

VALLEY STEM + ME2 ACADEMY

MAHONING COUNTY

Regular Audit

For the Year Ended June 30, 2025





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Columbus, Ohio 43215
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800-282-0370

Board of Directors
Valley STEM+ME2 Academy
7320 North Palmyra Road
Canfield, Ohio 44406

We have reviewed the *Independent Auditor's Report* of the Valley STEM+ME2 Academy, Mahoning County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2023 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 Valley STEM+ME2 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 29, 2026

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Valley STEM + ME2 Academy
Mahoning County

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INDEPENDENT AUDITOR'S REPORT

Valley STEM + ME2 Academy
Mahoning County
7320 North Palmyra Road
Canfield, Ohio 44406

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Valley STEM + ME2 Academy, Mahoning 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.

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.

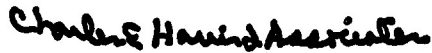
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

A handwritten signature in black ink, appearing to read "Charles E. Harris".

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

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The discussion and analysis of the Valley STEM + ME2 Academy's (the Academy) 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 basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- ❑ Net position increased in fiscal year 2025 primarily due to increases in cash and cash equivalents. The increase in cash can be attributed to the Academy receiving foundation increases from the State funding model and additional grant funding received during the year.
- ❑ During fiscal year 2025, the Academy's capital asset additions included additions to equipment, specifically CNC routers, coiling doors and a motor and various pieces of training equipment, including robotics, hydraulics, and electronics.
- ❑ In fiscal year 2025, the Academy had enrollment of 197 students interested in science, technology, engineering and mathematics fields of study or careers that are heavy in those areas.

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 Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did the Academy perform financially during 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 year's revenues and expenses, regardless of when cash is received or paid.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

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 not.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

The Academy as a Whole

You may recall that the *Statement of Net Position* provides the perspective of the Academy as a whole. Table 1 provides a summary of the Academy's net position for the current fiscal year compared to the prior fiscal year:

	(Table 1) Net Position		
	2025	2024	Change
Assets			
Current and Other Assets	\$3,932,044	\$2,766,822	\$1,165,222
Capital Assets	615,327	320,285	295,042
<i>Total Assets</i>	<u>4,547,371</u>	<u>3,087,107</u>	<u>1,460,264</u>
Liabilities			
Current Liabilities	145,785	143,989	(1,796)
Long-Term Liabilities:			
Due in One Year	97,549	93,743	(3,806)
Due in More Than One Year:	0	97,549	97,549
<i>Total Liabilities</i>	<u>243,334</u>	<u>335,281</u>	<u>91,947</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	517,778	128,993	388,785
Restricted for:			
Other Purposes	27,396	13,234	14,162
Unclaimed Monies	4,980	3,456	1,524
Unrestricted	3,753,883	2,606,143	1,147,740
<i>Total Net Position</i>	<u><u>\$4,304,037</u></u>	<u><u>\$2,751,826</u></u>	<u><u>\$1,552,211</u></u>

A portion of the Academy's net position reflects "Net Investment in Capital Assets" (i.e. land, construction in progress, buildings, improvements, furniture, fixtures, equipment, vehicles and intangible right to use building lease assets) less any related debt to acquire those assets that are still outstanding. The Academy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

The Academy continues to provide the services that the Academy students and families expect while maintaining the costs of providing those services. The most dramatic change was an increase to cash resulting from an increase in foundation revenues from the State funding model coupled with an increase in grants and subsidies.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for fiscal years 2025 and 2024.

(Table 2)
Changes in Net Position

	2025	2024	Change
<i>Operating Revenues</i>			
Foundation Revenues	\$2,368,587	\$2,149,513	\$219,074
Charges for Services	5,569	3,552	2,017
Miscellaneous	30,024	24,433	5,591
<i>Total Operating Revenues</i>	<u>2,404,180</u>	<u>2,177,498</u>	<u>226,682</u>
<i>Operating Expenses</i>			
Purchased Services	2,000,650	1,933,984	(66,666)
Materials and Supplies	185,100	136,852	(48,248)
Other	52,614	66,554	13,940
Depreciation/Amortization	175,633	130,112	(45,521)
<i>Total Operating Expenses</i>	<u>2,413,997</u>	<u>2,267,502</u>	<u>(146,495)</u>
<i>Operating Income (Loss)</i>	<u>(9,817)</u>	<u>(90,004)</u>	<u>80,187</u>
<i>Non-Operating Revenues (Expenses)</i>			
Grants and Subsidies	1,410,775	1,145,089	265,686
Investment Earnings/Interest	156,170	122,750	33,420
Contributions and Donations	1,340	250	1,090
Interest Expense	(6,257)	(9,915)	3,658
<i>Total Non-Operating Revenues (Expenses)</i>	<u>1,562,028</u>	<u>1,258,174</u>	<u>303,854</u>
Change in Net Position	1,552,211	1,168,170	384,041
<i>Net Position Beginning of Year</i>	<u>2,751,826</u>	<u>1,583,656</u>	<u>1,168,170</u>
<i>Net Position End of Year</i>	<u><u>\$4,304,037</u></u>	<u><u>\$2,751,826</u></u>	<u><u>\$1,552,211</u></u>

As the preceding table illustrates, the Academy's primary source of revenue is State foundation revenue. State foundation revenue is based on full time equivalent (FTE) students reported by the Academy.

The main component of expenses for the Academy is purchased services, which accounted for the vast majority of all expenses in the fiscal year. Purchased services expense consists primarily of Mahoning County Career and Technical Center (MCCTC) employees who are contracted by the Academy to educate students and facility, equipment and classroom rental charges paid to the MCCTC.

Grants and subsidies revenues are provided by the federal government. The Academy receives federal funding for the following programs: Improving Basic Programs, Supporting Effective Instruction, Student Support and Academic Enrichment, and Special Education. Interest revenue increased because the Academy had additional cash on hand, which generated more interest earnings.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Capital Assets

During fiscal year 2025, the Academy's capital asset additions included additions to equipment, specifically CNC routers, coiling doors and a motor and various pieces of training equipment, including robotics, hydraulics, and electronics. For more information about the Academy's capital assets, see Note 9 to the basic financial statements.

Long-term Obligations

During fiscal year 2025, the Academy has a lease outstanding for office/school space. For more information about the Academy's long-term obligations, see Note 7 to the basic financial statements.

Current Issues

Valley STEM specifically is focused around students interested in science, technology, engineering and mathematics fields of study or careers that are heavy in those areas. All courses are graded on mastery of skills and competencies. Students either "master" the skill or they work towards mastery. At the end of the year, if they master the majority of the skills in the class they receive an A. Course grades are not based on quarter grades. The instruction they receive will be based on what they need and what they are ready to learn. Students who master courses receive an A for the course. Students who do not master the course continue to work on the material until they do master it.

Valley STEM believes:

- In challenging the traditional learning environment
- Districts can maximize what is provided to students through collaboration
- It takes a global community to educate a child (the ME2 philosophy – "Me too")
- We need to focus on the strengths of the Mahoning Valley and providing critical thinkers to the workforce and college preparedness

Valley STEM:

- Integrates courses that make sense
- Makes connections to the real world
- Engages students in relevant topics related to areas of interest
- Partners with universities, businesses and industries that are cutting edge and in need of skilled students and workers
- Groups students together into cohorts based on interest, learning style, academic preparedness, and personality
- Allows for students to gain mastery in topics
- Provides post-secondary, career technical and problem-based instructional experiences in where the main focus is hands-on learning rather than test preparation
- Learning related to STEM, and advanced manufacturing fields of study

The Academy receives over 98 percent 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.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Contacting the Academy's Financial Management

This financial report is designed to provide our 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: Mr. Tyler Lewis at tyler.lewis@mahoningctc.com, Treasurer, Valley STEM + ME2 Academy, 7300 North Palmyra Road, Canfield, Ohio 44406.

Valley STEM + ME2 Academy*Statement of Net Position**June 30, 2025*

Assets*Current Assets:*

Equity in Pooled Cash and Cash Equivalents	\$3,879,750
Intergovernmental Receivable	50,332
Prepaid Items	1,962

<i>Total Current Assets</i>	3,932,044
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Non-Current Assets:

Capital Assets, Net	615,327
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<i>Total Assets</i>	4,547,371
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Liabilities*Current Liabilities:*

Intergovernmental Payable	145,785
Leases	97,549

<i>Total Liabilities</i>	243,334
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Net Position

Invested in Capital Assets, Net of Related Debt	517,778
Restricted for:	
Other Purposes	27,396
Unclaimed Monies	4,980
Unrestricted	3,753,883

<i>Total Net Position</i>	\$4,304,037
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See accompanying notes to the basic financial statements

Valley STEM + ME2 Academy
*Statement of Revenues,
Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025*

Operating Revenues	
Foundation Revenues	\$2,368,587
Charges for Services	5,569
Miscellaneous	<u>30,024</u>
<i>Total Operating Revenues</i>	<u>2,404,180</u>
Operating Expenses	
Purchased Services	2,000,650
Materials and Supplies	185,100
Other	52,614
Depreciation/Amortization	<u>175,633</u>
<i>Total Operating Expenses</i>	<u>2,413,997</u>
<i>Operating Income (Loss)</i>	<u>(9,817)</u>
Non-Operating Revenues (Expenses)	
Grants and Subsidies	1,410,775
Investment Earnings/Interest	156,170
Contributions and Donations	1,340
Interest Expense	<u>(6,257)</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>1,562,028</u>
<i>Change in Net Position</i>	1,552,211
<i>Net Position Beginning of Year</i>	<u>2,751,826</u>
<i>Net Position End of Year</i>	<u><u>\$4,304,037</u></u>

See accompanying notes to the basic financial statements

Valley STEM + ME2 Academy
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from State Foundation	\$2,369,104
Cash Received from Charges for Services	5,569
Cash Received from Other	30,024
Cash Payments for Purchased Services	(2,004,722)
Cash Payments for Materials and Supplies	(186,635)
Cash Payments for Other	(43,948)

<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>169,392</u>
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Cash Flows from Noncapital Financing Activities

Cash Received from Grants and Subsidies	1,368,089
Cash Received from Contributions and Donations	1,340

<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>1,369,429</u>
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Cash Flows from Capital and Related Financing Activities

Payments for Capital Acquisitions	(470,675)
Principal Paid on Leases	(93,743)
Interest Paid on Leases	(6,257)

<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(570,675)</u>
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Cash Flows from Investing Activities

Investment Earnings/Interest	156,170
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<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,124,316
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<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,755,434</u>
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<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,879,750</u></u>
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**Reconciliation of Operating Income (Loss) to Net
Cash Provided (Used for) by Operating Activities**

Operating Income (Loss)	(\$9,817)
Depreciation/Amortization	175,633

Adjustments:

(Increase)/Decrease in Assets:	
Intergovernmental Receivable	(758)
Prepaid Items	2,538
Increase/(Decrease) in Liabilities:	
Accounts Payable	(3,258)
Intergovernmental Payable	5,054

<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$169,392</u></u>
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See accompanying notes to the basic financial statements

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Description of the Academy and Reporting Entity

The Valley STEM + ME2 Academy (the “Academy”) is a legally separate nonprofit corporation operating under the direction of a five-member Governing Board and meets the definition of a science, technology, engineering, and mathematics (STEM) Academy under Chapter 3326 of the Ohio Revised Code. The Academy began operations on August 22, 2016. The Academy is a small, intellectual public STEM Academy option that maximizes individual potential and ensures students are well-equipped to meet the challenges in the world around them. The Academy services students in grades nine through twelve. All students engage in a personally relevant and academically rigorous curriculum and are prepared for college and 21st century careers within a safe and trusting environment, through powerful teaching and problem-based interdisciplinary learning. For fiscal year 2025, services were provided to 197 students.

The Academy’s Governing Board advises and assists the Academy staff on curriculum, Academy evaluation and research, professional development, funding and community relations. Five members serve on the Governing Board.

The Mahoning County Career and Technical Center serves as the Academy’s fiscal agent (See Note 5).

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Academy consists of all funds, departments 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 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 financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy’s accounting policies are described below.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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.

Measurement Focus

The accounting and financial reporting treatment is determined by its 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. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activity.

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 expense requirements, in which the resources are provided to the Academy on a reimbursement basis. Expenses are recognized at the time they are incurred.

Budgetary Process

Unlike other public schools located in the State of Ohio, STEM Academies are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705. Ohio Revised Code 5705.391 does require the Academy to prepare a five-year projection.

Cash and Cash Equivalents

Cash received by the Academy is reflected as "equity in pooled cash and cash equivalents" on the statement of net position. The Academy had no investments during the fiscal year ended June 30, 2025.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense/expenditure in the year in which services are consumed.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represents amounts restricted by local donations and contributions for student activities. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

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

Intergovernmental Revenue

The Academy currently participates in the State Foundation Basic Aid, Public School Connectivity, and the following federal grants: Special Education, Improving Basic Programs, Supporting Effective Instruction and Student Support and Academic Enrichment. The foundation funding is recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year. Federal and State grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Intergovernmental revenues associated with the State Foundation Basic Aid totaled \$2,368,587 and those associated with Federal and State grants totaled \$1,410,775 during fiscal year 2025.

The amount of State Foundation 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 equivalent (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.

Accrued Liabilities and Long-Term Obligations

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (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.

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.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Capital Assets

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy maintains a capitalization threshold of five thousand dollars. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Furniture, Fixtures and Equipment	5 - 6 years
Intangible Right to Use Lease	3 years

The Academy is reporting intangible right to use assets related to lease assets. The lease asset includes a building and represents a nonfinancial asset which is being utilized for a period of time through a lease from another entity. This intangible right to use asset is being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Leases Payable

The Academy serves as lessee in a noncancellable lease. At the commencement of a lease, the Academy initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Note 3 - Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Academy treasury. Active monies must be maintained either as cash in the Academy treasury, in commercial accounts 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. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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 pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the Academy can 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and 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 (STAR Ohio); and
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. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim monies available for investment at the time of purchase.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of 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.

Note 4 – Purchased Services

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

Professional and technical services	\$1,850,783
Property services	5,046
Travel mileage/meeting expenses	5,663
Communications	67,377
Contracted craft or trade	17,824
Tuition	53,793
Pupil transportation services	164
Total	<u><u>\$2,000,650</u></u>

Note 5 - Service Agreements

Educational Service Center of Eastern Ohio

The Academy entered into a service agreement with the Educational Service Center of Eastern Ohio (ESC) for the period July 1, 2024 through June 30, 2025, to provide the following services:

- The ESC will provide Education Management Information System (EMIS), school psychology, speech language pathologist and occupational therapy services for the Academy.

The Academy paid the ESC \$133,351 during fiscal year 2025 for these services.

Mahoning County Career and Technical Center

The Academy entered into a fiscal agent and administrative agent agreement with the Mahoning County Career and Technical Center (MCCTC) for the period July 1, 2023 through June 30, 2026, to provide the following services:

- The Assistant Treasurer of the MCCTC is acting as the Treasurer of the Academy.
- The MCCTC will direct certain administrative and teaching staff of the MCCTC, as part of their job duties, to serve the Academy.
- The MCCTC administrators and teachers will diligently undertake, perform, and complete any and all job duties, tasks, obligations, and responsibilities required of STEM school administrators and teachers.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

- The MCCTC will oversee, manage and expend Academy funds for approved purchases as requested and directed by the Academy.
- The MCCTC will perform all accounting and related accounting management procedures for the Academy.

The Academy paid the MCCTC \$1,770,454 during fiscal year 2025 for these and other services.

Area Cooperative Computerized Educational Service System (ACCESS)

The Academy entered into an agreement for managed internal broadband services and wireless products for the period July 1, 2024 through June 30, 2025. Services under this agreement include:

- Managed internal broadband services
- Management of ACCESS owned and Academy-owned wireless access points.

The Academy paid ACCESS \$20,607 during fiscal year 2025 for these services.

Note 6 - Contingencies

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2025, if applicable, cannot be determined at this time.

School Foundation

The Academy's foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional DEW adjustments for fiscal year 2025 have been finalized. These adjustments are included as intergovernmental receivable and payable for the Academy.

Litigation

The Academy is not a party to any legal proceedings.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 7 – Long-Term Obligations

Changes in long-term obligations of the Academy during fiscal year 2025 were as follows:

	Principal Outstanding 7/1/2024	Additions	Deductions	Principal Outstanding 6/30/2025	Amounts Due in One Year
Other Long-term Obligations					
Leases	\$191,292	\$0	(\$93,743)	\$97,549	\$97,549

The Academy has an outstanding agreement to lease office space. The future lease payments were discounted based on the interest rate implicit in the lease or using the Academy's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. The Academy will pay \$97,549 and \$2,451 in principal and interest, respectively, in fiscal year 2026.

Note 8 – 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 employees; and natural disasters. During fiscal year ending June 30, 2025, the Academy contracted through the Ohio School Plan for the following coverage amounts:

General Liability:	
Per Occurrence	\$2,000,000
Annual Aggregate	4,000,000
Employer's Liability	2,000,000
Fiduciary Liability:	
Per Occurrence	2,000,000
Annual Aggregate	4,000,000
Educational Legal Liability:	
Per Occurrence	2,000,000
Annual Aggregate	4,000,000
Auto Liability	2,000,000
Cyber Policy	1,000,000
Violence Coverage	1,000,000

Settled claims did not exceed this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 9 – Capital Assets

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

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025
<i>Depreciable/Amortizable Capital Assets</i>				
<i>Tangible Assets</i>				
Furniture, Fixtures and Equipment	\$215,007	\$470,675	\$0	\$685,682
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Building	281,377	0	0	281,377
<i>Total Depreciable/Amortizable Capital Assets</i>	<u>496,384</u>	<u>470,675</u>	<u>0</u>	<u>967,059</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Furniture, Fixtures and Equipment	(86,014)	(81,890)	0	(167,904)
<i>Amortization</i>				
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Building	(90,085)	(93,743)	0	(183,828)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(176,099)</u>	<u>(175,633)</u>	<u>0</u>	<u>(351,732)</u>
<i>Capital Assets, Net</i>	<u>\$320,285</u>	<u>\$295,042</u>	<u>\$0</u>	<u>\$615,327</u>

Note 10 – Change in Accounting Principle

For fiscal year 2025, the Academy implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs such an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

GASB 102 will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requirements apply only to note disclosure and do not have any effect on beginning net position. The Academy evaluated its concentrations and constraints but did not have any events that required disclosure.

The implementation of GASB Statements No. 101 and 102 did not have any effect on beginning net position.

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

Valley STEM + ME2 Academy
Mahoning County
7320 North Palmyra Road
Canfield, Ohio 44406

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 Valley STEM + ME2 Academy, Mahoning 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.

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.

A handwritten signature in black ink that reads "Charles E. Harris".

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

VALLEY STEM + ME2 ACADEMY

MAHONING COUNTY

Regular Audit

For the Year Ended June 30, 2024



Valley STEM + ME2 Academy
Mahoning County

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INDEPENDENT AUDITOR'S REPORT

Valley STEM + ME2 Academy
Mahoning County
7320 North Palmyra Road
Canfield, Ohio 44406

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Valley STEM + ME2 Academy, Mahoning County, Ohio (the Academy), as of and for the year ended June 30, 2024, 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, 2024, 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.

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.

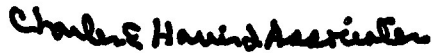
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

A handwritten signature in black ink, appearing to read "Charles E. Harris".

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

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of the Valley STEM + ME2 Academy's (the Academy) financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- ❑ Net position increased in fiscal year 2024 primarily due to increases in cash and cash equivalents. The increase in cash can be attributed to the Academy receiving foundation increases from the State funding model and additional grant funding received during the year.
- ❑ During fiscal year 2024, the Academy's capital asset additions included additions to equipment, specifically an ultimaker, CNC routers, a fiber laser engraver, a door and coiling doors and a motor. Additionally, the Academy has a new intangible right to use lease specific to office/school space.
- ❑ In fiscal year 2024 the Academy had enrollment of 210 students interested in science, technology, engineering and mathematics fields of study or careers that are heavy in those areas.

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 Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did the Academy perform financially during 2024?" 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 year's revenues and expenses, regardless of when cash is received or paid.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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 not.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

The Academy as a Whole

You may recall that the *Statement of Net Position* provides the perspective of the Academy as a whole. Table 1 provides a summary of the Academy's net position for the current fiscal year compared to the prior fiscal year:

	(Table 1) Net Position		
	2024	2023	Change
Assets			
Current and Other Assets	\$2,766,822	\$1,660,735	\$1,106,087
Capital Assets	320,285	283,885	36,400
<i>Total Assets</i>	<u>3,087,107</u>	<u>1,944,620</u>	<u>1,142,487</u>
Liabilities			
Current Liabilities	143,989	169,672	25,683
Long-Term Liabilities:			
Due in One Year	93,743	93,743	0
Due in More Than One Year:	97,549	97,549	0
<i>Total Liabilities</i>	<u>335,281</u>	<u>360,964</u>	<u>25,683</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	128,993	92,593	36,400
Restricted for:			
Federal Programs	0	48,792	(48,792)
Other Purposes	13,234	16,251	(3,017)
Unclaimed Monies	3,456	1,669	1,787
Unrestricted	2,606,143	1,424,351	1,181,792
<i>Total Net Position</i>	<u><u>\$2,751,826</u></u>	<u><u>\$1,583,656</u></u>	<u><u>\$1,168,170</u></u>

A portion of the Academy's net position reflects "Net Investment in Capital Assets" (i.e. land, construction in progress, buildings, improvements, furniture, fixtures, equipment, vehicles and intangible right to use building lease assets) less any related debt to acquire those assets that are still outstanding. The Academy uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The Academy continues to provide the services that the Academy residents expect while maintaining the costs of providing those services. The most dramatic change was an increase to cash resulting from an increase in foundation revenues from the State funding model coupled with an increase in grants and subsidies.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for fiscal years 2024 and 2023.

(Table 2)
Changes in Net Position

	2024	2023	Change
<i>Operating Revenues</i>			
Foundation Revenues	\$2,149,513	\$2,079,077	\$70,436
Charges for Services	3,552	3,215	337
Miscellaneous	24,433	100	24,333
<i>Total Operating Revenues</i>	<u>2,177,498</u>	<u>2,082,392</u>	<u>95,106</u>
<i>Operating Expenses</i>			
Purchased Services	1,933,984	1,890,686	(43,298)
Materials and Supplies	136,852	88,507	(48,345)
Other	66,554	23,176	(43,378)
Depreciation/Amortization	130,112	108,775	(21,337)
<i>Total Operating Expenses</i>	<u>2,267,502</u>	<u>2,111,144</u>	<u>(156,358)</u>
<i>Operating Income (Loss)</i>	<u>(90,004)</u>	<u>(28,752)</u>	<u>(61,252)</u>
<i>Non-Operating Revenues (Expenses)</i>			
Grants and Subsidies	1,145,089	720,563	424,526
Investment Earnings/Interest	122,750	58,351	64,399
Contributions and Donations	250	14,819	(14,569)
Interest Expense	(9,915)	(9,915)	0
Loss on the Sale of Capital Assets	0	(7,371)	7,371
<i>Total Non-Operating Revenues (Expenses)</i>	<u>1,258,174</u>	<u>776,447</u>	<u>481,727</u>
Change in Net Position	1,168,170	747,695	420,475
<i>Net Position Beginning of Year</i>	<u>1,583,656</u>	<u>835,961</u>	<u>747,695</u>
<i>Net Position End of Year</i>	<u><u>\$2,751,826</u></u>	<u><u>\$1,583,656</u></u>	<u><u>\$1,168,170</u></u>

As the preceding table illustrates, the Academy's primary source of revenue is State foundation revenue. State foundation revenue is based on full time equivalent (FTE) students reported by the Academy.

The main component of expenses for the Academy is purchased services, which accounted for the vast majority of all expenses in the fiscal year. Purchased services expense consists primarily of Mahoning County Career and Technical Center (MCCTC) employees who are contracted by the Academy to educate students and facility, equipment and classroom rental charges paid to the MCCTC.

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Grants and subsidies revenues are provided by the federal government. The Academy receives federal funding for the following programs: Improving Basic Programs, Supporting Effective Instruction, Student Support and Academic Enrichment, and Special Education. The Academy also received funding specific to the COVID-19 pandemic. Interest revenue increased because the Academy maintained higher cash balances during the year.

Capital Assets

During fiscal year 2024, the Academy's capital asset additions included additions to equipment, specifically an ultimaker, CNC routers, a fiber laser engraver, a door and coiling doors and a motor. Additionally, the Academy has a new intangible right to use lease specific to office/school space. For more information about the Academy's capital assets, see Note 10 to the basic financial statements.

Long-term Obligations

During fiscal year 2024, the Academy has a lease outstanding specific to office/school space. For more information about the Academy's long-term obligations, see Note 7 to the basic financial statements.

Current Issues

Valley STEM specifically is focused around students interested in science, technology, engineering and mathematics fields of study or careers that are heavy in those areas. All courses are graded on mastery of skills and competencies. Students either "master" the skill or they work towards mastery. At the end of the year if they master the majority of the skills in the class they receive an A. Course grades are not based on quarter grades. The instruction they receive will be based on what they need and what they are ready to learn. Students who master courses receive an A for the course. Students who do not master the course continue to work on the material until they do master it.

Valley STEM believes:

- In challenging the traditional learning environment
- Districts can maximize what is provided to students through collaboration
- It takes a global community to educate a child (the ME2 philosophy – "Me too")
- We need to focus on the strengths of the Mahoning Valley and providing critical thinkers to the workforce and college preparedness

Valley STEM:

- Integrates courses that make sense
- Makes connections to the real world
- Engages students in relevant topics related to areas of interest
- Partners with universities, businesses and industries that are cutting edge and in need of skilled students and workers
- Groups students together into cohorts based on interest, learning style, academic preparedness, and personality;
- Allows for students to gain mastery in topics
- Provides post-secondary, career technical and problem-based instructional experiences where the main focus is hands-on learning rather than test preparation
- Learning related to STEM, and advanced manufacturing fields of study

Valley STEM + ME2 Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The Academy receives over 98 percent 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.

Contacting the Academy's Financial Management

This financial report is designed to provide our 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: Mr. Tyler Lewis at tyler.lewis@mahoningctc.com, Treasurer, Valley STEM + ME2 Academy, 7300 North Palmyra Road, Canfield, Ohio 44406.

Valley STEM + ME2 Academy*Statement of Net Position**June 30, 2024***Assets***Current Assets:*

Equity in Pooled Cash and Cash Equivalents	\$2,755,434
Intergovernmental Receivable	6,888
Prepaid Items	4,500

Total Current Assets 2,766,822

Non-Current Assets:

Capital Assets, Net	320,285
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Total Assets 3,087,107

Liabilities*Current Liabilities:*

Accounts Payable	3,258
Intergovernmental Payable	140,731
Leases	93,743

Total Current Liabilities 237,732

Long-Term Liabilities (net of current portion):

Leases	97,549
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Total Liabilities 335,281

Net Position

Invested in Capital Assets, Net of Related Debt	128,993
Restricted for:	
Other Purposes	13,234
Unclaimed Monies	3,456
Unrestricted	2,606,143

Total Net Position \$2,751,826

See accompanying notes to the basic financial statements

Valley STEM + ME2 Academy
*Statement of Revenues,
Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2024*

Operating Revenues	
Foundation Revenues	\$2,149,513
Charges for Services	3,552
Miscellaneous	24,433
<i>Total Operating Revenues</i>	<i>2,177,498</i>
Operating Expenses	
Purchased Services	1,933,984
Materials and Supplies	136,852
Other	66,554
Depreciation/Amortization	130,112
<i>Total Operating Expenses</i>	<i>2,267,502</i>
<i>Operating Income (Loss)</i>	<i>(90,004)</i>
Non-Operating Revenues (Expenses)	
Grants and Subsidies	1,145,089
Investment Earnings/Interest	122,750
Contributions and Donations	250
Interest Expense	(9,915)
<i>Total Non-Operating Revenues (Expenses)</i>	<i>1,258,174</i>
<i>Change in Net Position</i>	<i>1,168,170</i>
<i>Net Position Beginning of Year</i>	<i>1,583,656</i>
<i>Net Position End of Year</i>	<i>\$2,751,826</i>

See accompanying notes to the basic financial statements

Valley STEM + ME2 Academy
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from State Foundation	\$2,148,465
Cash Received from Charges for Services	3,552
Cash Received from Other	24,433
Cash Payments for Purchased Services	(1,961,117)
Cash Payments for Materials and Supplies	(135,865)
Cash Payments for Other	(66,178)

<i>Net Cash Provided by (Used for) Operating Activities</i>	13,290
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Cash Flows from Noncapital Financing Activities

Cash Received from Grants and Subsidies	1,179,469
Cash Received from Contributions and Donations	250

<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	1,179,719
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Cash Flows from Capital and Related Financing Activities

Payments for Capital Acquisitions	(76,427)
Principal Paid on Leases	(90,085)
Interest Paid on Leases	(9,915)

<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	(176,427)
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Cash Flows from Investing Activities

Investment Earnings/Interest	122,750
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<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,139,332
---	-----------

<i>Cash and Cash Equivalents Beginning of Year</i>	1,616,102
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<i>Cash and Cash Equivalents End of Year</i>	\$2,755,434
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Reconciliation of Operating Income (Loss) to Net Cash Provided (Used for) by Operating Activities

Operating Income (Loss)	(\$90,004)
Depreciation/Amortization	130,112

Adjustments:

<i>(Increase)/Decrease in Assets:</i>	
Intergovernmental Receivable	(1,048)
Prepaid Items	(87)

<i>Increase/(Decrease) in Liabilities:</i>	
Accounts Payable	2,710
Intergovernmental Payable	(28,393)

<i>Net Cash Provided by (Used for) Operating Activities</i>	\$13,290
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Noncash Transactions:

During fiscal year 2024, the Academy had a lease cancellation related to office/student space in the amount of \$191,292.

During fiscal year 2024, the Academy entered into a lease long-term obligation related to office/student space in the amount of \$281,377.

See accompanying notes to the basic financial statements

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the Academy and Reporting Entity

The Valley STEM + ME2 Academy (the “Academy”) is a legally separate nonprofit corporation operating under the direction of a five-member Governing Board and meets the definition of a science, technology, engineering, and mathematics (STEM) Academy under Chapter 3326 of the Ohio Revised Code. The Academy began operations on August 22, 2016. The Academy is a small, intellectual public STEM Academy option that maximizes individual potential and ensures students are well-equipped to meet the challenges in the world around them. The Academy services students in grades nine through twelve. All students engage in a personally relevant and academically rigorous curriculum and are prepared for college and 21st century careers within a safe and trusting environment, through powerful teaching and problem-based interdisciplinary learning. For fiscal year 2024, services were provided to 210 students.

The Academy’s Governing Board advises and assists the Academy staff on curriculum, Academy evaluation and research, professional development, funding and community relations. Five members serve on the Governing Board.

The Mahoning County Career and Technical Center serves as the Academy’s fiscal agent (See Note 5).

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Academy consists of all funds, departments 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 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 financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy’s accounting policies are described below.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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.

Measurement Focus

The accounting and financial reporting treatment is determined by its 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. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activity.

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 expense requirements, in which the resources are provided to the Academy on a reimbursement basis. Expenses are recognized at the time they are incurred.

Budgetary Process

Unlike other public schools located in the State of Ohio, STEM Academies are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705. Ohio Revised Code 5705.391 does require the Academy to prepare a five-year projection.

Cash and Cash Equivalents

Cash received by the Academy is reflected as "equity in pooled cash and cash equivalents" on the statement of net position. The Academy had no investments during the fiscal year ended June 30, 2024.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense/expenditure in the year in which services are consumed.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represents amounts restricted by local donations and contributions for student activities.

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

Intergovernmental Revenue

The Academy currently participates in the State Foundation Basic Aid, Public School Connectivity, Special Education grant, Improving Basic Programs grant, Supporting Effective Instruction grant and Student Support and Academic Enrichment grant. The foundation funding is recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year. Federal and State grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Intergovernmental revenues associated with the State Foundation Basic Aid totaled \$2,149,513 and those associated with Federal and State grants totaled \$1,145,089 during fiscal year 2024.

The amount of State Foundation 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 equivalent (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.

Accrued Liabilities and Long-Term Obligations

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (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.

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.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Capital Assets

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy maintains a capitalization threshold of five thousand dollars. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization are computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Furniture, Fixtures and Equipment	5 - 6 years
Intangible Right to Use Lease	3 years

The Academy is reporting intangible right to use assets related to lease assets. The lease asset includes a building and represents a nonfinancial asset which is being utilized for a period of time through a lease from another entity. This intangible right to use asset is being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Leases Payable

The Academy serves as lessee in a noncancellable lease. At the commencement of a lease, the Academy initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Note 3 - Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Academy treasury. Active monies must be maintained either as cash in the Academy treasury, in commercial accounts 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. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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 pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the Academy can 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and 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 (STAR Ohio); and
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. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of 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.

Note 4 – Purchased Services

For the fiscal year ended June 30, 2024, purchased services expenses were as follows:

Professional and technical services	\$1,820,346
Property services	5,801
Travel mileage/meeting expense	4,031
Communications	40,486
Contracted craft or trade	13,359
Tuition	49,347
Pupil transportation services	614
Total	<u><u>\$1,933,984</u></u>

Note 5 - Service Agreements

Educational Service Center of Eastern Ohio

The Academy entered into a service agreement with the Educational Service Center of Eastern Ohio (ESC) for the period July 1, 2023 through June 30, 2024, to provide the following services:

- The ESC will provide Education Management Information System (EMIS), school psychology, speech language pathologist and occupational therapy services for the Academy.

The Academy paid the ESC \$129,556 during fiscal year 2024 for these services.

Mahoning County Career and Technical Center

The Academy entered into a fiscal agent and administrative agent agreement with the Mahoning County Career and Technical Center (MCCTC) for the period July 1, 2023 through June 30, 2026, to provide the following services:

- The Assistant Treasurer of the MCCTC is acting as the Treasurer of the Academy.
- The MCCTC will direct certain administrative and teaching staff of the MCCTC, as part of their job duties, to serve the Academy.
- The MCCTC administrators and teachers will diligently undertake, perform, and complete any and all job duties, tasks, obligations, and responsibilities required of STEM school administrators and teachers.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

- The MCCTC will oversee, manage and expend Academy funds for approved purchases as requested and directed by the Academy.
- The MCCTC will perform all accounting and related accounting management procedures for the Academy.

The Academy paid the MCCTC \$1,854,265 during fiscal year 2024 for these and other services.

Area Cooperative Computerized Educational Service System (ACCESS)

The Academy entered into an agreement for managed internal broadband services and wireless products for the period July 1, 2023 through June 30, 2024. Services under this agreement include:

- Managed internal broadband services
- Management of ACCESS owned and Academy-owned wireless access points.

The Academy paid ACCESS \$16,951 during fiscal year 2024 for these services.

Note 6 - Contingencies

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2024, if applicable, cannot be determined at this time.

School Foundation

The Academy's foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. DEW adjustments for fiscal year 2024 have been finalized. These adjustments found the Academy to be underpaid by \$180. The intergovernmental receivable was not presented on the fiscal year 2024 financial statements, due to the amount being trivial.

Litigation

The Academy is not a party to any legal proceedings.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 7 – Long-Term Obligations

Changes in long-term obligations of the Academy during fiscal year 2024 were as follows:

	Principal Outstanding 7/1/2023	Additions	Deductions	Principal Outstanding 6/30/2024	Amounts Due in One Year
Other Long-term Obligations					
Leases	\$191,292	\$281,377	(\$281,377)	\$191,292	\$93,743

The Academy has an outstanding agreement to lease office space. The future lease payments were discounted based on the interest rate implicit in the lease or using the Academy's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

	Leases	
Year	Principal	Interest
2025	\$93,743	\$6,257
2026	97,549	2,451
	<u>\$191,292</u>	<u>\$8,708</u>

Note 8 – 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 employees; and natural disasters. During fiscal year ending June 30, 2024, the Academy contracted through the Ohio School Plan for the following coverage amounts:

General Liability:	
Per Occurrence	\$2,000,000
Annual Aggregate	4,000,000
Employer's Liability	2,000,000
Fiduciary Liability:	
Per Occurrence	2,000,000
Annual Aggregate	4,000,000
Educational Legal Liability:	
Per Occurrence	2,000,000
Annual Aggregate	4,000,000
Auto Liability	2,000,000
Cyber Policy	1,000,000
Violence Coverage	1,000,000

Settled claims did not exceed this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 9 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2024, the Academy received COVID-19 funding. The Academy will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 10 – Capital Assets

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

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024
<i>Depreciable/Amortizable Capital Assets</i>				
<i>Tangible Assets</i>				
Furniture, Fixtures and Equipment	\$138,580	\$76,427	\$0	\$215,007
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Building	281,377	281,377	(281,377)	281,377
<i>Total Depreciable/Amortizable Capital Assets</i>	419,957	357,804	(281,377)	496,384
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Furniture, Fixtures and Equipment	(45,987)	(40,027)	0	(86,014)
<i>Amortization</i>				
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Building	(90,085)	(90,085)	90,085	(90,085)
<i>Total Accumulated Depreciation/Amortization</i>	(136,072)	(130,112)	90,085	(176,099)
<i>Capital Assets, Net</i>	\$283,885	\$227,692	(\$191,292)	\$320,285

Note 11 – Change in Accounting Principle

For fiscal year 2024, the Academy implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The Academy also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

Valley STEM + ME2 Academy
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The Academy reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of this GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position.

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

Valley STEM + ME2 Academy
Mahoning County
7320 North Palmyra Road
Canfield, Ohio 44406

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 Valley STEM + ME2 Academy, Mahoning County, Ohio (the Academy), as of and for the year ended June 30, 2024, 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.

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.

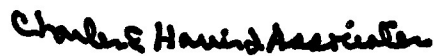
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

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OHIO AUDITOR OF STATE KEITH FABER



VALLEY STEM+ME2 ACADEMY

MAHONING 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 5/12/2026

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