

**GLOBAL IMPACT STEM ACADEMY**

**CLARK COUNTY**

**REGULAR AUDIT**

**JULY 1, 2019 – JUNE 30, 2020**



**WILSON, SHANNON & SNOW**  
**INC.**  
CPAs & ADVISORS



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARreport@ohioauditor.gov  
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the Global Impact STEM Academy, Clark County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 14, 2021

**This page intentionally left blank.**

**GLOBAL IMPACT STEM ACADEMY  
CLARK COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	7
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE BASIC FINANCIAL STATEMENTS	11
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	22

**This page intentionally left blank.**

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

## **INDEPENDENT AUDITOR'S REPORT**

To the Governing Board:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Global Impact STEM Academy, Clark County, Ohio (the Academy), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Academy's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Academy's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Global Impact STEM Academy, Clark County as of June 30, 2020, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As disclosed in Note 14 to the financial statements, during fiscal year 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Academy. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

*Wilson, Shuman & Snow, Inc.*

December 15, 2020  
Newark, Ohio



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

The management's discussion and analysis of the Global Impact STEM Academy's (the "Academy") financial performance provides an overall review of the Academy's financial activities for the fiscal year ending June 30, 2020. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Academy's financial performance. The Academy began accepting students and State Foundation revenue in July 2013 and fiscal year 2014 was the first year of the Academy's operations.

**Financial Highlights**

Key financial highlights for fiscal year 2020 are as follows:

- Net position at June 30, 2020 was \$9,777,988, including unrestricted net position of \$3,934,462. This represents an increase of \$679,963 compared to the prior fiscal year's net position.
- The Academy had total revenues of \$6,267,110, including operating revenues of \$5,790,707 and non-operating revenues of \$476,403; these revenues supported operating expenses of \$5,586,958 and non-operating expenses of \$189 during fiscal year 2020.

**Using the Basic Financial Statements**

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

**Reporting the Academy Financial Activities**

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

These documents look at all financial transactions and ask the question, "How did the Academy perform financially during 2020?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's net position and changes in net position. This change in net position is important because it tells the reader that, for the Academy as a whole, the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report. The statement of cash flows can be found on page 9.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

The table below provides a summary of the Academy's net position at June 30, 2020 and June 30, 2019.

<b>Net Position</b>		
	2020	2019
<b><u>Assets</u></b>		
Current assets	\$ 5,449,733	\$ 3,760,117
Capital assets, net	5,665,654	6,026,941
Total assets	11,115,387	9,787,058
<b><u>Liabilities</u></b>		
Current liabilities	897,743	647,172
Non-current liabilities	439,656	41,861
Total liabilities	1,337,399	689,033
<b><u>Net position</u></b>		
Net investment in capital assets	5,663,256	6,017,105
Restricted	180,270	61,764
Unrestricted	3,934,462	3,019,156
Total net position	\$ 9,777,988	\$ 9,098,025

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the Academy's assets exceeded liabilities by \$9,777,988. Of this total, \$180,270 is restricted in use and \$3,934,462 is unrestricted.

**Assets**

Current assets at June 30, 2020 consist primarily of cash and cash equivalents. Current assets also include receivables and prepayments. The increase in current assets is primarily due to an increase in cash and cash equivalents as the Academy experienced a positive cash flow in fiscal year 2020. The Academy's capital assets consist of leasehold improvements, furniture and equipment, and vehicles. Capital assets are used to provide services to the students and are not available for future spending; therefore, the Academy's investment in capital assets is presented as a separate component of net position.

**Liabilities**

Current liabilities consist of accounts and intergovernmental payables and the current portion of the Academy's loans payable. Intergovernmental payables are primarily amounts owed to the Academy's fiscal agent, the Educational Service Center Council of Governments. Non-current liabilities at June 30, 2020 consist of a long-term intergovernmental payable and the non-current portion of loans payable. The increase in total liabilities is primarily due to the Paycheck Protection Program loan which the School applied for and received in fiscal year 2020.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

The following table shows the changes in net position for fiscal years 2020 and 2019.

**Change in Net Position**

	2020	2019
<b><u>Operating revenues:</u></b>		
State Foundation	\$ 5,560,718	\$ 5,325,416
Tuition and fees	149,487	105,677
Sales and charges for services	70,836	68,165
Miscellaneous	9,666	1,890
Total operating revenues	5,790,707	5,501,148
<b><u>Operating expenses:</u></b>		
Purchased services	4,775,126	4,519,472
Materials and supplies	314,060	294,352
Other	80,430	53,394
Depreciation	417,342	415,022
Total operating expenses	5,586,958	5,282,240
<b><u>Non-operating revenues (expenses):</u></b>		
Federal, State and local grants	430,234	271,248
Interest earnings	44,319	15,431
Contributions and donations	1,850	1,740
Interest and fiscal charges	(189)	(528)
Loss on disposal of capital assets	-	(1,255)
Total non-operating revenues (expenses)	476,214	286,636
Change in net position	679,963	505,544
Net position at the beginning of the fiscal year	9,098,025	8,592,481
Net position at the end of the fiscal year	\$ 9,777,988	\$ 9,098,025

As the preceding table illustrates, the Academy's primary source of revenue is State Foundation revenue, which is allocated to schools throughout the State based on Full Time Equivalent (FTE) students reported by the schools. The Academy's FTE increased slightly to 648 in fiscal year 2020, up from 642 in the prior year. All other Federal, State and local grants are reported as non-operating revenues. These revenues were higher in fiscal year 2020 primarily due to a new grant from the State for the Student Wellness and Success funds.

The main component of expenses for the Academy is purchased services, which accounted for 85.5% of all operating expenses in fiscal year 2020. These expenses consist primarily of professional and technical services, including payments made under the Academy's services contract with the Educational Service Center Council of Governments. Refer to Note 10 in the notes to the basic financial statements for additional detail on the components of purchased services expenses.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)

**Capital Assets**

At June 30, 2020, the Academy's capital assets consist of leasehold improvements, furniture and equipment, and vehicles in the amount of \$5,665,654 (net of accumulated depreciation). Capital asset acquisitions in fiscal year 2020 were \$56,055 and the Academy recognized \$417,342 in depreciation. Refer to Note 6 in the notes to the basic financial statements for detail on the Academy's capital assets.

**Debt Administration**

Long-term debt outstanding for the Academy consists of loans payable in the amount of \$714,469. Of this amount, \$316,220 is due within one year. The loan was received in May 2020 under the Paycheck Protection Program (PPP) to help the Academy with payroll costs during the COVID-19 crisis. This loan will be fully forgiven as long as certain conditions relating to the use of the funds are met. See Note 8 in the notes to the basic financial statements for detail on the loan.

**Current Issues**

The Academy receives approximately 96.0% of its operating revenues from the Ohio Department of Education in the form of State Foundation revenues. Thus, the Academy is heavily reliant on the State funding formula in its ability to continue to provide quality educational services to its students. Currently the Academy's allocation for fiscal year 2021 is approximately \$5.38 million.

**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 Tammy Rizzo, Treasurer of the Global Impact STEM Academy, 2080 Citygate Drive, Columbus, Ohio 43219.

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

STATEMENT OF NET POSITION  
JUNE 30, 2020

<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	\$ 5,390,779
Receivables:	
Accounts . . . . .	23,055
Intergovernmental . . . . .	26,899
Prepayments . . . . .	<u>9,000</u>
Total current assets. . . . .	<u>5,449,733</u>
Non-current assets:	
Depreciable capital assets, net . . . . .	<u>5,665,654</u>
Total non-current assets . . . . .	<u>5,665,654</u>
Total assets . . . . .	<u>11,115,387</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	17,538
Intergovernmental payable . . . . .	563,985
Loans payable . . . . .	<u>316,220</u>
Total current liabilities . . . . .	<u>897,743</u>
Non-current liabilities:	
Intergovernmental payable . . . . .	41,407
Loans payable . . . . .	<u>398,249</u>
Total non-current liabilities . . . . .	<u>439,656</u>
Total liabilities . . . . .	<u>1,337,399</u>
<b>Net position:</b>	
Net investment in capital assets . . . . .	5,663,256
Restricted for locally funded programs. . . . .	87,315
Restricted for state funded programs . . . . .	92,955
Unrestricted. . . . .	<u>3,934,462</u>
Total net position . . . . .	<u>\$ 9,777,988</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<b>Operating revenues:</b>	
State Foundation . . . . .	\$ 5,560,718
Tuition and fees. . . . .	149,487
Sales and charges for services . . . . .	70,836
Miscellaneous . . . . .	9,666
Total operating revenues . . . . .	<u>5,790,707</u>
<b>Operating expenses:</b>	
Purchased services . . . . .	4,775,126
Materials and supplies. . . . .	314,060
Other . . . . .	80,430
Depreciation . . . . .	417,342
Total operating expenses . . . . .	<u>5,586,958</u>
Operating income . . . . .	<u>203,749</u>
<b>Non-operating revenues (expenses):</b>	
Federal, State and local grants. . . . .	430,234
Interest revenue . . . . .	44,319
Contributions and donations . . . . .	1,850
Interest and fiscal charges. . . . .	(189)
Total nonoperating revenues (expenses). . . . .	<u>476,214</u>
Change in net position. . . . .	679,963
<b>Net position at beginning of fiscal year . . . . .</b>	<u>9,098,025</u>
<b>Net position at end of fiscal year. . . . .</b>	<u><u>\$ 9,777,988</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<b>Cash flows from operating activities:</b>	
Cash received from State Foundation . . . . .	\$ 5,573,669
Cash received from tuition and fees . . . . .	127,743
Cash received from sales and charges for services . . . . .	70,836
Cash received from miscellaneous sources . . . . .	9,666
Cash payments for purchased services . . . . .	(4,829,565)
Cash payments for materials and supplies . . . . .	(315,202)
Cash payments for other expenses . . . . .	(68,266)
	568,881
<b>Cash flows from noncapital financing activities:</b>	
Cash received from Federal, State and local grants . . . . .	403,449
Cash received from contributions and donations . . . . .	1,850
Cash received from loans . . . . .	714,469
	1,119,768
<b>Cash flows from capital and related financing activities:</b>	
Interest and fiscal charges . . . . .	(189)
Principal retirement on capital lease . . . . .	(6,951)
Acquisition of capital assets . . . . .	(56,542)
	(63,682)
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	44,319
	44,319
Net cash provided by investing activities . . . . .	44,319
Net increase in cash and cash equivalents . . . . .	1,669,286
<b>Cash and cash equivalents at beginning of fiscal year . . .</b>	<b>3,721,493</b>
<b>Cash and cash equivalents at end of fiscal year . . . . .</b>	<b>\$ 5,390,779</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income . . . . .	\$ 203,749
Adjustments:	
Depreciation . . . . .	417,342
Changes in assets and liabilities:	
Increase in accounts receivable . . . . .	(20,055)
Decrease in intergovernmental receivable . . . . .	12,951
Decrease in prepayments . . . . .	13,559
Decrease in accounts payable . . . . .	(34,205)
Decrease in intergovernmental payable . . . . .	(24,460)
	(52,210)
Net cash provided by operating activities . . . . .	\$ 568,881

**Non-cash transactions:**

At June 30, 2020, capital assets purchased on account amounted to \$2,398.  
At June 30, 2019, capital assets purchased on account amounted to \$2,885.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

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

The Educational Service Center Council of Governments (ESCCOG) serves as the fiscal agent for the Academy (See Note 12).

*Reporting Entity:*

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**A. Basis of Presentation**

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

**B. Measurement Focus**

The accounting and financial reporting treatment is determined by 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.

**C. Basis of Accounting**

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

**D. Budgetary Process**

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

**E. Cash and Cash Equivalents**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

During fiscal year 2020, the Academy invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Academy measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

**F. Prepayments**

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

**G. Capital Assets**

The Academy's capital assets during fiscal year 2020 consisted of leasehold improvements, furniture and equipment, and vehicles. All capital assets are capitalized at cost and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy maintains a capitalization threshold of \$1,000. The Academy does not have any infrastructure. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets at June 30, 2020 are depreciated. Depreciation is computed using the straight-line method over useful lives ranging from 3-20 years for furniture and equipment, 8 years for vehicles, and 5-18 years for leasehold improvements.

**H. Net Position**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

**I. Intergovernmental Revenue**

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

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

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

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

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

**K. Estimates**

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

**L. Operating Revenues and Expenses**

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

**M. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Governing Board and that are either unusual in nature or infrequent in occurrence. The Academy had no extraordinary or special items during fiscal year 2020.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2020, the Academy has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the Academy.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Academy.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

Active monies are public deposits determined to be necessary to meet current demands upon the Academy 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.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain banker's acceptance for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

**A. Deposits with Financial Institutions**

At June 30, 2020, the carrying amount of all Academy deposits was \$2,833,566 and the bank balance of all Academy deposits was \$2,850,854. Of the bank balance, \$250,000 was covered by the FDIC and \$2,600,854 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. All statutory requirements for the deposit of money have been followed.

Custodial credit risk is the risk that, in the event of bank failure, the Academy's deposits may not be returned. The Academy has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the Academy and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the Academy's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**B. Investments**

As of June 30, 2020, the Academy had the following investment:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>Investment Maturity 6 months or less</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 2,557,213	\$ 2,557,213

The weighted average maturity of STAR Ohio is approximately 41 days.

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

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

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

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

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2020 consist of tuition and fees for services provided, reimbursements and intergovernmental grants and entitlements. All receivables are considered collectible in full and are expected to be collected within the subsequent fiscal year.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance 06/30/19	Additions	Reductions	Balance 06/30/20
Capital assets, being depreciated:				
Leasehold improvements	\$ 6,473,644	\$ -	\$ -	\$ 6,473,644
Furniture and equipment	320,348	56,055	-	376,403
Vehicles	<u>29,185</u>	<u>-</u>	<u>-</u>	<u>29,185</u>
Total capital assets being depreciated	<u>6,823,177</u>	<u>56,055</u>	<u>-</u>	<u>6,879,232</u>
Less: accumulated depreciation				
Leasehold improvements	(652,671)	(384,174)	-	(1,036,845)
Furniture and equipment	(141,133)	(29,520)	-	(170,653)
Vehicles	<u>(2,432)</u>	<u>(3,648)</u>	<u>-</u>	<u>(6,080)</u>
Total accumulated depreciation	<u>(796,236)</u>	<u>(417,342)</u>	<u>-</u>	<u>(1,213,578)</u>
Capital assets, net	<u>\$ 6,026,941</u>	<u>\$ (361,287)</u>	<u>\$ -</u>	<u>\$ 5,665,654</u>

**NOTE 7 - CAPITAL LEASE - LESSEE DISCLOSURE**

The Academy has entered into lease agreements to acquire copiers which meet the criteria for reporting as a capital lease. Capital assets consisting of equipment have been capitalized in the amount of \$31,661, which represents the value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position at lease inception. Accumulated depreciation on the equipment at June 30, 2020 was \$15,830, leaving a book value of \$15,831.

Principal and interest payments in fiscal year 2020 were \$6,951 and \$189, respectively. These represented the final payments owed on the lease.

**NOTE 8 - LONG-TERM OBLIGATIONS**

The following tables summarizes the Academy's long-term obligations activity in fiscal year 2020.

	Balance at 06/30/19	Additions	Reductions	Balance at 06/30/20	Due Within One Year
Capital leases	\$ 6,951	\$ -	\$ (6,951)	\$ -	\$ -
Intergovernmental payable	63,522	35,561	(22,115)	76,968	35,561
Loans payable from direct borrowing	<u>-</u>	<u>714,469</u>	<u>-</u>	<u>714,469</u>	<u>316,220</u>
Total long-term obligations	<u>\$ 70,473</u>	<u>\$ 750,030</u>	<u>\$ (29,066)</u>	<u>\$ 791,437</u>	<u>\$ 351,781</u>

Capital leases: See Note 7 for more detail.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)**

*Intergovernmental payable:* The Academy's employees are employed by the Educational Service Center Council of Governments (ESCCOG). Sick and vacation leave payouts for these employees are paid by the ESCCOG and subsequently reimbursed by the Academy. The intergovernmental payable reported as a long-term obligation represents the sick and vacation leave balances for the Academy's employees in accordance with GASB Statement No. 16.

*Loans payable:* On May 4, 2020, the Academy entered into an agreement with The Huntington National Bank in the amount of \$714,469 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the Small Business Administration (SBA) under the Paycheck Protection Program (PPP). This loan is considered a direct borrowing. Direct borrowings have terms negotiated between the borrower and the lender and are not offered for public sale. The loan carries an interest rate of 1% and has a maturity date of May 4, 2022. Forgiveness of the loan is available for principal that is used for the limited purposes that qualify for forgiveness under SBA requirements, and in order to obtain forgiveness, the Academy must request it and must provide documentation in accordance with the SBA requirements. The Academy intends to comply with all requirements so that the full amount of the loan may be forgiven.

The following is a schedule of the future payments due on the loan, assuming none of the loan is forgiven:

Fiscal Year Ending				
June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2021	\$ 316,220	\$ 3,842	\$ 320,062	
2022	<u>398,249</u>	<u>1,828</u>	<u>400,077</u>	
Total	<u>\$ 714,469</u>	<u>\$ 5,670</u>	<u>\$ 720,139</u>	

**NOTE 9 - INTERGOVERNMENTAL PAYABLES**

As discussed in Note 8, a portion of the Academy's intergovernmental payable liability represents a long-term payable to the ESCCOG. The following is a summary of other intergovernmental payables incurred by the Academy for fiscal year 2020:

<u>Description</u>	<u>Amount</u>
Payable to ESCCOG	\$ 414,802
College Credit Plus Adjustment Payable to the Ohio Department of Education	75,702
Payable to Other Governmental Entities	<u>37,920</u>
Total	<u>\$ 528,424</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 10 - PURCHASED SERVICES**

For fiscal year ended June 30, 2020, purchased services expenses were as follows:

Professional and technical services *	\$ 3,879,207
Property services	511,339
Travel mileage and meetings	10,154
Communications	54,903
Utilities	33,011
Tuition	155,714
Pupil transportation services	15,088
Other	<u>115,710</u>
Total	<u>\$ 4,775,126</u>

\* Professional and technical services includes \$3,518,805 in salary and benefit related expenses specific to Academy employees who are employed by the ESCCOG.

**NOTE 11 - RISK MANAGEMENT**

The Academy is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2020, the Academy had commercial general liability and terrorism coverage through Marsh & McLennan Agency. Settled claims have not exceeded this commercial coverage in the past three fiscal years and there has been no significant reduction in coverage from the prior fiscal year.

**NOTE 12 - SERVICE AGREEMENT**

The Academy entered into a service contract with the ESCCOG for fiscal year 2020 to provide fiscal, payroll, student data, and Comprehensive Continuous Improvement Planning (CCIP) consulting services. The ESCCOG shall perform the following services for the Academy in accordance with the service agreement:

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

**NOTE 13 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2020.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 13 - CONTINGENCIES - (Continued)**

**B. State Foundation Funding**

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

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE did not perform such a review on the Academy for fiscal year 2020.

As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2020 financial statements is not unterminable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the Academy.

**C. Litigation**

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements at June 30, 2020.

**NOTE 13 - OPERATING LEASE - LESSEE DISCLOSURE**

Effective July 1, 2015, the Academy entered into a lease to rent a building from the Springfield City School District (the "School District"). The initial lease term is twenty years, with automatic one year renewals after the initial term, unless either party provides written notice of termination at least eighteen months prior to the end of the initial term, or at least six months prior to the end of the then current renewal period, as applicable. Lease payments in fiscal year 2020 amounted to \$350,000.

On June 27, 2019, the Academy and the School District amended and restated this lease, effective July 1, 2019. The initial lease term remained unchanged, expiring June 30, 2035. The Academy is responsible for utilities and maintaining adequate insurance. The rental payment for fiscal year 2020 is \$350,000, payable in equal monthly installments on or before the first day of each month. The annual rent for subsequent fiscal years shall be increased by two percent each year. The Academy and the School District will reconvene in June 2024 and every five years thereafter for the term of the lease to discuss whether to execute a written amendment to the payment terms.

**NOTE 14 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the School. The Academy's investment portfolio is subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Academy's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**This page intentionally left blank.**

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

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

To the Governing Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Global Impact STEM Academy, Clark County, (the Academy) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated December 15, 2020, wherein we noted the Academy considered the financial impact of COVID-19 as disclosed in Note 14.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Academy's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Academy's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the Academy's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Wilson, Shannon E. Shaw, Inc.*

December 15, 2020  
Newark, Ohio

# OHIO AUDITOR OF STATE KEITH FABER



**GLOBAL IMPACT STEM ACADEMY**

**CLARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/26/2021**

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

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