

***GLOBAL IMPACT STEM ACADEMY***

***CLARK COUNTY***

Regular Audit

For the Year Ended June 30, 2025







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Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Directors  
Global Impact STEM Academy  
700 S. Limestone Street  
Springfield, Ohio 45505

We have reviewed the *Independent Auditor's Report* of the Global Impact STEM Academy, Clark County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Global Impact STEM Academy is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

**April 21, 2026**

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**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY  
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## **INDEPENDENT AUDITOR'S REPORT**

Global Impact STEM Academy  
Clark County  
700 S. Limestone Street  
Springfield, OH 45505

To the Board of Directors:

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

#### ***Opinion***

We have audited the financial statements of the Global Impact STEM Academy, Clark County, Ohio (the Academy), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy'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 financial position of the Academy as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, the Academy adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. We did not modify our opinion regarding this matter.

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy'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 Academy's ability to continue as a going concern for a reasonable period of time.

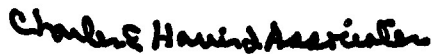
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Academy'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 the Academy's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
January 30, 2026

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The management's discussion and analysis of the Global Impact STEM Academy's (the "Academy's") financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole. Readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Academy's financial performance. The Academy began accepting students and State Foundation revenue in July 2013, and fiscal year 2014 was the first year of the Academy's operations.

**Financial Highlights**

Key financial highlights for fiscal year 2025 are as follows:

- Net position at June 30, 2025 was \$15,587,449, including unrestricted net position of \$5,754,112. This represents an increase of \$1,651,428 compared to the prior fiscal year's net position.
- The Academy had total revenues of \$10,525,587, including operating revenues of \$7,945,534 and non-operating revenues of \$2,580,053. These revenues supported operating expenses of \$8,586,842 and non-operating expenses of \$287,317 during fiscal year 2025.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities. The statement of net position and statement of revenues, expenses, and changes in net position provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its operations.

**Reporting the Academy Financial Activities**

***Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows***

These documents look at all financial transactions and ask the question, "How did the Academy perform financially during fiscal year 2025?" The statement of net position and the statement of revenues, expenses, and changes in net position answer this question. These statements include all assets, liabilities, revenues, and expenses using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fiscal year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the Academy's net position and changes in net position. This change in net position is important because it tells the reader that, for the Academy as a whole, the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some nonfinancial. These statements can be found on pages 7 and 8 of this report. The statement of cash flows can be found on page 9.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 11-21 of this report.

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The table below provides a summary of the Academy's net position at June 30, 2025 and June 30, 2024. Amounts for fiscal year 2025 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3 in the notes to the basic financial statements), while amounts for fiscal year 2024 have been presented in accordance with previous guidance.

|                                  | 2025                 | 2024                 |
|----------------------------------|----------------------|----------------------|
| <b><u>Assets</u></b>             |                      |                      |
| Current assets                   | \$ 7,628,866         | \$ 8,247,368         |
| Capital assets, net              | <u>23,761,017</u>    | <u>13,201,726</u>    |
| Total assets                     | <u>31,389,883</u>    | <u>21,449,094</u>    |
| <b><u>Liabilities</u></b>        |                      |                      |
| Current liabilities              | 2,013,089            | 1,502,408            |
| Non-current liabilities          | <u>13,789,345</u>    | <u>5,195,260</u>     |
| Total liabilities                | <u>15,802,434</u>    | <u>6,697,668</u>     |
| <b><u>Net position</u></b>       |                      |                      |
| Net investment in capital assets | 9,757,674            | 7,314,628            |
| Restricted                       | 75,663               | 62,463               |
| Unrestricted                     | <u>5,754,112</u>     | <u>7,374,335</u>     |
| Total net position               | <u>\$ 15,587,449</u> | <u>\$ 14,751,426</u> |

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the Academy's assets exceeded liabilities by \$15,587,449. Of this total, \$75,663 is restricted in use and \$5,754,112 is unrestricted.

**Assets**

Current assets at June 30, 2025 consist primarily of cash and cash equivalents. Current assets also include receivables and prepayments. The Academy's capital assets consist of construction in progress, leasehold improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right-to-use assets for buildings, equipment, and software. Capital assets are used to provide services to the students and are not available for future spending; therefore, the Academy's net investment in capital assets is presented as a separate component of net position.

**Liabilities**

Current liabilities consist of accounts and intergovernmental payables, as well as the portion of the Academy's lease, note, and loan obligations that are due within one year. Intergovernmental payables are primarily amounts owed to the Academy's fiscal agent, the Educational Service Center Council of Governments. Non-current liabilities at June 30, 2025 consist of a long-term intergovernmental payable, notes payable, loans payable, and leases payable. Overall, liabilities increased as the Academy continued to draw down on available loans to help finance the current construction project.

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The following table shows the changes in net position for fiscal years 2025 and 2024.

|                                                                             | 2025                 | 2024                 |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| <b><u>Operating revenues:</u></b>                                           |                      |                      |
| State Foundation                                                            | \$ 7,725,662         | \$ 7,205,153         |
| Tuition and fees                                                            | 93,911               | 130,885              |
| Sales and charges for services                                              | 119,232              | 109,633              |
| Miscellaneous                                                               | 6,729                | 692                  |
| Total operating revenues                                                    | <u>7,945,534</u>     | <u>7,446,363</u>     |
| <b><u>Operating expenses:</u></b>                                           |                      |                      |
| Purchased services                                                          | 6,391,875            | 6,127,904            |
| Materials and supplies                                                      | 646,830              | 256,636              |
| Other                                                                       | 496,783              | 174,934              |
| Depreciation/amortization                                                   | 1,051,354            | 862,285              |
| Total operating expenses                                                    | <u>8,586,842</u>     | <u>7,421,759</u>     |
| <b><u>Non-operating revenues (expenses):</u></b>                            |                      |                      |
| Federal, State and local grants                                             | 2,234,154            | 2,183,986            |
| Interest revenue                                                            | 339,839              | 397,990              |
| Contributions and donations                                                 | 6,060                | 29,417               |
| Loss on disposal of capital assets                                          | (240)                | (6,746)              |
| Interest and fiscal charges                                                 | (287,077)            | (200,497)            |
| Total non-operating revenues (expenses)                                     | <u>2,292,736</u>     | <u>2,404,150</u>     |
| Change in net position                                                      | 1,651,428            | 2,428,754            |
| Net position at the beginning of the fiscal year,<br>as previously reported | 14,751,426           | 12,322,672           |
| Restatement - change in accounting principle                                | (815,405)            | -                    |
| Net position at the beginning of the fiscal year, restated                  | <u>13,936,021</u>    | <u>12,322,672</u>    |
| Net position at the end of the fiscal year                                  | <u>\$ 15,587,449</u> | <u>\$ 14,751,426</u> |

As the preceding table illustrates, the Academy's primary source of revenue is State Foundation revenue, which is allocated to schools throughout the State based on the Average Daily Membership (ADM) reported by the schools. The Academy's ADM increased slightly to 670 in fiscal year 2025, up from 661 in the prior year. All other federal, state, and local grants are reported as non-operating revenues. The Academy also receives interest earnings on its investments in STAR Ohio.

The main component of expenses for the Academy is purchased services, which accounted for 74.4% of all operating expenses in fiscal year 2025. These expenses consist primarily of professional and technical services, including payments made under the Academy's services contract with the Educational Service Center Council of Governments. Refer to Note 9 in the notes to the basic financial statements for additional detail on the components of purchased services expenses. The Academy is also reporting a non-operating expense for interest and fiscal charges on its lease, note, and loan obligations.

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Capital Assets**

At June 30, 2025, the Academy's capital assets consist of construction in progress, leasehold improvements, buildings and improvements, intangible right-to-use assets for buildings, equipment, and software, furniture and equipment, and vehicles in the amount of \$23,761,017 (net of accumulated depreciation/amortization). Capital asset acquisitions in fiscal year 2025 were \$11,610,885 and net disposals amounted to \$240. The Academy recognized \$1,051,354 in depreciation/amortization expense. The most significant acquisition during the year was construction in progress in the amount of \$11,381,739 for a new facilities expansion project; Phase I of this project was completed in fiscal year 2025, for a total of approximately \$15.2 million. Refer to Note 6 in the notes to the basic financial statements for detail on the Academy's capital assets.

**Debt Administration**

The Academy's long-term debt outstanding at June 30, 2025 consists of notes payable in the amount of \$44,525, loans payable in the amount of \$9,873,499, and leases payable of \$3,839,467. Notes payable consist of two financed purchase agreements to acquire laptop computers. Loans payable consist of bank loans entered into in fiscal year 2024 to help finance the construction project, which the Academy continued to draw upon in fiscal year 2025. The leases payable represent the liability for the right to use a building and various equipment such as copiers. See Note 7 in the notes to the basic financial statements for more detail on these obligations.

**Current Issues**

The Academy receives approximately 97.2% of its operating revenues from the Ohio Department of Education and Workforce in the form of State Foundation revenues. Thus, the Academy is heavily reliant on the State funding formula in its ability to continue to provide quality educational services to its students. Currently, the Academy's allocation for fiscal year 2026 is approximately \$9.7 million.

**Contacting the Academy's Financial Management**

This financial report is designed to provide citizens, investors, and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Rizzo, Treasurer of the Global Impact STEM Academy, 2080 Citygate Drive, Columbus, Ohio 43219.

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2025

**Assets:**

Current assets:

|                                            |              |
|--------------------------------------------|--------------|
| Equity in pooled cash and cash equivalents | \$ 7,524,407 |
| Receivables:                               |              |
| Accounts                                   | 34,078       |
| Intergovernmental                          | 55,322       |
| Prepayments                                | 15,059       |

|                      |                  |
|----------------------|------------------|
| Total current assets | <u>7,628,866</u> |
|----------------------|------------------|

Non-current assets:

|                                                 |            |
|-------------------------------------------------|------------|
| Capital assets, not depreciated/amortized       | 773,999    |
| Capital assets being depreciated/amortized, net | 22,987,018 |

|                          |                   |
|--------------------------|-------------------|
| Total non-current assets | <u>23,761,017</u> |
|--------------------------|-------------------|

|              |                   |
|--------------|-------------------|
| Total assets | <u>31,389,883</u> |
|--------------|-------------------|

**Liabilities:**

Current liabilities:

|                           |         |
|---------------------------|---------|
| Accounts payable          | 76,189  |
| Contracts payable         | 245,852 |
| Leases payable            | 317,018 |
| Intergovernmental payable | 919,295 |
| Accrued interest payable  | 74,481  |
| Notes payable             | 44,525  |
| Loans payable             | 335,729 |

|                           |                  |
|---------------------------|------------------|
| Total current liabilities | <u>2,013,089</u> |
|---------------------------|------------------|

Non-current liabilities:

|                           |           |
|---------------------------|-----------|
| Intergovernmental payable | 729,126   |
| Loans payable             | 9,537,770 |
| Leases payable            | 3,522,449 |

|                               |                   |
|-------------------------------|-------------------|
| Total non-current liabilities | <u>13,789,345</u> |
|-------------------------------|-------------------|

|                   |                   |
|-------------------|-------------------|
| Total liabilities | <u>15,802,434</u> |
|-------------------|-------------------|

**Net position:**

|                                          |           |
|------------------------------------------|-----------|
| Net investment in capital assets         | 9,757,674 |
| Restricted for locally funded programs   | 75,552    |
| Restricted for federally funded programs | 111       |
| Unrestricted                             | 5,754,112 |

|                    |                      |
|--------------------|----------------------|
| Total net position | <u>\$ 15,587,449</u> |
|--------------------|----------------------|

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                               |                             |
|---------------------------------------------------------------|-----------------------------|
| <b>Operating revenues:</b>                                    |                             |
| State Foundation                                              | \$ 7,725,662                |
| Tuition and fees                                              | 93,911                      |
| Sales and charges for services                                | 119,232                     |
| Miscellaneous                                                 | 6,729                       |
| Total operating revenues                                      | <u>7,945,534</u>            |
| <b>Operating expenses:</b>                                    |                             |
| Purchased services                                            | 6,391,875                   |
| Materials and supplies                                        | 646,830                     |
| Other                                                         | 496,783                     |
| Depreciation/amortization                                     | 1,051,354                   |
| Total operating expenses                                      | <u>8,586,842</u>            |
| Operating loss                                                | <u>(641,308)</u>            |
| <b>Non-operating revenues (expenses):</b>                     |                             |
| Federal, State and local grants                               | 2,234,154                   |
| Interest revenue                                              | 339,839                     |
| Contributions and donations                                   | 6,060                       |
| Interest and fiscal charges                                   | (287,077)                   |
| Loss on disposal of capital assets                            | (240)                       |
| Total non-operating revenues (expenses)                       | <u>2,292,736</u>            |
| Change in net position                                        | 1,651,428                   |
| <b>Net position as previously reported</b>                    | 14,751,426                  |
| Restatement - change in accounting principle                  | <u>(815,405)</u>            |
| <b>Net position at beginning of the fiscal year, restated</b> | <u>13,936,021</u>           |
| <b>Net position at end of the fiscal year</b>                 | <u><u>\$ 15,587,449</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                                                       |                                 |
|---------------------------------------------------------------------------------------|---------------------------------|
| <b>Cash flows from operating activities:</b>                                          |                                 |
| Cash received from State Foundation                                                   | \$ 7,742,441                    |
| Cash received from tuition and fees                                                   | 105,097                         |
| Cash received from sales and charges for services                                     | 119,232                         |
| Cash received from miscellaneous sources                                              | 2,223                           |
| Cash payments for purchased services                                                  | (6,298,668)                     |
| Cash payments for materials and supplies                                              | (616,504)                       |
| Cash payments for other expenses                                                      | (503,543)                       |
|                                                                                       | <hr/>                           |
| Net cash provided by operating activities                                             | 550,278                         |
| <b>Cash flows from noncapital financing activities:</b>                               |                                 |
| Cash received from Federal, State, and local grants                                   | 2,239,355                       |
| Cash received from contributions and donations                                        | 6,060                           |
|                                                                                       | <hr/>                           |
| Net cash provided by noncapital financing activities                                  | 2,245,415                       |
| <b>Cash flows from capital and related financing activities:</b>                      |                                 |
| Loan proceeds                                                                         | 8,552,103                       |
| Interest paid                                                                         | (245,470)                       |
| Principal retirement                                                                  | (748,826)                       |
| Acquisition of capital assets                                                         | (11,297,917)                    |
|                                                                                       | <hr/>                           |
| Net cash used in capital and related financing activities                             | (3,740,110)                     |
| <b>Cash flows from investing activities:</b>                                          |                                 |
| Interest received                                                                     | 339,839                         |
|                                                                                       | <hr/>                           |
| Net cash provided by investing activities                                             | 339,839                         |
| Net increase in cash and cash equivalents                                             | (604,578)                       |
| <b>Cash and cash equivalents at the beginning of fiscal year</b>                      | 8,128,985                       |
| <b>Cash and cash equivalents at the end of fiscal year</b>                            | <hr/> <b>\$ 7,524,407</b> <hr/> |
| <b>Reconciliation of operating loss to net cash provided by operating activities:</b> |                                 |
| Operating loss                                                                        | \$ (641,308)                    |
| Adjustments:                                                                          |                                 |
| Depreciation/amortization                                                             | 1,051,354                       |
| Changes in assets and liabilities:                                                    |                                 |
| Decrease in accounts receivable                                                       | 6,507                           |
| Decrease in intergovernmental receivable                                              | 8,035                           |
| Increase in prepayments                                                               | (5,819)                         |
| Increase in accounts payable                                                          | 47,217                          |
| Increase in intergovernmental payable                                                 | 84,292                          |
|                                                                                       | <hr/>                           |
| Net cash provided by operating activities                                             | <hr/> <b>\$ 550,278</b> <hr/>   |

**Non-cash transactions:**

In fiscal year 2025, the Academy entered into a lease agreement in the amount of \$91,094 to acquire intangible right-to-use assets.

At June 30, 2025, contracts payable related to capital asset purchases amounted to \$245,852.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 - DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY**

Global Impact STEM Academy (the “Academy”) is a legally separate nonprofit corporation served by an appointed nine-member Governing Board and meets the definition of a science, technology, engineering, and mathematics (STEM) school under Chapter 3326 of the Ohio Revised Code. Founded in 2013 in Springfield, Ohio, the Academy was created to address industry challenges and develop solutions to tackle to solve the issues of tomorrow (and today). The Academy delivers an innovative and relevant curriculum through an interdisciplinary, project-driven school day. Equipped with their own unique skill sets, students are then connected to post-secondary institutions and organizations throughout the state in fields of bioscience, energy, environment, agriculture, and more. The Academy offers education for children in the sixth through twelfth grade.

The Academy has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

The Academy’s Governing Board advises and assists the Academy staff on curriculum, school evaluation and research, professional development, funding, and community relations. Nine members serve on the Governing Board, including representatives from Clark State Community College, Wright State University, Springfield City Schools, and local business entrepreneurs. The Academy’s director and staff oversee the day-to-day operations of the Academy.

The Educational Service Center Council of Governments (ESCCOG) serves as the fiscal agent for the Academy (see Note 11).

*Reporting Entity:*

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity,” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units,” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Academy. For the Academy, this includes instructional activities of the Academy.

Component units are legally separate organizations for which the Academy is financially accountable. The Academy is financially accountable for an organization if the Academy appoints a voting majority of the organization’s Governing Board and (1) the Academy is able to significantly influence the programs or services performed or provided by the organization; or (2) the Academy is legally entitled to or can otherwise access the organization’s resources; or (3) the Academy is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Academy is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Academy in that the Academy approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s basic financial statements incomplete or misleading. Based upon the application of these criteria, the Academy has no component units. The basic financial statements of the reporting entity include only those of the Academy (the primary government).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy’s significant accounting policies are described below.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**A. Basis of Presentation**

The Academy's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**B. Measurement Focus**

The accounting and financial reporting treatment is determined by the Academy's measurement focus. Enterprise accounting uses a "flow of economic resources" measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded when the exchange takes place. Revenues resulting from non exchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the year when use is first permitted and all eligibility requirements have been met; eligibility requirements include matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the State of Ohio, STEM schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705. The Academy prepares a five year forecast for planning purposes.

**E. Cash and Cash Equivalents**

To improve cash management, all cash received by the Academy is pooled in a central bank account. Monies for the Academy are maintained in this account or temporarily used to purchase short-term investments.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

During fiscal year 2025, the Academy invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) and non-negotiable certificates of deposit. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants." The Academy measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that approximates fair value.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

There are no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24-hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day or days, but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**F. Prepayments**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the statement of net position. These items are reported as assets on the statement of net position using the consumption method. A current asset for prepaid amounts is recorded at the time of the purchase and the expense is reported in the year in which services are consumed.

**G. Capital Assets**

The Academy's capital assets during fiscal year 2025 consisted of construction in progress, leasehold improvements, furniture and equipment, vehicles, and intangible right-to-use assets (leased buildings, equipment, and software). All capital assets are capitalized at cost and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy maintains a capitalization threshold of \$1,000. The Academy does not have any infrastructure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets is considered significant.

All capital assets at June 30, 2025, except construction in progress are depreciated/amortized. This is computed using the straight-line method over useful lives ranging from 3-20 years for furniture and equipment, 8 years for vehicles, 50 years for buildings and improvements, and 5-18 years for leasehold improvements. The intangible right-to-use assets are amortized over the shorter of the lease or subscription term or the estimated useful life of the underlying asset. These periods are currently 18 years for leased buildings, 5 years for leased equipment, and 2 years for software.

**H. Net Position**

Net position represents the difference between assets and liabilities. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**I. Intergovernmental Revenue**

The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The amount of these grants is directly related to the number of students enrolled in the Academy. The Ohio Department of Education and Workforce conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the Academy. These reviews are conducted to ensure the Academy is reporting accurate student enrollment data to the State, upon which State Foundation funding is calculated.

The remaining grants and entitlements received by the Academy are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

**J. Accrued Liabilities and Long-Term Obligations**

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

**K. Estimates**

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

**L. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the Academy. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Academy. All revenues and expenses not meeting this definition are reported as non-operating.

**M. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Governing Board and that are either unusual in nature or infrequent in occurrence. The Academy had no extraordinary or special items during fiscal year 2025.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For the fiscal year ended June 30, 2025, the Academy has implemented GASB Statement No. 101, “Compensated Absences” and GASB Statement No. 102, “Certain Risk Disclosures.”

GASB Statement No. 101 was issued to meet the informational needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the Academy.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Restatement of Net Position**

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "*Compensated Absences*". The effect of changing the accounting principle is to decrease net position as previously reported by \$815,405 due to recognition of compensated absences payable, which is reported within non-current intergovernmental payable. This is displayed where applicable in the financial statements as "restatement - change in accounting principle".

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Monies held by the Academy are classified by State statute into three categories.

Active monies are public deposits determined to be necessary to meet current demands upon the Academy's treasury. Active monies must be maintained either as cash in the Academy's treasury, in commercial accounts that are payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Governing Board has identified as not required for use within the current five-year period of designation of depositories.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including, a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

8. Certain “bankers’ acceptances” for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

**A. Deposits with Financial Institutions**

At June 30, 2025, the carrying amount of all Academy deposits was \$1,356,260 and the bank balance of all Academy deposits was \$1,363,787. Of the bank balance, \$250,000 was covered by the FDIC and \$1,113,787 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. All statutory requirements for the deposit of money have been followed.

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. The Academy has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the Academy and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2025, the Academy's financial institutions were approved for a reduced collateral rate of 85 percent through the OPCS.

**B. Investments**

As of June 30, 2025, the Academy had the following investment:

| <u>Measurement/<br/>Investment type</u> | <u>Measurement<br/>Amount</u> | <u>Investment Maturity<br/>6 months or less</u> |
|-----------------------------------------|-------------------------------|-------------------------------------------------|
| <i>Amortized Cost:</i>                  |                               |                                                 |
| STAR Ohio                               | <u>\$ 6,168,147</u>           | <u>\$ 6,168,147</u>                             |

The weighted average maturity of STAR Ohio is approximately 30 days.

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Academy's investment policy requires that operating funds be invested primarily so that the securities mature to meet cash requirements for ongoing operations and long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Academy's investment policy does not specifically address credit risk beyond requiring the Academy to invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Academy will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Academy's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*Concentration of Credit Risk:* The Academy places no limit on the amount that may be invested in any one issuer.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2025 consist of tuition and fees for services provided, reimbursements, and intergovernmental grants and entitlements. All receivables are considered collectible in full and are expected to be collected within the subsequent fiscal year.

**NOTE 6 - CAPITAL ASSETS**

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

|                                                         | Balance<br>06/30/24  | Additions            | Deductions             | Balance<br>06/30/25  |
|---------------------------------------------------------|----------------------|----------------------|------------------------|----------------------|
| <b>Business-type activities:</b>                        |                      |                      |                        |                      |
| <i>Capital assets, not being depreciated/amortized:</i> |                      |                      |                        |                      |
| Construction in progress                                | \$ 4,634,948         | \$ 11,381,739        | \$ (15,242,688)        | \$ 773,999           |
| Total capital assets, not being depreciated/amortized   | <u>4,634,948</u>     | <u>11,381,739</u>    | <u>(15,242,688)</u>    | <u>773,999</u>       |
| <i>Capital assets, being depreciated/amortized:</i>     |                      |                      |                        |                      |
| Leasehold improvements                                  | 6,490,274            | -                    | -                      | 6,490,274            |
| Buildings and improvements                              | -                    | 15,242,688           | -                      | 15,242,688           |
| Intangible right-to-use - buildings                     | 4,711,205            | -                    | -                      | 4,711,205            |
| Furniture and equipment                                 | 1,248,281            | 138,052              | (15,468)               | 1,370,865            |
| Intangible right-to-use - equipment                     | 72,781               | 91,094               | -                      | 163,875              |
| Intangible right-to-use - software                      | 30,180               | -                    | (30,180)               | -                    |
| Vehicles                                                | 29,185               | -                    | -                      | 29,185               |
| Total capital assets, being depreciated/amortized       | <u>12,581,906</u>    | <u>15,471,834</u>    | <u>(45,648)</u>        | <u>28,008,092</u>    |
| <i>Less: accumulated depreciation/amortization</i>      |                      |                      |                        |                      |
| Leasehold improvements                                  | (2,446,953)          | (351,046)            | -                      | (2,797,999)          |
| Buildings and improvements                              | -                    | (152,427)            | -                      | (152,427)            |
| Intangible right-to-use - buildings                     | (1,009,544)          | (336,515)            | -                      | (1,346,059)          |
| Furniture and equipment                                 | (491,043)            | (191,715)            | 15,228                 | (667,530)            |
| Intangible right-to-use - equipment                     | (16,735)             | (16,003)             | -                      | (32,738)             |
| Intangible right-to-use - software                      | (30,180)             | -                    | 30,180                 | -                    |
| Vehicles                                                | (20,673)             | (3,648)              | -                      | (24,321)             |
| Total accumulated depreciation/amortization             | <u>(4,015,128)</u>   | <u>(1,051,354)</u>   | <u>45,408</u>          | <u>(5,021,074)</u>   |
| Total capital assets, net                               | <u>\$ 13,201,726</u> | <u>\$ 25,802,219</u> | <u>\$ (15,242,928)</u> | <u>\$ 23,761,017</u> |

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**NOTE 7 - LONG-TERM OBLIGATIONS**

The following table summarizes the Academy's long-term obligations activity in fiscal year 2025. The intergovernmental payable balance at June 30, 2024 has been restated as described in Note 3.

|                                   | Restated<br>Balance at<br>06/30/24 | Additions           | Reductions          | Balance at<br>06/30/25 | Due Within<br>One Year |
|-----------------------------------|------------------------------------|---------------------|---------------------|------------------------|------------------------|
| Leases payable                    | \$ 4,034,685                       | \$ 91,094           | \$ (286,312)        | \$ 3,839,467           | \$ 317,018             |
| Notes payable - financed purchase | 194,298                            | -                   | (149,773)           | 44,525                 | 44,525                 |
| Loans payable                     | 1,634,137                          | 8,552,103           | (312,741)           | 9,873,499              | 335,729                |
| Intergovernmental payable *       | 943,199                            | 67,504              | -                   | 1,010,703              | 281,577                |
| Total long-term obligations       | <u>\$ 6,806,319</u>                | <u>\$ 8,710,701</u> | <u>\$ (748,826)</u> | <u>\$ 14,768,194</u>   | <u>\$ 978,849</u>      |

\* The change in the intergovernmental payable is reported net.

Intergovernmental payable: The Academy's employees are employed through the Educational Service Center Council of Governments (ESCCOG). Sick and vacation leave payments for these employees are paid by the ESCCOG and subsequently reimbursed by the Academy. The intergovernmental payable reported as a long-term obligation represents the sick and vacation leave balances for the Academy's employees in accordance with GASB Statement No. 101. Of this total, \$281,577 is due within one year and \$729,126 is due thereafter.

Leases payable: Effective July 1, 2015, the Academy entered into a lease to rent a building from the Springfield City School District (the "School District"). The initial lease term is twenty years, with automatic one-year renewals after the initial term, unless either party provides written notice of termination at least eighteen months prior to the end of the initial term, or at least six months prior to the end of the then current renewal period, as applicable.

On June 27, 2019, the Academy and the School District amended and restated this lease, effective July 1, 2019. The initial lease term remained unchanged, expiring June 30, 2035. The Academy is responsible for utilities and for maintaining adequate insurance. Lease payments are due monthly. Currently, the monthly rent for each fiscal year increase by two percent annually.

The Academy currently has four outstanding leases for the right to use copiers and other equipment. The lease term for each lease is between 60 and 63 months. Payments are due monthly in advance, with the final payment due in September of 2030.

The following is a schedule of future payments on the lease obligations:

| <u>Fiscal Year</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|--------------------|---------------------|-------------------|---------------------|
| 2026               | \$ 317,018          | \$ 113,235        | \$ 430,253          |
| 2027               | 335,276             | 102,859           | 438,135             |
| 2028               | 350,895             | 91,913            | 442,808             |
| 2029               | 358,049             | 80,827            | 438,876             |
| 2030               | 376,863             | 69,467            | 446,330             |
| 2031-2035          | <u>2,101,366</u>    | <u>166,613</u>    | <u>2,267,979</u>    |
| Total              | <u>\$ 3,839,467</u> | <u>\$ 624,914</u> | <u>\$ 4,464,381</u> |

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - LONG-TERM OBLIGATIONS - (Continued)**

Notes payable: In fiscal years 2022 and 2024, the Academy entered into financed purchase agreements with Apple, Inc. to acquire laptops. Payments are due annually, and the final payment is due on May 1, 2026, with \$44,525 owed in principal and \$1,736 in interest.

Loans payable: On November 8, 2023, the Academy signed a loan agreement with NCF Savings Bank to finance building construction and improvements. The loan principal received in fiscal year 2024 was \$1,750,000, which is payable over a five-year term. Payments are due monthly, with the final payment due on January 1, 2029. The interest rate on the loan is 7.0%. The principal and interest originally due in fiscal year 2026 on the first loan were \$335,729 and \$83,021, respectively.

As part of the loan agreement, the Academy was approved for two additional loans of \$585,000 and \$9,360,000 to finance building construction and improvements. The Academy began drawing on the loans as needed for construction costs, beginning in September 2024. Both loans have a fixed interest rate of 7.95% for the first six years, which then adjusts every five years thereafter based on the 5 Year Treasury yield. The rate cap is 2% per adjustment period, and 6% over the life of the loan with a maximum interest rate of 13.95%. In October 2025, the Academy entered into a debt financing arrangement to provide funding to repay the full outstanding amount of all three of the loans payable (see Note 13 for detail).

**NOTE 8 - INTERGOVERNMENTAL PAYABLES**

As discussed in Note 7, a portion of the Academy's intergovernmental payable liability represents a long-term payable to the ESCCOG. The following is a summary of other intergovernmental payables outstanding at June 30, 2025:

| Description                                                                              | Amount            |
|------------------------------------------------------------------------------------------|-------------------|
| Payable to ESCCOG                                                                        | \$ 548,675        |
| College Credit Plus Payable to the<br>Ohio Department of Education and Workforce         | 84,696            |
| State Foundation Adjustment Payable to the<br>Ohio Department of Education and Workforce | 4,174             |
| Payable to Other Governmental Entities                                                   | 173               |
| Total                                                                                    | <u>\$ 637,718</u> |

**NOTE 9 - PURCHASED SERVICES**

For the fiscal year ended June 30, 2025, purchased services expenses were as follows:

|                                       |                     |
|---------------------------------------|---------------------|
| Professional and technical services * | \$ 5,588,124        |
| Property services                     | 135,331             |
| Travel, mileage, and meetings         | 12,841              |
| Communications                        | 117,315             |
| Utilities                             | 67,144              |
| Tuition                               | 161,396             |
| Pupil transportation services         | 40,120              |
| Other                                 | <u>269,604</u>      |
| Total                                 | <u>\$ 6,391,875</u> |

\* Professional and technical services include \$4,903,927 in salary-and benefit-related expenses specific to the Academy employees who are employed by the ESCCOG.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - RISK MANAGEMENT**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2025, the Academy has purchased commercial general liability and terrorism coverage. Settled claims have not exceeded this commercial coverage in the past three fiscal years and there has been no significant reduction in coverage from the prior fiscal year.

**NOTE 11 - SERVICE AGREEMENT**

The Academy entered into a service contract with the ESCCOG for fiscal year 2025 to provide fiscal, payroll, and Comprehensive Continuous Improvement Plan (CCIP) consulting services. The ESCCOG shall perform the following services for the Academy in accordance with the service agreement:

- Month-End Accounting
- Accounts Payable/Receivable
- Payroll
- Accounting/Fiscal Support/Tax Reporting/General Office Support
- EMIS/Recordkeeping

**NOTE 12 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2025.

**B. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates that students have participated in learning opportunities. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust or reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end.

Under Ohio Revised Code Section 3314.08, ODEW may also perform a FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance.

ODEW adjustments for fiscal year 2025 have been finalized. These adjustments found the School to be overpaid by \$4,174. The intergovernmental payable was not presented on the fiscal year 2025 financial statements, due to the amount being trivial.

**C. Litigation**

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements at June 30, 2025.

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - SUBSEQUENT EVENTS**

On October 29, 2025, the West Central Ohio Port Authority, a port authority and a body corporate and politic, duly organized and validly existing under and by virtue of the laws of the State of Ohio (the “Authority” or the “Issuer”), issued revenue bonds on behalf of Global Impact STEM Academy (Global Impact STEM Academy Project), Series 2025A, in an aggregate principal amount of Thirty-Two Million Two Hundred Thirty Thousand Dollars (\$32,230,000) (the “Series 2025A Bonds”) and revenue bonds (Global Impact STEM Academy Project), Series 2025B (Federally Taxable), in an aggregate principal amount of One Million Four Hundred Sixty Thousand Dollars (\$1,460,000) (the “Series 2025B Bonds” and collectively, the “Series 2025 Bonds”) and loaned the proceeds of the Series 2025 Bonds to the Academy to: (i) finance and refinance the costs of constructing, renovating, acquiring, and equipping two new buildings that will expand classroom capacity and educational programming of the Academy, including a new, 31,409-square-foot building consisting of classrooms, labs, and other educational facilities dedicated to its middle-school students, and a second, 32,220-square-foot building consisting of classrooms, labs, and other educational facilities dedicated to its high-school students, both of which are housed on the campus of Clark State Community College and located at 572 E. Leffel Lane, Springfield, Ohio 45505.

The Series 2025A Bonds have various maturity dates beginning December 1, 2035 through December 1, 2062 with interest rates ranging from 5.0% to 5.5%. The Series 2025B Bonds mature on December 1, 2030 at an interest rate of 5.0%.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Global Impact STEM Academy  
Clark County  
702 Solida Road  
South Point, OH 45680

To the Board of Directors:

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 Global Impact STEM Academy, Clark County, Ohio (the Academy), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated January 30, 2026, wherein we noted the adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

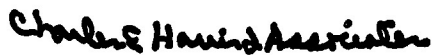
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

***Compliance and Other Matters***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***

January 30, 2026

# OHIO AUDITOR OF STATE KEITH FABER



**GLOBAL IMPACT STEM ACADEMY**

**CLARK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/7/2026**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)