



OHIO AUDITOR OF STATE  
**KEITH FABER**





**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY  
JUNE 30, 2021 AND 2020**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Fairborn Digital Academy Community School  
Greene County  
57 East Dayton Yellow Springs Road  
Fairborn, Ohio 45324

To the Board of Directors:

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

We have audited the accompanying cash basis financial statements of the Fairborn Digital Academy Community School, Greene County, Ohio (the School), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the School'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 the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for 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 School'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 School'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 the overall financial statement presentation.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash financial position of the Fairborn Digital Academy Community School, as of June 30, 2021, and 2020, and the changes in cash financial position for the years then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

Ohio Administrative Code § 117-2-03(B) requires the School to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Emphasis of Matter**

As discussed in Note 13 to the 2021 and 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School. We did not modify our opinion regarding this matter.

**Other Matters**

*Other Information*

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022, on our consideration of the School'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 School's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 28, 2022

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

The discussion and analysis of Fairborn Digital Academy's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2021 within the limitations of cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the School's financial performance.

**Financial Highlights**

Key highlights for fiscal year 2021 are as follows:

In total, net position decreased by \$431,432 from last year. Enrollment and state foundation payments decreased, and have been decreasing since 2017. The School's general receipts, those being primarily state foundation payments were \$824,208 or 78% of the total cash received during the fiscal year. Dependence on this revenue source is significant.

**Using this Annual Report**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School's cash basis of accounting.

The School has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and the related assets and liabilities. Under the School's cash basis of accounting, receipts and disbursements and the related assets and liabilities are recorded when they result in cash transactions.

The Statement of Net Position – Cash Basis provides information about the cash activities of the whole School. The Statement of Revenues, Disbursements, and Changes in Fund Net Position – Cash Basis provide a greater level of detail.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as Accounts Receivables) and certain liabilities and their related disbursements (such as Accounts Payable) are not reported in these basic financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of cash basis accounting.

The notes to the financial statements are an integral part of the financial statements and provide expanded explanations and details regarding the information reported in the statements.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(Continued)**

**The School as a Whole**

Table 1 provides a summary of the School's net position for fiscal year 2021 compared to fiscal year 2020:

<b>Table 1 - Net Position</b>		
	<b>2021</b>	<b>2020</b>
<b>Assets:</b>		
Cash	\$380,761	\$812,193
Total Assets	380,761	812,193
<b>Net Position:</b>		
Unrestricted	380,761	812,193
Total Net Position	\$380,761	\$812,193

As mentioned previously, total net position decreased by \$431,432. The primary reason contributing to the decrease in cash balance is the School's decrease of state foundation and increase in operating expenses.

Table 2 reflects the changes in net position for fiscal year 2021 compared to fiscal year 2020.

<b>Table 2 – Changes in Net Position</b>			
	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>Operating Revenues:</b>			
State Foundation	\$824,208	\$997,815	\$(173,607)
Miscellaneous	4,858	7,526	(2,668)
Total Operating Revenues	829,066	1,005,341	(176,275)
<b>Non-Operating Revenues:</b>			
Federal and State Grants	219,356	139,056	80,300
Other - Gifts and Donations	2,011	1,684	327
Interest	65	308	(243)
Other Financing Sources	5,038	0	5,038
Total Non-Operating Revenues	226,470	141,048	85,422
Total Revenues	1,055,536	\$1,146,389	(\$90,853)
<b>Operating Expenses:</b>			
Purchased Services	1,401,206	1,500,558	(99,352)
Materials and Supplies	57,513	12,420	45,093
Capital Outlay	20,975	44,969	(23,994)
Other Expenses	5,867	21,143	(15,276)
Total Operating Expenses	1,485,561	1,579,090	(93,529)
<b>Non-Operating Expenses:</b>			
Other Financing Uses	1,407	0	1,407
Total Non-Operating Expenses	1,407	0	1,407
Total Expenses	1,486,968	1,579,090	(92,122)
Change in Net Position	(431,432)	(432,701)	
Net Position at Beginning of Year	812,193	1,244,894	
Net Position at End of Year	\$380,761	\$812,193	



**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED  
(Continued)**

State Foundation payments represent 78% of total revenues. These are unrestricted intergovernmental revenues, while almost all non-operating revenues represent the remainder.

The major operating disbursement is purchased services. Purchased services are shown in greater detail in Table 3.

**Table 3 – Purchased Service Detail**

	<u>2021</u>
Board of Directors	\$87,225
Instructional Contracted	435,581
Special Ed Contracted	219,950
Counseling Contracted	82,512
Support Staff Services	11,581
Principals Services	292,728
Treasurer Services	71,632
Building	82,760
Technology Services	117,237
Total	<u>\$1,401,206</u>

**Current Issues**

The challenge for all Schools is to provide quality education with fewer monies available to spend. Online schools are able to capitalize upon this since fewer full time personnel are needed to educate students. Also, the School is able to provide individualized attention when needed. The funding for online schools changed in 2017 which has significantly affected our revenue stream. Rather than being funded per student we are now funded for the time they spend online. In fiscal year 2011, we changed from a K-12 school to a 9-12 school to help us use our resources in only a few age groups, instead of many.

**Contacting the School's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School's finances and to reflect the School's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to David Stevens, Treasurer, Fairborn Digital Academy, 57 East Dayton Yellow Springs Road, Fairborn, Ohio 45324.

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FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY

STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2021

**Assets:**

**Current Assets:**

Cash	\$380,761
Total Assets	<u>380,761</u>

**Net Position:**

Unrestricted	380,761
Total Net Position	<u>\$380,761</u>

*The accompanying notes to the financial statements are an integral part of this statement.*

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
STATEMENT OF REVENUES, DISBURSEMENTS AND  
CHANGES IN NET POSITION - CASH BASIS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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<b>Operating Revenues:</b>	
State Foundation	\$824,208
Miscellaneous	4,858
	<hr/>
<i>Total Operating Revenues</i>	<i>829,066</i>
	<hr/>
<b>Operating Expenses:</b>	
Purchased Services	1,401,206
Materials and Supplies	57,513
Capital Outlay	20,975
Other Expenses	5,867
	<hr/>
<i>Total Operating Expenses</i>	<i>1,485,561</i>
	<hr/>
<i>Operating Loss</i>	<i>(656,495)</i>
	<hr/>
<b>Non-Operating Revenues (Expenses):</b>	
Federal and State Grants	219,356
Gifts and Donations	2,011
Interest	65
Other Financing Sources	5,038
Other Financing Uses	(1,407)
	<hr/>
<i>Total Non-Operating Revenues (Expenses)</i>	<i>225,063</i>
	<hr/>
<i>Change in Net Position</i>	<i>(431,432)</i>
	<hr/>
<i>Total Net Position-beginning</i>	<i>812,193</i>
	<hr/>
<i>Total Net Position-ending</i>	<i>\$380,761</i>
	<hr/> <hr/>

*The accompanying notes to the financial statements are an integral part of this statement.*

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1. DESCRIPTION OF THE ENTITY**

Fairborn Digital Academy Community School (the School) is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the growing need for a comprehensive educational program delivered to students in the 9 – 12 population primarily through distance learning technologies. The comprehensive educational program will address special problems of disabled students, students removed from school for disciplinary reasons, students needing advanced or specialized courses which are not available locally, and others, including some home-schooled students, who are not currently enrolled in any public school and who are not receiving a meaningful, comprehensive, and standards-based educational program.

The School was approved for operation under contract with the Fairborn City School District (the Sponsor) for a period of five years commencing July 1, 2002. The School accepted students beginning September 3, 2002. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Although required by Ohio Administrative Code Section 117-2-03 (B) to prepare its annual financial report in accordance with generally accepted accounting principles, the School chooses to prepare its financial statements on the basis of accounting formerly prescribed or permitted for school districts by the Auditor of State. The School recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

**A. Basis of Presentation**

**Enterprise Accounting**

The School uses enterprise accounting to track and report on its financial activities. 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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**B. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the School's contract with its Sponsor or otherwise adopted by the Board of Directors. The contract between the School and its Sponsor prescribes a budget requirement of preparing five-year forecast annually.

**C. Cash**

All monies received by the School are maintained in a demand deposit account.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Intergovernmental Revenues**

The School currently participates in the State Foundation Program. Revenues from this program are recognized as operating revenues in the accompanying financial statements.

**E. Inventory and Prepaid Items**

The School reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**F. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Net Position**

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

**3. DEPOSITS**

Custodial credit risk for deposits is the risk that in the event of bank failure, the School will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$150,342 of the School's bank balance of \$400,342 was exposed to custodial credit risk because those deposits were all insured and collateralized with securities held by the pledging financial institution's trust departments or agent, but not in the School's name.

The School has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

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

**4. RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For fiscal year 2021, the School was insured for commercial inland marine, general liability, and property.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Continued)**

**5. CONTRACT WITH GREENE COUNTY ESC**

The School entered into a one year contract for fiscal year 2021, with Greene County ESC. Under the contract, the following terms were agreed upon:

- All personnel providing services to the School on behalf of Greene County ESC under the agreement shall be employees of Greene County ESC and Greene County ESC shall be solely responsible for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes, with respect to such personnel. All shall possess any certification or licensure which may be required by law.
- The School shall secure the services of an Executive Director, who shall be the chief operating officer of the school, with primary responsibility for day-to day operations of the School.

For fiscal year 2021, \$994,082 was paid to Greene County ESC by the School.

To obtain Greene County ESC's audited June 30, 2021 financial statements please contact Robert Arledge, Treasurer, at [CArledge@greeneesc.org](mailto:CArledge@greeneesc.org).

**6. CONTINGENCIES**

**A. Grants**

The School received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2021.

**B. State Foundation Funding**

The Ohio Department of Education conducts reviews of enrollment data and fulltime equivalency (FTE) calculations made by the schools. 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 conclusions of this review resulted in the School owing \$51,283 to the Ohio Department of Education for the year ended June 30, 2021. The amount is being paid over a 22 month period.

**7. FISCAL AGENT**

The School utilizes the services of Greene County ESC for employment of their Treasurer, David Stevens.

**8. TAX EXEMPT STATUS**

The School was established as a nonprofit corporation pursuant to Ohio Rev. Code Chapters 3314 and 1702 on August 22, 2002. The School has not filed for tax exempt status under Section 501(c)(3) of the Internal Revenue Code. The School has made no provision for any potential future tax liability which could result from not obtaining the Section 501(c)(3) tax exempt status.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Continued)**

**9. PURCHASED SERVICES**

For the period ended June 30, 2021, purchased service expenses were payments for services rendered by various vendors, as follows:

	<u>2021</u>
Board of Directors	\$87,225
Instructional Contracted	435,581
Special Ed Contracted	219,950
Counseling Contracted	82,512
Support Staff Services	11,581
Principals Services	292,728
Treasurer Services	71,632
Building	82,760
Technology Services	117,237
Total	<u>\$1,401,206</u>

**10. RELATED PARTY TRANSACTIONS**

Fairborn City School District (the sponsor) provides facilities and transportation services required for the school

Total payments made to Fairborn City School District in fiscal year 2021 equaled \$134,078 of which \$35,658 and \$29,460 were for fiscal year 2019 and 2020's sponsor payments, respectively.

**11. CONTRACT WITH FAIRBORN CITY SCHOOL DISTRICT**

Fairborn City School District (the sponsor) shall support the School's establishment and operation by converting to the School's use of certain resources previously utilized by the Sponsor, including, but not limited to portions of the Sponsor's facilities, staff, equipment, instructional materials, curriculum and educational strategy as determined to be appropriate by the Sponsor in the Sponsor's sole discretion.

If a student is entitled to transportation under any applicable law, such transportation shall be provided by the sponsor.

In fiscal year 2021, the School paid Fairborn City School District \$134,078. To obtain Fairborn City School District's audited June 30, 2021 financial statements, please contact Kevin Philo, Treasurer at (937) 866-3961.

**12. JOINTLY GOVERNED ORGANIZATION**

Miami Valley Educational Computer Association (MVECA) - The School is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School paid MVECA \$12,090 for services provided during the year. Financial information can be obtained from MVECA located at 888 Dayton Street, Suite 102, Yellow Springs, Ohio 45387.



**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Continued)**

**13. 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 continuing emergency measures may impact subsequent periods of the School. In addition, the impact on the School's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**14. SUBSEQUENT EVENT**

For fiscal year 2022, community school foundation funding received from the state of Ohio will be funded using a direct funding model. For fiscal year 2021 and prior, the amounts related to students who were residents of a particular school district were funded to the school district who, in turn, made the payment to the respective community school. This new funding system calculates a unique base cost for each community school. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

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

The discussion and analysis of Fairborn Digital Academy's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2020 within the limitations of cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the School's financial performance.

**Financial Highlights**

Key highlights for fiscal year 2020 are as follows:

In total, net position decreased by \$432,701 from last year. Enrollment and state foundation payments decreased, and have been decreasing since 2017. The School's general receipts, those being primarily state foundation payments were \$997,815 or 87% of the total cash received during the fiscal year. Dependence on this revenue source is significant.

**Using this Annual Report**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School's cash basis of accounting.

The School has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and the related assets and liabilities. Under the School's cash basis of accounting, receipts and disbursements and the related assets and liabilities are recorded when they result in cash transactions.

The Statement of Net Position – Cash Basis provides information about the cash activities of the whole School. The Statement of Revenues, Disbursements, and Changes in Fund Net Position – Cash Basis provide a greater level of detail.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as Accounts Receivables) and certain liabilities and their related disbursements (such as Accounts Payable) are not reported in these basic financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of cash basis accounting.

The notes to the financial statements are an integral part of the financial statements and provide expanded explanations and details regarding the information reported in the statements.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

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

**The School as a Whole**

Table 1 provides a summary of the School's net position for fiscal year 2020 compared to fiscal year 2019:

<b>Table 1 – Net Position</b>		
	<b>2020</b>	
<b>Assets:</b>		
Cash	\$812,193	\$1,244,894
Total Assets	\$812,193	\$1,244,894
 <b>Net Position:</b>		
Unrestricted	\$812,193	\$1,244,894
Total Net Position	\$812,193	\$1,244,894

As mentioned previously, total net position decreased by \$432,701. The primary reason contributing to the decrease in cash balance is the School's decrease of state foundation and increase in operating expenses.

Table 2 reflects the changes in net position for fiscal year 2020 compared to fiscal year 2019.

<b>Table 2 – Change in Net Position</b>			
	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Operating Revenues:</b>			
State Foundation	\$997,815	\$1,204,450	(\$206,635)
Fees		351	(351)
Miscellaneous	7,526	13,955	(6,429)
Total Operating Revenues	1,005,341	1,218,756	(213,415)
 <b>Non-Operating Revenues:</b>			
Federal and State Grants	139,056	135,204	3,852
Other – Gifts and Donations	1,684	1,015	669
Interest	308	147	161
Total Non-Operating Revenues	141,048	136,366	4,682
Total Revenues	1,146,389	1,355,122	(208,733)
 <b>Operating Expenses:</b>			
Purchased Services	1,500,558	1,438,841	61,717
Rent	12,420	13,913	(1,493)
Materials and Supplies	44,969	24,887	20,082
Other Expenses	21,143	13,878	7,265
Total Expenses	1,579,090	1,491,519	87,571
Change in Net Position	(432,701)	(136,397)	
Net Position at Beginning of Year	1,244,894	1,381,291	
Net Position at End of Year	\$812,193	\$1,244,894	

State Foundation payments represent 87% of total revenues. These are unrestricted intergovernmental revenues, while non-operating revenues represent 12% of total revenues.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

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

The major operating disbursement is purchased services. Purchased services are shown in greater detail in Table 3.

**Table 3 - Purchased Service Detail**

	<b>2020</b>
Board of Directors	\$15,964
Instructional Contracted	559,003
Special Ed Contracted	234,518
Counseling Contracted	94,599
Support Staff Services	5,220
Principals Services	326,046
Treasurer Services	87,550
Building	63,950
Technology Services	113,358
Food Service	350
TOTAL	<b>\$1,500,558</b>

**Current Issues**

The challenge for all Schools is to provide quality education with fewer monies available to spend. Online schools are able to capitalize upon this since fewer full time personnel are needed to educate students. Also, the School is able to provide individualized attention when needed. The funding for online schools changed in 2017 which has significantly affected our revenue stream. Rather than being funded per student we are now funded for the time they spend online. In FY2011, we changed from a K-12 school to a 9-12 school so that will help us use our resources in only a few age groups, instead of many.

**Contacting the School's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School's finances and to reflect the School's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to David Stevens, Treasurer, Fairborn Digital Academy, 57 East Dayton Yellow Springs Road, Fairborn, Ohio 45324.

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FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY

STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2020

**Assets:**

**Current Assets:**

Cash	\$812,193
Total Assets	<u>812,193</u>

**Net Position:**

Unrestricted	812,193
Total Net Position	<u>\$812,193</u>

*The accompanying notes to the financial statements are an integral part of this statement.*

FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
STATEMENT OF REVENUES, DISBURSEMENTS AND  
CHANGES IN NET POSITION - CASH BASIS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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<b>Operating Revenues:</b>	
State Foundation	\$997,815
Miscellaneous	7,526
	<u>7,526</u>
<i>Total Operating Revenues</i>	<u>1,005,341</u>
 <b>Operating Expenses:</b>	
Purchased Services	1,500,558
Materials and Supplies	12,420
Capital Outlay	44,969
Other Expenses	21,143
	<u>21,143</u>
<i>Total Operating Expenses</i>	<u>1,579,090</u>
 <i>Operating Loss</i>	 <u>(573,749)</u>
 <b>Non-Operating Revenues:</b>	
Federal and State Grants	139,056
Gifts and Donations	1,684
Interest	308
	<u>308</u>
<i>Total Non-Operating Revenues</i>	<u>141,048</u>
 <i>Change in Net Position</i>	 (432,701)
 <i>Total Net Position-beginning</i>	 <u>1,244,894</u>
 <i>Total Net Position-ending</i>	 <u><u>\$812,193</u></u>

*The accompanying notes to the financial statements are an integral part of this statement.*



**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

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

**1. DESCRIPTION OF THE ENTITY**

Fairborn Digital Academy Community School (the School) is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the growing need for a comprehensive educational program delivered to students in the 9 – 12 population primarily through distance learning technologies. The comprehensive educational program will address special problems of disabled students, students removed from school for disciplinary reasons, students needing advanced or specialized courses which are not available locally, and others, including some home-schooled students, who are not currently enrolled in any public school and who are not receiving a meaningful, comprehensive, and standards-based educational program.

The School was approved for operation under contract with the Fairborn City School District (the Sponsor) for a period of five years commencing July 1, 2002. The School accepted students beginning September 3, 2002. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Although required by Ohio Administrative Code Section 117-2-03 (B) to prepare its annual financial report in accordance with generally accepted accounting principles, the School chooses to prepare its financial statements on the basis of accounting formerly prescribed or permitted for school districts by the Auditor of State. The School recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

**A. Basis of Presentation**

**Enterprise Accounting**

The School uses enterprise accounting to track and report on its financial activities. 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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**B. Budgetary Process**

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the School's contract with its Sponsor or otherwise adopted by the Board of Directors. The contract between the School and its Sponsor prescribes a budget requirement of preparing five-year forecast annually.

**C. Cash**

All monies received by the School are maintained in a demand deposit account.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Intergovernmental Revenues**

The School currently participates in the State Foundation Program. Revenues from this program are recognized as operating revenues in the accompanying financial statements.

**E. Inventory and Prepaid Items**

The School reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**F. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Net Position**

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

**3. DEPOSITS**

Custodial credit risk for deposits is the risk that in the event of bank failure, the School will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$727,240 of the School's bank balance of \$977,240 was exposed to custodial credit risk because those deposits were all insured and collateralized with securities held by the pledging financial institution's trust departments or agent, but not in the School's name.

The School has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

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

**4. RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For fiscal year 2020, the School was insured for commercial inland marine, general liability, and property.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Continued)**

**5. CONTRACT WITH GREENE COUNTY ESC**

The School entered into a one year contract for fiscal year 2020, with Greene County ESC. Under the contract, the following terms were agreed upon:

- All personnel providing services to the School on behalf of Greene County ESC under the agreement shall be employees of Greene County ESC and Greene County ESC shall be solely responsible for all payroll functions, including retirement system contributions and all other legal withholding and/or payroll taxes, with respect to such personnel. All shall possess any certification or licensure which may be required by law.
- The School shall secure the services of an Executive Director, who shall be the chief operating officer of the school, with primary responsibility for day-to day operations of the School.

For fiscal year 2020, \$1,146,947 was paid to Greene County ESC by the School.

To obtain Greene County ESC's audited June 30, 2020 financial statements please contact Robert Arledge, Treasurer, at [CArledge@greeneesc.org](mailto:CArledge@greeneesc.org).

**6. CONTINGENCIES**

**A. Grants**

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

**B. State Foundation Funding**

The Ohio Department of Education conducts reviews of enrollment data and fulltime equivalency (FTE) calculations made by the schools. 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 conclusions of this review resulted in the School owing \$241,464 to the Ohio Department of Education for the year ended June 30, 2020. The amount is being paid over a 21 month period.

**7. FISCAL AGENT**

The School utilizes the services of Greene County ESC for employment of their Treasurer, David Stevens.

**8. TAX EXEMPT STATUS**

The School was established as a nonprofit corporation pursuant to Ohio Rev. Code Chapters 3314 and 1702 on August 22, 2002. The School has not filed for tax exempt status under Section 501(c)(3) of the Internal Revenue Code. The School has made no provision for any potential future tax liability which could result from not obtaining the Section 501(c)(3) tax exempt status.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Continued)**

**9. PURCHASED SERVICES**

For the period ended June 30, 2020, purchased service expenses were payments for services rendered by various vendors, as follows:

	<b>2020</b>
Board of Directors	\$15,964
Instructional Contracted	559,003
Special Ed Contracted	234,518
Counseling Contracted	94,599
Support Staff Services	5,220
Principals Services	326,046
Treasurer Services	87,550
Building	63,950
Technology Services	113,357
Food Service	350
<b>TOTAL</b>	<b>\$1,500,557</b>

**10. RELATED PARTY TRANSACTIONS**

Fairborn City School District (the sponsor) provides facilities and transportation services required for the School.

Total payments made to Fairborn City School District equaled \$58,931 and did not include the sponsor payment. See Note 11 for details.

**11. CONTRACT WITH FAIRBORN CITY SCHOOL DISTRICT**

Fairborn City School District (the sponsor) shall support the School's establishment and operation by converting to the School's use of certain resources previously utilized by the Sponsor, including, but not limited to portions of the Sponsor's facilities, staff, equipment, instructional materials, curriculum and educational strategy as determined to be appropriate by the Sponsor in the Sponsor's sole discretion.

If a student is entitled to transportation under any applicable law, such transportation shall be provided by the sponsor.

In fiscal years 2019 and 2020, the School paid Fairborn City School District \$89,960 and \$58,931 respectively. To obtain Fairborn City School District's audited June 30, 2020 financial statements, please contact Kevin Philo, Treasurer at (937) 866-3961.

**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Continued)**

**12. JOINTLY GOVERNED ORGANIZATION**

Miami Valley Educational Computer Association (MVECA) - The School is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School paid MVECA \$11,855 for services provided during the year. Financial information can be obtained from MVECA located at 888 Dayton Street, Suite 102, Yellow Springs, Ohio 45387.

**13. 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 continuing emergency measures may impact subsequent periods of the School. In addition, the impact on the School's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**14. SUBSEQUENT EVENT**

For fiscal year 2022, community school foundation funding received from the state of Ohio will be funded using a direct funding model. For fiscal year 2021 and prior, the amounts related to students who were residents of a particular school district were funded to the school district who, in turn, made the payment to the respective community school. This new funding system calculates a unique base cost for each community school. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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# OHIO AUDITOR OF STATE KEITH FABER



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

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

Fairborn Digital Academy Community School  
Greene County  
57 East Dayton Yellow Springs Road  
Fairborn, Ohio 45324

To the Board of Directors:

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 cash-basis financial statements of the Fairborn Digital Academy Community School, Greene County, (the School) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated January 28, 2022, wherein we noted the School uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the School'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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School'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 School'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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2021-002 to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the School'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 statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2021-001 and 2021-002.

***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 School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

January 28, 2022



FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL  
GREENE COUNTY

SCHEDULE OF FINDINGS  
JUNE 30, 2021 AND 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2021-001

**Noncompliance – Financial Statement Presentation**

**Ohio Rev. Code §117.38** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

**Ohio Admin. Code 117-2-03(B)**, which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the Entity to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The School prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the School may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the School's ability to evaluate and monitor the overall financial condition of the School. To help provide the users with more meaningful financial statements, the School should prepare its annual financial statements according to generally accepted accounting principles.

**Officials' Response:** Officials did not provide a response to this finding.

FINDING NUMBER 2021-002

**Noncompliance and Significant Deficiency – Quality and Reliability of Learning Opportunity Documentation**

**Ohio Rev. Code § 3314.08(C)** provides the formula upon which community schools are funded on a full-time equivalency basis. In addition, **§ 3314.08(H)** requires the department of education to adjust the amounts subtracted and paid under division (C) of this section to reflect any enrollment of students in community schools for less than the equivalent of a full school year. The processes for calculating full-time equivalency and any enrollment for less than the equivalent of a full school year used by the Ohio Department of Education (ODE) under Ohio Rev. Code § 3314.08(H) are reflected in its FY2021 Community School Full Time Equivalency (FTE) Review Manual available on its website. In order for the school to receive accurate funding under Ohio Rev. Code § 3314.08(C), the school should follow the procedures outlined in this FY2021 FTE Review Manual or most recently updated FTE Review Manual.

**Ohio Rev. Code § 3314.08(H)(3)** states, in part, no internet- or computer-based community school shall be credited for any time a student spends participating in learning opportunities beyond ten hours within any period of twenty-four consecutive hours.

In *Electronic Classroom of Tomorrow v. Ohio Dept. of Edn.*, 2018-Ohio-3126, the Supreme Court of Ohio stated, "R.C. 3314.08 is unambiguous and authorizes ODE to require an e-school to provide data of the duration of a student's participation to substantiate that school's funding."

**Finding Number 2021-002  
(Continued)**

Furthermore, **Ohio Rev. Code § 3314.27** states, "Each internet- or computer-based community school shall keep an accurate record of each individual student's participation in learning opportunities each day. The record shall be kept in such a manner that the information contained within it easily can be submitted to the department of education, upon request by the department or the auditor of state."

**FY2021 Community School Full Time Equivalency (FTE) Review Manual** states, "An e-school may have a system that tracks learning opportunity participation within the school's online system. If an e-school's online system has this capability, the school must produce Excel spreadsheets showing the daily, weekly, and monthly accounting of learning opportunities and the final total of all online learning opportunities that the student participated in and the e-school's system tracked."

The Manual also provides further guidance regarding the documentation of learning opportunities that are not tracked by the school's online system. Guidance is provided for what documentation requirements exist as well as an "Alternative Learning Opportunity Documentation Log" which schools may utilize to document such learning opportunities.

**Ohio Rev. Code § 149.351(A)** states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.33 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated, or transferred unlawfully.

The following issues were noted during testing of students files:

- For one out of the fifteen students tested, the student work records provided did not match the attendance sheet used to track student time.
- Students' reported physical education times were based off of Fitbit steps. Steps were converted into miles and for every three miles a student was given an hour.
- The School did not have a formal policy detailing the procedures for tracking attendance across the learning systems.
- The School did not record actual time taken on State testing and allocated the full allotted time to the student.

Based on the above listed items, the School did not have sufficient procedures in place to capture durational time and could not provide sufficient, quality detail in which the amount of educational learning opportunities participated in by any one student could be relied upon.

Failure to accurately capture durational time and provide detailed supporting documentation could result in overpayments of foundation revenue to the School. This could ultimately lead to the School being required to pay back these funds to the Ohio Department of Education.

The School should develop and implement procedures to capture, document and report duration of time for participation in learning opportunities in a manner which could be relied upon in determining how much time a student spent participating in educational activities. In addition, the Sponsor should review the monthly FTE support and EMIS data that is to be submitted to ODE to allow the Sponsor to monitor compliance more effectively. The School should review the statutory requirements to determine what documentation is needed to support the FTE data reported for each student. The School should consider using ODE's most recent FTE manual as further guidance to determine what information ODE considers to be needed to support FTE reporting.

**Finding Number 2021-002  
(Continued)**

ODE receives a copy of this audit report. As a result of this issue, they may subsequently perform a FTE review over future years potentially impacting school funding.

**Officials' Response:** Officials did not provide a response to this finding.

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57 East Dayton-Yellow Springs Road, Fairborn,  
Ohio 45324  
(937) 879-0511 / Fax (937) 879-8160  
www.fairborndigital.us

**Executive Director:** Erik Tritsch

**Principal:** Jessica Biggers

**Board of Directors:** Thomas Baugh Janet Henry Jane Doorley

**Officers:** Nancy Sturtz, President Paul Newman, Sr., Vice-president

**Treasurer:** David Stevens

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	<b>Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B)</b> – The School did not prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP).	Not Corrected	Repeated as Finding Number 2021-001
2019-002	<b>Ohio Rev. Code § 3314.08 (C) and Ohio Rev. Code § 3314.03(H)(3)</b> – Quality and reliability of student attendance documentation	Not Corrected	Repeated as Finding Number 2021-002

# OHIO AUDITOR OF STATE KEITH FABER



**FAIRBORN DIGITAL ACADEMY COMMUNITY SCHOOL**

**GREENE 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 3/10/2022**

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)