



**PERRYSBURG DIGITAL ACADEMY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2007



Mary Taylor, CPA
Auditor of State

**PERRYSBURG DIGITAL ACADEMY
WOOD COUNTY**

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Perrysburg Digital Academy
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551-2294

To the Board of Directors:

We have audited the accompanying basic financial statements of the Perrysburg Digital Academy, Wood County, Ohio (the Academy), a component unit of the Perrysburg Exempted Village School District, as of and for the year ended June 30, 2007 as listed in the table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Perrysburg Digital Academy, Wood County, Ohio, as of June 30, 2007, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 17, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The discussion and analysis of Perrysburg Digital Academy's (the Academy) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

Financial Highlights

Key financial highlights for fiscal year 2007 for the Academy are as follows:

- The liabilities of the Academy exceeded its assets at year-end by \$1,696.
- In total, net assets decreased by \$6,948.

Using this Financial Report

This financial report contains the basic financial statements of the Academy, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets, and a statement of cash flows. As the Academy reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

PERRYSBURG DIGITAL ACADEMY

Management Discussion and Analysis

June 30, 2007

Unaudited

Statement of Net Assets

The statement of net assets answers the question, “How did we do financially during the fiscal year?” This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This statement reports the Academy’s net assets, however, in evaluating the overall position and financial viability of the Academy, non-financial information such as the condition of the Academy building and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated.

The following table presents a condensed summary of the Academy’s overall financial position at June 30, 2007:

	<u>2007</u>	Restated <u>2006</u>
Current and other assets:	\$ 101,401	196,614
Capital assets	<u>20,896</u>	<u>31,430</u>
Total assets	<u>122,297</u>	<u>228,044</u>
Current liabilities	<u>123,993</u>	<u>222,792</u>
Total liabilities	<u>123,993</u>	<u>222,792</u>
Net assets:		
Invested in capital assets	20,896	31,430
Restricted for other purposes	7,529	2,804
Unrestricted	<u>(30,121)</u>	<u>(28,982)</u>
Total net assets	\$ <u><u>(1,696)</u></u>	<u><u>5,252</u></u>

At June 30, 2007, the Academy had no outstanding intergovernmental receivables compared to \$94,455 at June 30, 2006. This was primarily due to a one-time grant received in the prior year. Current liabilities decreased substantially due to amounts owed the Perrysburg Exempted Village School District for FY07 salaries. The Perrysburg Exempted Village School District changed its procedure for invoicing the Digital Academy for staffing expenses in fiscal year 2007. The School District had fallen behind in invoicing for these services in 2006 and became more current with the updated practices in 2007.

PERRYSBURG DIGITAL ACADEMY

Management Discussion and Analysis

June 30, 2007

Unaudited

Statement of Revenues, Expenses and Changes in Net Assets

The following table presents a condensed summary of the Academy's activities for the years ended June 30, 2007:

	<u>2007</u>	<u>2006</u>
Revenues:		
Operating revenues:		
State Foundation, Special educ. and other	\$ 323,714	267,673
Non-operating revenues:		
Federal grants	9,416	135,064
State grants	<u>5,000</u>	<u>6,365</u>
Total revenues	<u>338,130</u>	<u>409,102</u>
Expenses:		
Operating expenses:		
Purchased services:		
Professional and technical services	260,889	381,175
Communications	393	1,530
Meeting expenses	1,549	4,702
Other	7,826	27,387
Materials and supplies	45,343	59,244
Depreciation	10,534	10,534
Other expenses	<u>18,544</u>	<u>15,000</u>
Total expenses	<u>345,078</u>	<u>499,572</u>
Change in net assets	\$ <u>(6,948)</u>	<u>(90,470)</u>

The Academy continued their efforts in the 2006-07 school year in an attempt to become more independent in their efforts to provide quality services. Perrysburg Exempted Village School District administration continued to look for ways to increase student awareness and promote the vision of the Academy.

The Academy administration continued to be less dependent on Tri-Rivers Computer Association for curriculum services by enhancing the software purchased in previous years from Plato Learning. The Academy's financial picture became more balanced and futuristic in 2007. The Continuation Grant was awarded to the district for the final time in 2006 giving the Academy's administration a more realistic picture of what the future held financially for the Academy.

PERRYSBURG DIGITAL ACADEMY

Management Discussion and Analysis

June 30, 2007

Unaudited

The Academy operates as one business-type enterprise fund and therefore, no analysis of individual funds is included.

Capital Assets

At June 30, 2007, the Academy had \$20,896 invested in furniture and equipment. See Note 4 of the notes to the basic financial statements for more detailed information on the Academy's capital assets.

Contacting the Academy

This financial report is designed to provide a general overview of the finances of the Perrysburg Digital Academy and to show the Academy's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to:

Perrysburg Digital Academy
140 E. Indiana Avenue
Perrysburg, Ohio 43551
(419) 874-9131

PERRYSBURG DIGITAL ACADEMY

Statement of Net Assets

June 30, 2007

Assets:

Current assets:

Cash	\$	87,322
Prepays		<u>14,079</u>
Total current assets		<u>101,401</u>

Noncurrent assets:

Capital assets, net		<u>20,896</u>
Total noncurrent assets		<u>20,896</u>

Total assets 122,297

Liabilities:

Current liabilities:

Accounts payable		<u>123,993</u>
Total current liabilities		<u>123,993</u>

Net Assets:

Invested in capital assets		20,896
Restricted for other purposes		7,529
Unrestricted (deficit)		<u>(30,121)</u>

Total net assets \$ (1,696)

See accompanying notes to the basic financial statements.

PERRYSBURG DIGITAL ACADEMY

Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2007

Operating revenues:

State Foundation	\$	311,551
Special education		5,556
Other operating revenues		<u>6,607</u>

Total operating revenues 323,714

Operating expenses:

Purchased services:		
Professional and technical services		260,889
Communications		393
Meeting expenses		1,549
Other		7,826
Materials and supplies		45,343
Depreciation		10,534
Other expenses		<u>18,544</u>

Total operating expenses 345,078

Operating loss (21,364)

Nonoperating revenues:

Federal grants		9,416
State grants		<u>5,000</u>

Total nonoperating revenues 14,416

Change in net assets (6,948)

Net assets, beginning of year, restated 5,252

Net assets, end of year \$ (1,696)

See accompanying notes to the basic financial statements.

PERRYSBURG DIGITAL ACADEMY

Statement of Cash Flows

Year Ended June 30, 2007

Cash flows from operating activities:

Cash received from State of Ohio - Foundation	\$	310,427
Cash received from others		6,607
Cash payments for contract services		(371,832)
Cash payments for supplies and materials		(45,729)
Cash payments for other expenses		<u>(18,579)</u>
Net cash used by operating activities		<u>(119,106)</u>

Cash flows from noncapital financing activities:

Cash received from state and federal grants		<u>108,871</u>
Net cash provided by noncapital financing activities		<u>108,871</u>

Net change in cash		(10,235)
Cash at beginning of year		<u>97,557</u>
Cash at end of year	\$	<u><u>87,322</u></u>

Reconciliation of operating loss to net cash used by operating activities:

Operating loss		(21,364)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation		10,534
Changes in assets and liabilities:		
Accounts payable		(92,119)
Intergovernmental payable		(6,680)
Prepays		<u>(9,477)</u>
Net cash used by operating activities	\$	<u><u>(119,106)</u></u>

See accompanying notes to the basic financial statements.

PERRYSBURG DIGITAL ACADEMY

Notes to the Basic Financial Statements

June 30, 2007

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The Perrysburg Digital Academy (the Academy), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's objective is to deliver a comprehensive educational program of high quality, tied to state and national standards, which can be delivered to students in the K-12 population entirely through distance learning technologies. It is to be operated in cooperation with the public schools to provide an innovative and cost-effective solution to the 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 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 Academy, which is part of the State's education program, is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

The Academy was approved for operation under a contract with the Perrysburg Exempted Village School District (Sponsor) for a period of five years commencing on the first day of the 2002-2003 academic year, as set forth in the educational plan. The Academy initiated operations on August 26, 2003. The Sponsor is responsible for evaluating the Academy's performance and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The Academy operates under a seven-member Board of Directors made up of:

- a) The Superintendent, High School Principal, and Curriculum Director of Perrysburg Exempted Village School District, which have been appointed by the Perrysburg Exempted Village School District Board of Education. Each of these administrators serves as on Board of Directors as a representative of the Board of Education and its interests.
- b) One person who is neither an officer nor employee of the Perrysburg Exempted Village School District whom shall be a public educator or other public official representing a governmental entity that desires to further the establishment and operation of the Academy. Such person has been appointed by the Board of Education
- c) One person who is neither an officer nor employee of the Perrysburg Exempted Village School District who is initially appointed by the Tri-Rivers Educational Computer Association (TRECA) and who serves on the Board in his official capacity as a representative of TRECA's interests. However, the TRECA representative shall, within one year following the incorporation of the Academy, be replaced by a person who represents the interests of parents and students served by the Academy. Such person shall be appointed by the Board of Education.
- d) A representative from the Business Advisory Council and a representative from the community at-large.

The Academy is a component unit of Perrysburg Exempted Village School District.

PERRYSBURG DIGITAL ACADEMY

Notes to the Basic Financial Statements

June 30, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Academy's financial statements have been prepared in conformity with generally accepted accounting principles (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 also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The School has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The more significant of the Academy's accounting policies are described below.

A. BASIS OF PRESENTATION

The Academy uses enterprise accounting to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost (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/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by 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 assets. The difference between total assets and liabilities is defined as net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. 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 Rev. Code, Chapter 5705, unless specifically provided in a school's contract with its sponsor. The contract between the Academy and its Sponsor does not prescribe a budgetary process for the Academy.

PERRYSBURG DIGITAL ACADEMY

Notes to the Basic Financial Statements

June 30, 2007

D. CASH

All cash received by the Academy is maintained in demand deposit accounts. The Academy had no investments during the fiscal year.

E. CAPITAL ASSETS AND DEPRECIATION

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The Academy maintains a capitalization threshold of \$500. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are expensed.

Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five years. Improvements to fixed assets are depreciated over the remaining useful lives of the capital assets. The Academy does not possess any infrastructure.

F. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2007 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

G. INTERGOVERNMENTAL REVENUES

The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in which they are earned, essentially the same as the fiscal year.

Federal and state grants 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 first 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.

The Academy participates in various programs through the Ohio Department of Education. These include the Federal Charter School Grant Program and the Special Education Grants to States, Special Education Preschool Grant (IDEA Part B).

PERRYSBURG DIGITAL ACADEMY

Notes to the Basic Financial Statements

June 30, 2007

H. ESTIMATES

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

I. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments from the state. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

J. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are 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 applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

3. DEPOSITS

At June 30, 2007, the Academy had a cash balance of \$87,322. The bank balance was \$202,830, of which \$100,000 was covered through the Federal Depository Insurance Corporation (FDIC).

4. CAPITAL ASSETS

A summary of the capital assets as of June 30, 2007, is as follows:

	Balance 7/1/06	Additions	Disposals	Balance 6/30/07
Furniture and equipment	\$ 52,669	-	-	52,669
Less accumulated depreciation	21,239	10,534	-	31,773
Capital assets, net	\$ 31,430	(10,534)	-	20,896

PERRYSBURG DIGITAL ACADEMY

Notes to the Basic Financial Statements

June 30, 2007

5. FISCAL AGENT AND PAYMENTS TO SPONSOR

The Perrysburg Exempted Village School District (Sponsor) serves as the sponsor for the Perrysburg Digital Academy. The Academy does not employ any individuals within the Digital Academy itself. All employees are employed by the Sponsor. This includes a coordinator and several part-time teaching positions. The Sponsor also provides educational support through the Sponsor's pupil services department for students with special needs. The sponsorship agreement states that the Treasurer of the Perrysburg Exempted Village School District shall serve as the Chief Financial Officer of the Academy.

The Academy shall pay to the Sponsor such other amounts as are mutually agreed, including fees for any services provided to the Academy by the Sponsor. During the year ended June 30, 2007, the Academy incurred \$345,078 in expenses of which \$223,363 has been paid or is payable to Perrysburg Exempted Village School District of as of June 30, 2007. The expenses were primarily related to salaries and benefits.

6. RISK MANAGEMENT

The Academy is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2007, the Academy contracted with a commercial insurance carrier for property and general liability insurance. There has been no reduction in coverage from the prior year and settled claims have not exceeded Academy's coverage in the past year.

7. CONTINGENCIES

A. Grants

The Academy 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 Academy. 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, 2007.

B. Pending Litigation

A suit was filed in the US District Court, Southern District of Ohio, Western Division on October 6, 2004, which challenges the funding of charter schools under Equal Protection, Due Process and claims violation of a right to vote on the bodies administering public schools. The case is still pending. The effect of this suit, if any, on Perrysburg Digital Academy is not presently determinable.

PERRYSBURG DIGITAL ACADEMY

Notes to the Basic Financial Statements

June 30, 2007

8. TAX EXEMPT STATUS

The Academy's legal counsel issued a tax opinion stating the Academy is not required to pay federal income tax or file federal tax returns because it qualifies as an integral part of the Perrysburg Exempted Village School District which is a political subdivision of the State of Ohio. The tax opinion also indicates that as a further protection, they structured the Academy's incorporation documents in such a way that, in the unlikely event the Internal Revenue Service ever reaches a contrary conclusion regarding the Academy's tax status, the Academy should qualify as a tax-exempt organization under either Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, retroactive to the date of incorporation. Thus, the Academy should avoid liability for any taxes or penalties imposed by the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax exempt status.

9. RELATED PARTY TRANSACTIONS

The Academy's Board of Directors includes three members that are employees of the Academy's Sponsor, Perrysburg Exempted Village School District. In addition, the Treasurer of the Sponsor also serves as the Treasurer of the Academy, the Curriculum Director of the Sponsor also serves as the Superintendent of the Academy, and other employees of the Sponsor provide additional services to the Academy.

Payments to the following related parties were as follows: Perrysburg Exempted Village School District \$312,484 (which includes \$211,175 payable as of June 30, 2006); Robert Falkenstein \$756; and John Crecelius \$542. In addition, the Academy owes Perrysburg Exempted Village School District \$122,066 at June 30, 2007.

10. PRIOR PERIOD ADJUSTMENT

In the prior period, the Academy received less federal funding than was anticipated, resulting in an overstatement of intergovernmental receivables. As such, the Academy restated its net assets as follows:

Net assets as of June 30, 2006	\$	36,068
Overstatement of receivables		<u>(30,816)</u>
Net assets as of June 30, 2006, restated	\$	<u><u>5,252</u></u>

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Mary Taylor, CPA
Auditor of State

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

Perrysburg Digital Academy
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551-2294

To the Board of Directors:

We have audited the basic financial statements of Perrysburg Digital Academy, Wood County, (the Academy) a component unit of the Perrysburg Exempted Village School District, as of and for the year ended June 30, 2007, and have issued our report thereon dated January 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Academy's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Academy's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Academy's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Academy's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, Board of Directors, and the Community School's sponsor. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 17, 2008



Mary Taylor, CPA
Auditor of State

PERRYSBURG DIGITAL ACADEMY

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2008**