued]

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** [continued]

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

Plan	Measurement period ending June 30, 2024		
	1% Decrease	Discount Rate	1% Increase
School's Proportionate Share of the Net Pension Liability	\$ 1,140,093	\$ 627,604	\$ 156,757
Plan	Measurement period ending June 30, 2023		
	1% Decrease	Discount Rate	1% Increase
School's Proportionate Share of the Net Pension Liability	\$ 1,646,851	\$ 844,616	\$ 171,717

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS**

***Summary of Significant Accounting Policies***

The School's employees are considered state employees and are covered under the State of Delaware Other Postemployment Benefits Plan (OPEB).

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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NOTES TO FINANCIAL STATEMENTS

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** [continued]

*Summary of Significant Accounting Policies* [continued]

For purposes of measuring the School's allocation of net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the State of Delaware. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

On July 1, 2007, the Delaware OPEB Fund Trust (OPEB Trust) was established pursuant to Section 115 of the Internal Revenue Code and separate from the DPERS. The OPEB Trust is administered by the DPERS Board of Directors. Policy for and management of the OPEB benefits provided to retirees are the responsibility of the State. The following is a brief description of the Plan in effect as of June 30, 2024. For a more complete description, please refer to the State of Delaware's OPEB Trust Audited Financial Statements available online at <https://auditor.delaware.gov>.

***General Information about the Plan***

Plan Description - The OPEB Trust is a cost-sharing multiple-employer defined benefit plan established by Delaware Code. The OPEB Trust provides retirement medical coverage to pensioners and their eligible dependents in the State Employees', Judiciary, New State Police, and Closed State Police pension plans. This includes the employees of the State as well as employees of the State's component units and affiliated agencies which are part of the State Employees' Pension Plan. Those employers are Delaware State University, Delaware State Housing Authority, Delaware Charter Schools, University of Delaware, and Delaware Solid Waste Authority.

Service Benefits - Substantially all state employees become eligible for post-retirement benefits if they reach retirement age while working for the State. The costs of providing these benefits are shared between the State and the retired employee.

Vesting Provisions

- Early Retirement: Age 55 with 15 years of service or any age with 25 years of service;
- Normal Retirement (hired before January 1, 2012): Age 62 with 5 years of service, or age 60 with 15 years of service, or any age with 30 years of service;
- Normal Retirement (hired on or after January 1, 2012): Age 65 with 10 years of service, or age 60 with 20 years of service, or any age with 30 years of service;
- Spouse and Survivor Coverage: Both are available under any of the plan options with similar retiree contributions. Surviving spouses are eligible for coverage after the retiree's death.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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NOTES TO FINANCIAL STATEMENTS

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS [continued]**

***General Information about the Plan [continued]***

*Benefits Provided* - During the fiscal year ended June 30, 2025 and 2024, the State provided health insurance options through several providers.

*Retiree Contributions* - The cost of the healthcare benefits for retirees and beneficiaries is shared between the Plan and the retirees. Retiree contribution rates are affected by the retiree date of hire, with eligible retirees hired after June 30, 1991 paying a proportionately higher rate if their years of service total less than 20.

*Funding Policy* - The State of Delaware funds the OPEB for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined, typically from the General Fund. Additional funding has also been provided on an ad hoc basis. By State Statute Chapter 52, Title 29 of the Delaware Code, contribution requirements of plan members and the government are established and may be amended by the State Legislature. Funds are recorded in the OPEB Trust for the payment of retiree healthcare claims, administrative, and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the OPEB Trust.

The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the OPEB Trust and is responsible for the financial management of the OPEB Trust.

*Contributions* - The contribution rates for the employer and retiree are established annually by the budgeting process of the State. Those rates include an employer contribution based on projected pay-as-you go financing requirements as a percent of covered payroll, with an additional amount to prefund benefits, which is not actuarially determined. For fiscal year 2025 and 2024, the School's contribution was 31.04% and 16.82% of covered payroll and totaled \$321,583, including additional contributions of \$137,368, and \$226,926, respectively.

***Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

As of June 30, 2025 and 2024, the School reported a liability of \$4,222,141 and \$7,204,873 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the total OPEB liability as of June 30, 2023 to June 30, 2024 and June 30, 2022 to June 30, 2023. The School's proportion of the net OPEB liability was calculated utilizing the employer's contribution as it relates to the total reported contributions. As of June 30, 2025 and 2024, the School's proportion was 0.0522% and 0.0876%.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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NOTES TO FINANCIAL STATEMENTS

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** [continued]

***Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** [continued]

For the year ended June 30, 2025 and 2024, the School recognized OPEB expense/(benefit) of \$(207,741) and \$765,471, respectively. As of June 30, 2025 and 2024, the School reported deferred outflows of resources and deferred inflows of resources related to the OPEB as follows:

Description	Deferred Resources		Deferred Resources	
	2025		2024	
	Outflows	Inflows	Outflows	Inflows
Net Difference Between Projected and Actual Earnings on Plan Investments	\$ 98,548	\$ 225,058	\$ 130,002	\$ 698,980
Changes of Assumptions	225,464	963,860	762,044	1,668,960
Changes in Proportion	165,197	5,234,242	738,467	2,717,639
Differences Between Expected and Actual Experience in the Measurement of the Total Pension Liability	4,394	-	27,820	-
Contributions Made After the Measurement Date	321,583	-	226,926	-
Totals	<u>\$ 815,186</u>	<u>\$ 6,423,160</u>	<u>\$ 1,885,259</u>	<u>\$ 5,085,579</u>

The School's share of net deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Years Ending June 30	
2026	\$ 1,185,911
2027	1,185,911
2028	1,185,911
2029	1,185,911
2030	1,185,913
Total	<u>\$ 5,929,557</u>

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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NOTES TO FINANCIAL STATEMENTS

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** [continued]

***Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** [continued]

Actuarial Assumptions - The collective total OPEB liability as of June 30, 2024 and 2023 measurement date was determined by an actuarial valuation as of June 30, 2023 and 2022, with update procedures used to roll forward the total OPEB liability to June 30, 2024 and 2023. The actuarial assumptions used the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal.
- Investment Rate of Return – 7.00%, net of OPEB Plan investment expense, including inflation.
- Discount Rate - Increased from 3.82% at the beginning of the year to 4.46% at the end based on the Bond Buyer GO 20-year Bond Municipal Bond Index.
- Projected Salary Increases - 3.25% plus merit, including inflation
- Healthcare Cost Trend Rate - Increased from 7.00% at the beginning of the year to a blended rate of 8.80% for 2023 decreasing to an ultimate rate of 3.94% for 2042

Mortality rates were based on the sex-distinct RP-2014 Total Dataset Health Annuitant Mortality Table, including adjustments factors.

The total OPEB liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2021 and covering the period July 1, 2015 through June 30, 2020. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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NOTES TO FINANCIAL STATEMENTS

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS [continued]**

***Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB [continued]***

*Actuarial Assumptions – [continued]*

Best Estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 and 2023 are summarized in the following table.

Asset Class	2024		2023	
	Long-term expected real rate of return	Asset allocation	Long-term expected real rate of return	Asset allocation
Domestic Equity	5.7%	33.6%	5.7%	33.8%
International Equity	5.7%	13.9%	5.7%	15.9%
Fixed Income	2.0%	25.3%	2.0%	25.2%
Alternative Investments	7.8%	21.7%	7.8%	19.3%
Cash and Equivalents	0.0%	5.5%	0.0%	5.8%

*Discount Rate* - The projection of cash flows used to determine the discount rate for June 30, 2024 assumed that employer contributions will be made at amounts equal to those outlined in Senate Bill 175 (at least 1% of the grand total of all State General Fund operating budget appropriations for the prior fiscal year) as well as 0.36% of covered payroll. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members until approximately 2040. As such, projected benefit payments are discounted at the long-term expected return on assets of 7.00% to the extent the fiduciary net position is available to make the payments and the municipal bond rate of 3.93%, based on the Bond Buyer 20-Bond GO Index, thereafter to the extent they are not available. The resulting single equivalent rate used to determine the total OPEB liability as of June 30, 2024 was 4.46%.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* - The following presents the net OPEB liability of the OPEB Trust, as well as what the OPEB Trust’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.46 percent) and 1 percentage-point higher (5.46 percent) than the current discount rate:

Measurement period ending June 30, 2024			Measurement period ending June 30, 2023		
1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
-3.46%	-4.46%	-5.46%	-2.82%	-3.82%	-4.82%
\$ 3,746	\$ 3,153	\$ 2,676	\$ 4,251	\$ 3,579	\$ 3,045

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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 NOTES TO FINANCIAL STATEMENTS

**NOTE 6: OTHER POST-EMPLOYMENT BENEFITS** [continued]

*Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* [continued]

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability of the OPEB Trust, as well as what the OPEB Trust's net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (6.00 percent increasing to 7.80 percent) and 1 percentage-point higher (8.00 percent increasing to 9.80 percent) than the current healthcare trend rates:

Measurement period ending June 30, 2024			Measurement period ending June 30, 2023		
1% Decrease	Healthcare Trend	1% Increase	1% Decrease	Healthcare Trend	1% Increase
\$ 2,677	\$ 3,153	\$ 3,719	\$ 3,049	\$ 3,579	\$ 4,213

**NOTE 7: RISK MANAGEMENT**

The School has purchased commercial insurance policies for various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenses of the School.

**NOTE 8: LEASING ARRANGEMENT AS LESSEE**

The School leases its facility from the Community Education Building (CEB) located at 1200 North French Street.

Great Oaks Charter School – Wilmington adopted GASB 87 effective July 1, 2021. As of June 30, 2025, there were no impaired lease assets.

When a contract contains a lease or a lease contains a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), Great Oaks Charter School – Wilmington records a right-to-use lease asset and a lease liability which is calculated based on the value of discounted future lease payments over the term of the lease. Whenever the interest note implicit in the lease is not explicit, Great Oaks Charter School – Wilmington may apply the guidance for imputation of interest as a means of determining the interest rate.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8: LEASING ARRANGEMENT AS LESSEE [continued]**

The School elected to use the risk-free rate of approximately 4.66% to discount operating lease payments since the leases do not provide a readily determinable implicit interest rate.

As of June 30, 2025, Great Oaks Charter School – Wilmington is the lessee for a non-cancellable lease of certain real estate. During fiscal year 2024, there was an amendment to the lease agreement. The amended lease agreement is effective July 1, 2024 through June 30, 2029.

Lease Activity for the year ended June 30, 2025 is as follows:

Description	As of and Year Ended June 30, 2025			Ending Balances	Amounts Due Within One Year
	Beginning Balances	Increases	Decreases		
<b>Lease Assets:</b>					
Office Space	\$ 3,301,613	-	\$ -	\$ 3,301,613	
<b>Less accumulated depreciation:</b>					
Office Space	\$ -	(660,323)	-	\$ (660,323)	
<b>Total Lease Assets, net</b>	<u>3,301,613</u>	<u>(660,323)</u>	<u>-</u>	<u>2,641,290</u>	
<b>Lease Liabilities</b>	<u>\$ 3,301,613</u>	<u>\$ -</u>	<u>\$ (610,820)</u>	<u>\$ 2,690,793</u>	<u>\$ 626,520</u>

Below is a summary of the leases outstanding at June 30, 2025:

Years Ending June 30,	Principal Payment	Interest Payment	Total Payment
2026	\$ 626,520	\$ 112,122	\$ 738,642
2027	656,348	82,294	738,642
2028	687,595	51,047	738,642
2029	720,330	18,312	738,642
<b>Total Future Payments</b>	<u>\$ 2,690,793</u>	<u>\$ 263,775</u>	<u>\$ 2,954,568</u>

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
 (A COMPONENT UNIT OF THE STATE OF DELAWARE)  
 NOTES TO FINANCIAL STATEMENTS

**NOTE 9: COMMITMENTS AND CONTINGENCIES**

In the normal course of business, there are various outstanding commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The School does not anticipate losses from these transactions.

*Grants* - The School receives financial assistance from federal, state, and private agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the State Office of Auditor of Accounts and the respective local private agency. Any disallowed claims resulting from such audits could become a liability of the General Fund. The School’s administration believes such disallowance, if any, would be immaterial.

**NOTE 10: ECONOMIC DEPENDENCY**

School revenues that constitute an excess of 10% of total revenues are comprised of the following:

		<u>2025</u>	<u>2024</u>
State Subsidy	2,400,633	60%	54%
Charges to School Districts	1,291,637	32%	27%
Federal Aid	243,554	6%	12%

**NOTE 11: EXCESS EXPENDITURES OVER APPROPRIATIONS**

The school in fiscal year 2025 overspent budgetary appropriations greater than 10% in the following functions:

	<u>2025</u>
Communications	<u>\$ 1,396</u>

**NOTE 12: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all other subsequent events through September 30, 2025, which is the date of financial statements were available to be issued, and has been determined that there are no events subsequent to June 30, 2025 that have occurred that require adjustment to or disclosure in financial statements.

**Required Supplementary Information [RSI] Section**

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**BUDGETARY COMPARISON SCHEDULE – GOVERNMENTAL FUND**  
**Year Ended June 30, 2025**

	Original	Final	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Charges to School Districts	\$ 1,375,313	\$ 1,287,579	\$ 1,291,637	\$ 4,058
State Aid	2,400,455	2,348,787	2,400,633	51,846
Federal Aid	242,566	242,566	243,554	988
Earnings on cash and investments	17,000	17,000	37,692	20,692
Contributions	-	-	1,390	1,390
Contributions and School Programs	20,000	709	4,324	3,615
<b>Total revenues</b>	<u>4,055,334</u>	<u>3,896,641</u>	<u>3,979,230</u>	<u>82,589</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	1,277,925	1,201,646	1,066,120	135,526
Employment costs	697,384	660,429	579,909	80,520
Contracted services	734,136	748,060	724,406	23,654
Communications	7,964	7,964	9,360	(1,396)
Insurance	51,570	65,947	66,511	(564)
Transportation	393,439	393,439	329,413	64,026
Land/Building/Facilities	738,642	738,648	746,440	(7,792)
Supplies and materials	28,005	28,005	6,940	21,065
<b>Total expenditures</b>	<u>3,929,065</u>	<u>3,844,138</u>	<u>3,529,099</u>	<u>315,039</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriated Reserves	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	126,269	52,503	450,131	397,628
<b>FUND BALANCES</b>				
Beginning of year	-	-	708,065	-
End of year	<u>\$ 126,269</u>	<u>\$ 52,503</u>	<u>\$ 1,158,196</u>	<u>\$ 1,105,693</u>

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**BUDGETARY COMPARISON SCHEDULE – GOVERNMENTAL FUND (CONTINUED)**  
Year Ended June 30, 2025

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The School annually adopts a budget for the general fund. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compares the expenditures with the amended budgets. Budgets for the governmental funds are presented on the modified accrual basis of accounting. Accordingly, the accompanying budgetary comparison schedule for the general fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. Generally, unexpended appropriations on annual budgets lapse at the end of each fiscal year. See Management's Discussion and Analysis on pages 11 and 12 for explanations of significant variances compared to budget.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**SCHEDULES OF PROPORTIONATE SHARE OF NET POSITION LIABILITY**  
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement period ending June 30	2024	2023	2022	2021
School's proportion of net pension (asset)/liability	<u>0.0402%</u>	<u>0.0539%</u>	<u>0.0905%</u>	<u>0.1161%</u>
School's proportionate share of net pension (asset)/liability	<u>\$ 841,098</u>	<u>\$ 1,418,672</u>	<u>\$ 1,611,997</u>	<u>\$ (1,509,665)</u>
School's covered-employee payroll	<u>\$ 1,066,120</u>	<u>\$ 1,349,235</u>	<u>\$ 2,230,237</u>	<u>\$ 2,921,636</u>
School's proportionate share of net pension (asset)/liability as a percentage of its covered-employee payroll	<u>78.89%</u>	<u>105.15%</u>	<u>72.28%</u>	<u>-51.67%</u>
Plan's fiduciary net position as percentage of total pension (asset)/liability	<u>88.29%</u>	<u>87.59%</u>	<u>88.76%</u>	<u>110.48%</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement period ending June 30	2019	2018	2017	2016
School's proportion of net pension (asset)/liability	<u>0.1134%</u>	<u>0.0864%</u>	<u>0.0611%</u>	<u>4.0500%</u>
School's proportionate share of net pension (asset)/liability	<u>\$ 1,766,164</u>	<u>\$ 1,115,914</u>	<u>\$ 895,752</u>	<u>\$ 610,904</u>
School's covered-employee payroll	<u>\$ 2,928,563</u>	<u>\$ 2,388,420</u>	<u>\$ 1,700,028</u>	<u>\$ 893,283</u>
School's proportionate share of net pension (asset)/liability as a percentage of its covered-employee payroll	<u>60.3%</u>	<u>46.7%</u>	<u>52.7%</u>	<u>68.4%</u>
Plan's fiduciary net position as percentage of total pension (asset)/liability	<u>87.5%</u>	<u>87.5%</u>	<u>85.0%</u>	<u>84.1%</u>

Source: Delaware Public Employees' Retirement System, State Employees' Pension Plan as of June 30<sup>th</sup> of each preceding year.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**SCHEDULES OF PENSIONS CONTRIBUTIONS**  
**Year Ended June 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement period ending June 30	2024	2023	2022	2021
Contractually required contribution	<u>\$ 139,325</u>	<u>\$ 165,958</u>	<u>\$ 244,150</u>	<u>\$ 338,355</u>
Contribution (Excess) Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School covered-employee payroll	<u>\$ 1,066,120</u>	<u>\$ 1,349,235</u>	<u>\$ 2,230,237</u>	<u>\$ 2,921,636</u>
Contributions as percentage of covered-employee payroll	<u>13.068%</u>	<u>12.300%</u>	<u>10.947%</u>	<u>11.581%</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement period ending June 30	2019	2018	2017	2016
Contractually required contribution	<u>\$ 319,695</u>	<u>\$ 278,474</u>	<u>\$ 195,843</u>	<u>\$ 127,269</u>
Contribution (Excess) Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School covered-employee payroll	<u>\$ 2,928,563</u>	<u>\$ 2,388,420</u>	<u>\$ 1,700,028</u>	<u>\$ 893,283</u>
Contributions as percentage of covered-employee payroll	<u>10.916%</u>	<u>11.659%</u>	<u>11.520%</u>	<u>14.247%</u>

Source: Delaware Public Employees’ Retirement System, State Employees’ Pension Plan as of June 30<sup>th</sup> of each preceding year.

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**SCHEDULES OF NET OTHER POST-EMPLOYMENT BENEFIT PLAN LIABILITY**  
**AND SCHOOL CONTRIBUTIONS**  
Year Ended June 30, 2025

In accordance with GASB No. 75, the following required supplementary information is provided with respect to the School's Net OPEB Liability.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<b><u>Schedule of Net OPEB Liability</u></b>		
Measurement Date	June 30, 2025	June 30, 2024
Percentage Proportion	0.0522%	0.0876%
Net OPEB Liability Share	4,222,141	7,204,873
Employer- Covered Payroll	1,066,120	1,349,235
OPEB Liability as a Percentage of Covered Payroll	396.03%	534.00%
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	-10.59%	-7.71%
<b><u>Schedule of Contribution</u></b>		
Required Contribution	\$ 321,583	\$ 226,926
Actual Contribution	<u>321,583</u>	<u>226,926</u>
Contribution Deficiency/ (Excess)	<u>\$ -</u>	<u>\$ -</u>
Employer- Covered Payroll	\$ 1,066,120	\$ 1,349,235
Actual Contribution as a Percentage of Covered Payroll	30.16%	16.82%
<b><u>Notes to Required Supplementary Information</u></b>		
Actuarial Valuation Date	June 30, 2024	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Discount Rate	4.46%	3.82%
Healthcare Trend Rate	8.80%	7.00%
Mortality Rate	RP- 2014 Total Dataset Employee Mortality Table	RP- 2014 Total Dataset Employee Mortality Table
<b><u>Investment Allocation</u></b>		
Domestic Equity	33.60%	33.80%
International Equity	13.90%	15.90%
Fixed Income	25.30%	25.20%
Alternative Investments	19.30%	19.30%
Cash and Equivalents	5.80%	5.80%
<b><u>Investment Rate of Return</u></b>		
Domestic Equity	5.70%	5.70%
International Equity	5.70%	5.70%
Fixed Income	2.00%	2.00%
Alternative Investments	7.80%	7.80%
Cash and Equivalents	0.00%	0.00%

## **Supplementary Information Section**

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**BALANCE SHEETS-GENERAL FUND**  
**Years Ended June 30, 2025 and 2024**

	2025				2024			
	State Fund	Local Fund	Federal Fund	Total General Fund	State Fund	Local Fund	Federal Fund	Total General Fund
<b>ASSETS</b>								
Cash and Equivalents	\$ 559,633	\$ 691,004	\$ -	\$ 1,250,637	\$ 295,859	\$ 584,312	\$ -	\$ 880,171
Due from other governments	-	-	20,690	20,690	-	17,416	18,542	35,958
Prepayments and other assets	-	-	-	-	-	4,198	-	4,198
Security deposit	-	-	-	-	1,533	6,259	-	7,792
<b>TOTAL ASSETS</b>	<u>559,633</u>	<u>691,004</u>	<u>20,690</u>	<u>1,271,327</u>	<u>297,392</u>	<u>612,185</u>	<u>18,542</u>	<u>928,119</u>
<b>LIABILITIES</b>								
Accounts Payable	3,043	3,489	-	6,532	33,320	-	-	33,320
Accrued Salaries And Related Costs	85,909	-	20,690	106,599	-	168,192	18,542	186,734
<b>TOTAL LIABILITIES</b>	<u>88,952</u>	<u>3,489</u>	<u>20,690</u>	<u>113,131</u>	<u>33,320</u>	<u>168,192</u>	<u>18,542</u>	<u>220,054</u>
<b>FUND BALANCES</b>								
Unassigned	470,681	482,294	-	952,975	264,072	118,993	-	383,065
Restricted	-	205,221	-	205,221	-	325,000	-	325,000
<b>TOTAL FUND BALANCES</b>	<u>470,681</u>	<u>687,515</u>	<u>-</u>	<u>1,158,196</u>	<u>264,072</u>	<u>443,993</u>	<u>-</u>	<u>708,065</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 559,633</u>	<u>\$ 691,004</u>	<u>\$ 20,690</u>	<u>\$ 1,271,327</u>	<u>\$ 297,392</u>	<u>\$ 612,185</u>	<u>\$ 18,542</u>	<u>\$ 928,119</u>

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES-GENERAL FUND**  
**Years Ended June 30, 2025 and 2024**

	2025				2024			
	State Fund	Local Fund	Federal Fund	Total General Fund	State Fund	Local Fund	Federal Fund	Total General Fund
<b>REVENUES</b>								
Charges to School Districts	\$ -	\$ 1,291,637	\$ -	\$ 1,291,637	\$ -	\$ 1,182,107	\$ -	\$ 1,182,107
State Aid	2,234,629	-	-	2,234,629	2,220,145	-	-	2,220,145
Transportation	166,004	-	-	166,004	157,109	-	-	157,109
Federal Aid	-	-	243,554	243,554	-	-	531,563	531,563
Earnings on cash and investments	-	37,692	-	37,692	-	20,161	-	20,161
Contributions	-	1,390	-	1,390	-	325,525	-	325,525
School programs	-	4,324	-	4,324	-	709	-	709
<b>Total revenues</b>	<b>2,400,633</b>	<b>1,335,043</b>	<b>243,554</b>	<b>3,979,230</b>	<b>2,377,254</b>	<b>1,528,502</b>	<b>531,563</b>	<b>4,437,319</b>
<b>EXPENDITURES</b>								
Current:								
Instructional services	1,649,115	481,602	243,554	2,374,271	1,732,686	515,577	529,713	2,777,976
Supporting services:								
Operation and maintenance of facilities	349,166	476,249	-	825,415	266,321	499,488	-	765,809
Transportation	195,743	133,670	-	329,413	168,703	171,772	1,850	342,325
<b>Total expenditures</b>	<b>2,194,024</b>	<b>1,091,521</b>	<b>243,554</b>	<b>3,529,099</b>	<b>2,167,710</b>	<b>1,186,837</b>	<b>531,563</b>	<b>3,886,110</b>
<b>CHANGE IN NET POSITION</b>	<b>206,609</b>	<b>243,522</b>	<b>-</b>	<b>450,131</b>	<b>209,544</b>	<b>341,665</b>	<b>-</b>	<b>551,209</b>
<b>FUND BALANCES</b>								
Beginning of year	264,072	443,993	-	708,065	54,528	102,328	-	156,856
End of year	\$ 470,681	\$ 687,515	\$ -	\$ 1,158,196	\$ 264,072	\$ 443,993	\$ -	\$ 708,065

**GREAT OAKS CHARTER SCHOOL – WILMINGTON**  
**(A COMPONENT UNIT OF THE STATE OF DELAWARE)**  
**SCHEDULE OF EXPENDITURES BY NATURAL CLASSIFICATION**  
**Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>EXPENDITURES</b>		
Current:		
Salaries	\$ 1,066,120	\$ 1,349,235
Employment Costs	579,909	654,145
Travel	-	101
Contractual services	724,406	760,389
Communications	9,360	7,963
Insurance	66,511	50,067
Public Utility services	-	566
Land, building & facilities	746,440	668,573
Transportation - buses	329,413	342,325
Repairs and maintenance	-	30,580
Supplies and materials	6,940	22,166
	<u>6,940</u>	<u>22,166</u>
<b>Total expenditures</b>	<u>\$ 3,529,099</u>	<u>\$ 3,886,110</u>

**Reports Required by  
Government Auditing Standards**



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**Report of Independent Auditor  
on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of the Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
**Great Oaks Charter School – Wilmington**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Great Oaks Charter School [a component unit of the State of Delaware], as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Great Oaks Charter School's basic financial statements, and have issued our report thereon dated September 30, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

To the Board of Directors  
**Great Oaks Charter School - Wilmington**

### **Report on Internal Control Over Financial Reporting [continued]**

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Great Oaks Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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

*Whisman Giordano & Associates, LLC*

Newark, Delaware  
September 30, 2025