CRITTENTON COMMUNITY SCHOOL
Columbus, Ohio

Financial Statements
and
Supplementary Financial Information
For the years ended June 30, 2010 and 2009

and Independent Auditors' Report Thereon

Board of Governors
Crittenton Community School
1418 East Broad Street
Columbus, Ohio 43205

We have reviewed the *Independent Auditors' Report* of the Crittenton Community School, Franklin County, prepared by Schneider Downs & Co., Inc., for the audit period July 1, 2009 through June 30, 2010. 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 Crittenton Community School is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

February 22, 2011

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SCHNEIDER DOWNS

INSIGHT ▪ INNOVATION ▪ EXPERIENCE

INDEPENDENT AUDITORS' REPORT

Board of Governors
Crittenton Community School
Franklin County
1418 East Broad Street
Columbus, Ohio 43205

We have audited the accompanying statements of net assets of the Crittenton Community School (the School) as of June 30, 2010 and 2009 and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 that our audits provide 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 School, as of June 30, 2010 and 2009, and the changes in its financial position and cash flows for the years 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 December 15, 2010 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

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

Schneider Downs & Co., Inc.

Columbus, Ohio
December 15, 2010

CRITTENTON COMMUNITY SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009

The discussion and analysis of the Crittenton Community School's (the School) financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

Using This Financial Report

This report consists of three parts: the MD&A, the basic financial statements and notes to those statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

Financial Highlights

- Total assets were $222,520. Capital assets, net, amounted to $88,290, intergovernmental receivable amounted to $81,540, while cash and cash equivalents amounted to $52,690.
- Liabilities totaled $96,432. Accrued wages and benefits amounted to $71,729 accounts payable and other liabilities amounted to $24,703.
- Operating revenues and expenses totaled $780,000 and $1,248,595, respectively. Non-operating revenues amounted to $483,405.

Statement of Net Assets

The statement of net assets answers the question, "How did we do financially during 2010?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term using the accrual basis of accounting and 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.

The following table provides a summary of the School's net assets for fiscal years 2010 and 2009:

Net Assets

	2010	2009
Assets		
Current assets	$ 134,230	$ 91,938
Capital assets, net	88,290	81,450
Total assets	222,520	173,388
Liabilities		
Current liabilities	96,432	62,110
Net Assets	126,088	111,278
Total Liability and Net Assets	$ 222,520	$ 173,388

Assets totaled $222,520. Equity in pooled cash and cash equivalents amounted to $52,690. Receivables amounted to $81,540. Capital assets, before depreciation, totaled $116,920. Current assets increased $42,292, which represents approximately a 46% increase from 2009. The increase is due to a higher receivable balance resulting from the 21st Century, School Improvement and American Recovery and Reinvestment Act (ARRA) grants. The current liabilities increased $34,322, which represents a 55% increase from 2009. The increase is due to higher personnel and other expenses resulting from the additional grants.

The following table shows the changes in net assets for the years ended June 30, 2010 and 2009, as well as a listing of revenues and expenses:

Changes in Net Assets

	2010	2009
Operating Revenues:		
Foundation payments	$ 524,097	$ 614,421
School contracts payments	231,597	256,995
Disadvantaged pupil impact aid	10,968	9,918
Donations	10,334	17,905
Other	3,004	-
Total Operating Revenues	780,000	899,239
Operating Expenses:		
Salaries	777,824	644,483
Fringe benefits	179,486	174,954
Purchased services	222,871	158,016
Materials and supplies	47,220	17,853
Depreciation	5,648	5,870
Other expenses	15,546	17,068
Total Operating expenses	1,248,595	1,018,244
Non-Operating Revenues and (Expenses):		
School grant subsidies	483,405	168,235
Total Non-Operating Revenues	483,405	168,235
Changes in Net Assets	14,810	49,230
Net Assets Beginning of Year	111,278	62,048
Net Assets End of Year	$ 126,088	$ 111,278

Net assets increased $14,810 from 2009. The increase in net assets is primarily due to the additional grant funding the School received for 2009-2010 school year. Donations decreased by $7,571 due to a reduction in charitable giving consistent with community-wide contributions. Salaries increased $133,341 due to an increase in certified staff (3 FT & 3 PT) funded by the various school improvement grants in addition to the 2% increase in staff wages.

Purchased services increased by $64,855 and Materials and Supplies were $29,367 more in 2010. The School had greater available resources in 2010 due to various school improvement grants. Because of this, the School was able to provide additional training for teachers and purchased needed materials for students.

The following table details the capital assets of the School as of June 30, 2010 and 2009:

Capital Assets

	2010	2009
Furniture and equipment, net	$ 18,480	$ 9,701
Leasehold improvements, net	69,810	71,749
	$ 88,290	$ 81,450

Current Financial Issues

The School began operations on July 1, 2002 and is currently located at 1418 East Broad Street, Columbus, Ohio 43205. The idea for this innovative school was formed through the board members of Directions For Youth & Families, an associated not-for-profit organization. The School was formed as a 501(c)(3) corporation with a governing board of nine members who are elected. The School enrolls "high-risk," underachieving middle school students, grades 6 through 9, who are at risk of dropping out of school due to behavioral/emotional issues. The School uses a personalized learning service model that begins with the creation of the students' Individualized Learning Plan. Certified teachers manage a caseload of no more than 5-8 students who have demonstrated, in other schools, an inability to cope with the demands of a classroom setting. The outreach elements of the School have grown out of research that tells us that a quality educational experience is most likely to occur if students, teachers and parents/guardians join together in meaningful collaborative relations.

Due to the intensive academic and emotional needs of the students, the low student-to-teacher ratio creates a financial challenge for the School. Community Schools receive no support from taxes, however, the school was awarded $280,404 in federal funds for Comprehensive Continuous Improvement and $200,000 for 21st Century School Improvement grant for the 2009-2010 school year.

Contacting the School's Financial Management

This financial report is designed to provide the reader with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information contact Teresa Fry, Fiscal Officer at Crittenton Community School, 1515 Indianola Avenue, Columbus, Ohio 43201, 614-294-2661 or e-mail at tfry@dfyf.org.

CRITTENTON COMMUNITY SCHOOL

STATEMENTS OF NET ASSETS

	June 30	
	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	$ 52,690	$ 71,283
Intergovernmental receivable	81,540	20,655
Total Current Assets	134,230	91,938
Capital Assets, Net of Accumulated Depreciation	88,290	81,450
Total Assets	$ 222,520	$ 173,388
CURRENT LIABILITIES		
Accounts payable	$ 22,692	$ 216
Accrued wages and related liabilities	56,940	43,309
Benefits payable	14,789	14,645
Intergovernmental payable	2,011	3,940
Total Current Liabilities	96,432	62,110
NET ASSETS		
Invested in capital assets	88,290	81,450
Unrestricted	37,798	29,828
Total Net Assets	126,088	111,278
Total Liabilities And Net Assets	$ 222,520	$ 173,388

See notes to financial statements.

CRITTENTON COMMUNITY SCHOOL

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	June 30	
	2010	2009
OPERATING REVENUES		
Foundation payments	$ 524,097	$ 614,421
Columbus public school payments	231,597	256,995
Disadvantaged pupil impact aid	10,968	9,918
Donations	10,334	17,905
Other operating revenue	3,004	-
Total Operating Revenue	780,000	899,239
OPERATING EXPENSES		
Salaries	777,824	644,483
Fringe benefits	179,486	174,954
Purchased services	222,871	158,016
Materials and supplies	47,220	17,853
Depreciation	5,648	5,870
Other operating expenses	15,546	17,068
Total Operating Expenses	1,248,595	1,018,244
Operating Loss	(468,595)	(119,005)
NON-OPERATING REVENUES		
School grant subsidies	483,405	168,235
Changes In Net Assets	14,810	49,230
NET ASSETS		
Beginning of year	111,278	62,048
End of year	$ 126,088	$ 111,278

See notes to financial statements.

CRITTENTON COMMUNITY SCHOOL

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from State of Ohio	$ 533,136	$ 626,220
Cash received from Columbus public schools	199,059	262,974
Other operating receipts	19,179	19,405
Cash payment to employees for services	(943,535)	(801,229)
Cash payments to suppliers for goods and services	(247,615)	(194,399)
Cash payments for other operating expenses	(15,546)	(17,068)
Net Cash Used In Operating Activities	(455,322)	(104,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(12,488)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
School grant subsidies received	449,217	168,235
Payments to related parties, net	-	(27,863)
Net Cash Provided By Financing Activities	449,217	140,372
Net (Decrease) Increase In Cash And Cash Equivalents	(18,593)	36,275
CASH AND CASH EQUIVALENTS		
Beginning of year	71,283	35,008
End of year	$ 52,690	$ 71,283
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$ (468,595)	$ (119,005)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Depreciation	5,648	5,870
Changes in Assets and Liabilities:		
Intergovernmental receivable	(26,697)	7,479
Accounts payable	22,476	(18,530)
Accrued wages and related liabilities	13,631	14,732
Benefits payable	144	3,476
Intergovernmental payable	(1,929)	1,881
Total Adjustments	13,273	14,908
Net Cash Used In Operating Activities	$ (455,322)	$ (104,097)

See notes to financial statements.

NOTE 1 - DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Crittenton Community School (the School) is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service that qualifies as an exempt organization under Section 501(c)(3) of 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 School's tax-exempt status. Specifically, the School's purpose is to be a model community school serving middle school students in the sixth (6^{th}) through ninth (9^{th}) grades. The School, which is part of the state's education program, is independent of any school district. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The creation of the School was initially proposed to the Ohio Department of Education by the developers of the School in January 2001. The Ohio Department of Education approved the proposal and entered into a contract with the developers, which provided for the commencement of School operations on August 26, 2002. The School operates under a nine-member Board of Governors (Board). 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. The Principal of the School, under the direction of the CEO, controls the School's one instructional facility staffed by 8 full-time certificated personnel, 18 part-time certificated personnel and the 4 non-certificated personnel (2 full-time and 2 part-time), who provided services to the approximately 98 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School 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 School 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 pronouncements and interpretations issued after November 30, 1989. The more significant of the School's accounting policies are described below:

Basis of Presentation - The School's basic financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows. Enterprise reporting focuses on the determination of the changes in net assets, financial position and cash flows.

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 statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

Basis of Accounting - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue from non-exchange transactions is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Budgetary Process - Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in the Ohio Revised Code Chapter 5705, unless specifically provided by the School's contract with its sponsor. The contract between the School and its sponsor, St. Aloysius, does not prescribe a budgetary process for the School; therefore, no budgetary information is presented in the financial statements.

Cash and Cash Equivalents - All monies received by the School are maintained in a single demand deposit account. Fund integrity is maintained through School records and the USAS accounting system. Total cash for the fund is presented as "cash and cash equivalents" on the accompanying statement of net assets.

Estimates - The preparation of the financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results might differ from these estimates.

Capital Assets - Capital assets are recorded at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School maintains a capitalization threshold of one thousand dollars ($1,000). The School did not capitalize any interest during the fiscal year. Improvements are capitalized while the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are expensed as incurred. Depreciation of furniture and equipment is computed using the straight-line method over the estimated useful life of the asset, using a half-year in the year of acquisition. Improvements to capital assets are depreciated over the remaining useful lives of the related fixed assets. Useful life ranges are from 5 to 40 years, depending on the asset.

Intergovernmental Revenue - The School currently participates in the State Foundation Program and the State Disadvantaged Pupil Impact Aid (DPIA) Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Grants and entitlements 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 in which the resources are required to be used or the fiscal year in which use is permitted, matching requirements, for which the School must provide local resources to be used for a specified purpose, and expenditure requirements, for which the resources are provided to the School on a reimbursement basis. Amounts awarded under the above-named programs totaled $535,065 and $624,339 for the years ended June 30, 2010 and 2009, respectively.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond the current fiscal year 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 expensed in the year in which services are consumed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets - Net assets represent the difference between assets and liabilities. Invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from primary activities. Operating expenses represent costs incurred to provide the goods or services to carry out the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

Reclassifications - Certain expenditures relating to state and federal grants in the June 30, 2009 financial statements have been reclassified to operating expenses to conform to the current year's presentation.

NOTE 3 - DEPOSITS

At fiscal year-end June 30, 2010, the carrying amount of the School's cash and cash equivalents was $52,690, and the bank balance was $46,820, the difference representing outstanding checks and deposits in transit. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2010, none of the bank balance was exposed to custodial risk as discussed below, because the entire balance was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the School will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School.

The School had no deposit policy for custodial risk beyond the requirements of the state statute. Ohio law requires that deposits be either insured or be 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 105% of the deposits being secured.

NOTE 4 - RELATED PARTY TRANSACTIONS

The School entered into a service agreement dated July 1, 2009 with Directions for Youth and Families Group, Inc., (Group) to provide them with strategic planning and executive managerial support services. Executive services provided by the Group include representing the School's interests with the Board of Governors, the community and various funding sources. Financial services include, but are not limited to, financial statement and budget preparation and accounts payable and payroll preparation. Executive services also include planning, property management and public relations. Total charges for fiscal years 2010 and 2009 amounted to $27,132 and $26,220, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

The agreement term is indefinite and shall continue until terminated by either party with 180 days' notice. The monthly fee amount was \$2,261 and \$2,185 for the years ended June 30, 2010 and 2009, respectively, and that fee is adjusted annually.

The School is a party to an operating lease agreement for office space with the Group. The lease expired June 30, 2010, but was renewed subsequent to year-end, for an additional year. The total rent expense in relation to this operating lease for each of the years ended June 30, 2010 and 2009 was approximately \$30,000.

Accounting principles generally accepted in the United States of America require that financial statements of entities controlled through a common board of trustees be consolidated. The School does not have a common board of trustees with the Group, and therefore, the financial statements of these organizations have not been consolidated; however, where control exists in connection with an agreement, the School is required to display summarized financial information of the related entity.

The summarized financial position of the Group as of June 30, 2010 and 2009 is as follows: total assets of \$7,202,531 and \$7,143,558; total liabilities of \$115,697 and \$394,398; and total net assets of \$7,086,834 and \$6,749,160, respectively. The total change in net assets for the years ended June 30, 2010 and 2009 was \$337,674 and \$1,373,500, respectively.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	Balance 6/30/09	Additions	Deductions	Balance 6/30/10
Capital Assets Being Depreciated:				
Furniture and equipment	$ 26,866	$ 12,488	-	$ 39,354
Leasehold improvements	77,566	-	-	77,566
Total capital assets being depreciated	104,432	12,488	-	116,920
Less Accumulated Depreciation:				
Furniture and equipment	17,165	3,709	-	20,874
Leasehold improvements	5,817	1,939	-	7,756
Total Accumulated Depreciation	22,982	5,648	-	28,630
Capital Assets, Net of Accumulated Depreciation	$ 81,450	$ 6,840	-	$ 88,290

NOTE 6 - RISK MANAGEMENT

Property and Liability - The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School maintains insurance coverage for rental/theft and general liability, in the amount of $1,000,000 and officers' liability in the amount of $3,000,000, which the Board of Governors believes to be adequate.

There were no significant changes in insurance coverage and the School's settlements did not exceed insurance coverage for each of the past three years.

Workers' Compensation - The School paid the State Workers' Compensation System a premium for employee injury coverage in fiscal year 2010. The premium is calculated by multiplying the monthly gross total payroll by a factor that is calculated by the state.

Employee, Medical, Dental and Vision Benefits - The School provided employee health insurance and dental insurance benefits to full-time certificated and non-certificated personnel during fiscal year 2010. Personnel contribute a portion of the cost of the benefit.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System - The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information.

The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio, 43215-3746, or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10% of their annual covered salary, and the School is required to contribute at an actuarially determined rate. The current School rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations, with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2009, the amount was 9.09% and for fiscal year 2008, the amount was 9.16%. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS's Retirement Board. The adequacy of the contribution rates is determined annually. The School's required contributions to SERS for the fiscal years ended June 30, 2010, 2009, and 2008, were $10,770, $8,804 and $7,239, respectively.

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

State Teachers Retirement System - The School contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio, 43215-3371, or by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Plan members are required to contribute 10% of their annual covered salary, and the School is required to contribute at an actuarially determined rate. The current School rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations, with the remainder being used to fund health care benefits. For fiscal years 2010, 2009 and 2008, 13% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The School's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2010, 2009, and 2008 were $82,314, $82,302 and $71,530, respectively.

NOTE 8 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System - The School participates in two cost sharing multiple employer defined benefit OPEB plans administered by SERS for noncertified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and obligations to contribute are established by the System based on authority granted by State statute.

State stature permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund.

The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46% of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was $0.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School's contributions for health care for the fiscal years ended June 30, 2010 and 2009 were $438 and $351, respectively.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76% of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2010 and 2009 were $724 and $580, respectively

State Teachers Retirement System - The School contributions to the cost sharing multiple employer defined benefit Health Plan administered by STRS for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Benefits include hospitalization and physicians' fees prescription drugs and reimbursement of monthly Medicare Part B premiums.

Ohio law authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were $6,275, $5,879 and $5,109, respectively.

NOTE 9 - OTHER EMPLOYEE BENEFITS

Compensated Absences - The criteria for determining vacation and sick leave components are derived from School policy and state laws. All employees are at-will employees and do not have contracts as employees in traditional school districts. Salaried employees accrue sick time of 15 days per calendar year. Hourly rate employees do not accrue leave and are paid based upon hours worked only. Upon separation of service, sick and vacation time is not paid.

NOTE 10 - CONTINGENCIES

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 is 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, 2010.

NOTE 11 - PURCHASED SERVICES

Purchased services for the fiscal years ended June 30, were as follows:

	2010	2009
Service agreement fees	$ 160,223	$ 93,335
Audit fees	9,000	9,000
Sponsorship fee	10,663	12,524
Data center	12,385	13,157
Building lease	30,600	30,000
	$ 222,871	$ 158,016

NOTE 12 - FULL-TIME EQUIVALENCY

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure that the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. As a result of the fiscal year ended June 30, 2010 reconciliation, it was determined that the School received overpayments for 2010 of $2,011, which is recorded as a liability. The amount of the overpayment is deducted from subsequent state foundation payments.

SUPPLEMENTARY FINANCIAL INFORMATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Governors
Crittenton Community School
Franklin County
1418 East Broad Street
Columbus, Ohio 43205

We have audited the accompanying basic financial statements of Crittenton Community School (the School), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010. 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 *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

This report is intended for the information and use of the management, the Board of Governors and the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Downs & Co., Inc.

Columbus, Ohio
December 15, 2010

CRITTENTON COMMUNITY SCHOOL
Columbus, Ohio

Independent Accountants' Report on Applying Agreed-Upon Procedures

For the year ended June 30, 2010

SCHNEIDER DOWNS

INSIGHT • INNOVATION • EXPERIENCE

December 10, 2010

Board of Governors
Crittenton Community School
1418 East Broad Street
Columbus, Ohio 43205

Ohio Rev. Code Section 117.53 states, "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Crittenton Community School (the School) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and our findings are as follows:

1) Determine whether the Board adopted an anti-harassment policy:

   Determined that the Board adopted an anti-harassment policy on February 27, 2008 and updated the policy on December 16, 2009.

2) Obtain and review the policy to determine whether it meets the following requirements from Ohio Rev. Code Section 3313.666(B):

   a) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at a school-sponsored event;

      With respect to procedure 2a, no exceptions were noted.

   b) A definition of harassment, intimidation, or bullying that shall include the definition in division (A) of Ohio Rev. Code Section 3313.666:

      With respect to procedure 2b, no exceptions were noted.

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c) A procedure for reporting prohibited incidents;

With respect to procedure 2c, no exceptions were noted.

d) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

With respect to procedure 2d, no exceptions were noted.

e) A requirement that parents or guardians of any student involved in a prohibited incident be notified and to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

With respect to procedure 2e, no exceptions were noted.

f) A procedure for documenting any prohibited incident that is reported;

With respect to procedure 2f, no exceptions were noted.

g) A procedure for responding to and investigating any reported incident;

With respect to procedure 2g, no exceptions were noted.

h) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

With respect to procedure 2h, no exceptions were noted.

i) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

With respect to procedure 2i, no exceptions were noted.

j) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q as amended.

With respect to procedure 2j, no exceptions were noted.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above, and is not intended to be and should not be used by anyone other than those specified parties.

Schneider Downs & Co., Inc.

Columbus, Ohio
December 15, 2010

CRITTENTON COMMUNITY SCHOOL

FRANKLIN 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
MARCH 8, 2011