THE ISUS INSTITUTE OF CONSTRUCTION TECHNOLOGY

Financial Statements

June 30, 2010

(with Independent Auditors' Report)

CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

Dave Yost · Auditor of State

Board of Governance
ISUS Institute of Construction Technology
140 North Keowee Street
Dayton, Ohio 45402

We have reviewed the *Independent Auditors' Report* of the ISUS Institute of Construction Technology, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., 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 ISUS Institute of Construction Technology is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

February 3, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Governance
The ISUS Institute of Construction Technology
Dayton, Ohio

We have audited the accompanying financial statement of The ISUS Institute of Construction Technology (the School), as of and for the year ended June 30, 2010, as listed in the table of contents. 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 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 ISUS Institute of Construction Technology, as of June 30, 2010, and the changes in financial position and cash flows thereof 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 December 29, 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, and 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 audit.

The management's discussion and analysis on pages 3 through 6 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2010

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2010

The discussion and analysis of The ISUS Institute of Construction Technology (The School) financial performance provides an overall review of the financial activities for the period 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 the notes to the basic financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for the period ended June 2010 are as follows:

- Total assets decreased by $521,932 which represents a 48 percent decrease from the period ended June 2009. The decrease resulted primarily from a $107,548 decrease in due from related parties a $357,496 decrease in accounts and intergovernmental receivables and a $58,517 decrease in capital assets net of accumulated depreciation.

- Total liabilities decreased by $354,338 which represents a 56 percent decrease from the period ended June 2009. The decrease resulted primarily from $306,049 due to related parties, $21,525 decrease in accounts payable, $39,583 decrease in accrued wages and benefits payable, $9,880 decrease in compensated absences, $19,056 decrease in non-current liabilities, offset by $43,428 increase in intergovernmental payable.

- The operating loss reported for the period ended June 2010 of $1,394,699 was $1,664,327 less than the operating loss reported for the period ended June 2009 of $3,059,026.

Using this Financial Report

This financial report contains the basic financial statements of the School, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a balance sheet, income statement, and a statement of cash flows. As the School 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.

Balance Sheet

The balance sheet answers the question, "How did we do financially during the period?" 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 School's net assets, however, in evaluating the overall position and financial viability of the School, non-financial information such as the condition of the School building and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated.

Table 1 provides a summary of the School's balance sheet for the period ended June 2010 compared with the period ended June 2009.

Table 1
Statements of Net Assets

		2010	Restated 2009
Assets			
Current and other assets	$	428,539	891,954
Capital assets, net		145,368	203,885
Total assets		573,907	1,095,839
Liabilities:			
Current liabilities		227,646	562,928
Non-current liabilities		53,118	72,174
Total liabilities		280,764	635,102
Net assets:			
Invested in capital assets		73,199	113,451
Unrestricted		219,944	347,286
Total net assets	$	293,143	460,737

Total net assets of the School decreased by $167,594.

The decrease of $463,415 in current assets resulted from $107,548 decrease in due from related parties, $357,496 decrease in accounts receivable and intergovernmental receivables and $11,657 decrease in prepaid items. The decrease was offset by an increase in cash and cash equivalents of $13,286.

Capital assets net of accumulated depreciation decreased by $58,517 due to current year depreciation.

The decrease of $335,282 in current liabilities resulted from a $306,049 decrease in due to related parties, $21,525 decrease in accounts payable, $39,583 decrease in accrued wages and benefits payable, $9,880 decrease in compensated absences, $19,056 decrease in non-current liabilities, offset by $43,428 increase in intergovernmental payable.

Non-current liabilities decreased by $19,056 due to the capital lease payments on the copier.

Table 2 shows a summary of revenues and expenditures compared for the period ended June 2010 and June 2009.

Table 2
Changes in Net Assets

		2010	2009
Operating revenues:			
Foundation payments	$	623,612	1,222,397
Charge for services		723,926	759,380
Other		2,033	3,568
Non-operating revenues			
State and Federal grants		328,578	388,541
Contributions		72	-
Other grants		518,799	675,426
ISUS (on behalf) revenue		382,959	1,397,666
Total revenues		2,579,979	4,446,978
Operating expenses:			
Salaries		1,520,314	2,010,318
Fringe benefits		413,114	551,381
Purchased services		652,441	1,483,742
Materials and supplies		25,017	60,742
Depreciation		58,517	66,908
Other expenses		74,867	871,280
Non-operating expenses			
Interest expense		3,303	1,705
Change in net assets		(167,594)	(599,098)
Net assets, beginning of year		460,737	1,059,835
Net assets, end of year	$	293,143	460,737

Operating revenues decreased by $635,774 as compared to the period ended June 2009. The decrease was due to a decrease in Foundation payments of $598,785 due to the decrease in student FTE's and a decrease in charges for services of $35,454 due to a decrease in billings for administrative services to the other ISUS Institutes and the Corporation.

Non operating revenues decreased by $1,231,225 as compared to the period ended June 2009. Other grants decreased $156,627 due to a reduction in grant funding from the county. On behalf payments decreased $1,014,707 due to ISUS Corporation forgiving a portion of the amount it was due in fiscal year 2009.

Total expenses reported for the period ended June 2010 were $2,300,101 less than the total expenses reported for the period ended June 2009. Salaries and Fringe benefits decreased $628,271 due to staff reductions. Purchased services decreased by $831,301 due to a $250,416 decrease in rent and a $607,840 decrease in contract labor. Other expenses decreased by $796,413 due to the write off of uncollectible amounts due from related parties in fiscal year 2009 in the amount of $740,209, and a $49,191 decrease in sponsorship fess and student transportation.

Capital Assets

For the period ended June 2010, total capital assets of the School were $518,267 off-set by $372,899 in accumulated depreciation resulted in net capital assets of $145,368. Table 3 shows the categories of capital assets maintained by the School, net of accumulated depreciation, for the period ended June 2010 and 2009.

Table 3
Capital Assets, net of depreciation

		2010	2009
Equipment	$	495,499	495,499
Leasehold improvements		22,768	22,768
		518,267	518,267
Less: accumulated depreciation		372,899	314,382
Totals	$	145,368	203,885

The decrease of $58,517 in capital assets is due to current year depreciation. See note 13 to the financial statements for additional information on capital assets.

Debt

At June 30, 2010, the School had no debt obligations other than the capital lease obligation disclosed in note 12.

Contacting the School

This financial report is designed to provide a general overview of the finances of The ISUS Institute of Construction Technology and to show The School’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: The ISUS Institute of Construction Technology, 140 N. Keowee St., Dayton, OH 45402.

THE ISUS INSTITUTE OF CONSTRUCTION TECHNOLOGY
Statement of Net Assets
June 30, 2010

Assets		
Current assets:		
Cash and cash equivalents	$	22,169
Accounts receivable		111,387
Intergovernmental receivable		24,369
Due from related parties		98,911
Prepaid items		171,703
Total current assets		428,539
Non-current assets, net of accumulated depreciation:		
Equipment		126,523
Leasehold improvements		18,845
Total non-current assets		145,368
Total assets	$	573,907
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$	18,100
Intergovernmental payable		50,857
Due to related parties		30,041
Accrued wages and benefits payable		52,756
Compensated absences payable		56,718
Capital lease, current portion		19,051
Accrued liabilities, other		123
Total current liabilities		227,646
Non-current liabilities:		
Capital lease, long term portion		53,118
Total liabilities		280,764
Net assets:		
Investment in capital assets		73,199
Unrestricted		219,944
Total net assets		293,143
Total liabilities and net assets	$	573,907

See accompanying notes to the financial statements.

THE ISUS INSTITUTE OF CONSTRUCTION TECHNOLOGY
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2010

Operating revenues:		
Foundation payments	$	623,612
Charges for services		723,926
Miscellaneous		2,033
Total operating revenues		1,349,571
Operating expenses:		
Salaries		1,520,314
Fringe benefits		413,114
Purchased services		652,441
Materials and supplies		25,017
Depreciation		58,517
Other operating expenses		74,867
Total operating expenses		2,744,270
Operating loss		(1,394,699)
Non-operating revenues (expenses):		
Federal grants		325,578
State grants		3,000
Other grants		518,799
Contributions		72
Interest expense		(3,303)
ISUS (on behalf) revenue		382,959
Total non-operating revenues (expenses)		1,227,105
Change in net assets		(167,594)
Net assets, beginning of the year		460,737
Net assets, end of year	$	293,143

See accompanying notes to the financial statements.

Cash flows from operating activities:	
Cash received from foundation payments	$ 663,462
Cash received from charges for services	1,179,524
Cash received by miscellaneous sources	2,033
Cash used for employees for services	(1,971,234)
Cash used for suppliers for goods and services	(1,083,711)
Net cash used for operating activities	(1,209,926)
Cash flow from noncapital financing activities:	
Cash received from related parties	382,959
Cash received from federal, state, private, and local grants	861,749
Cash received from contributions	72
Net cash provided by noncapital financing activities	1,244,780
Cash flow from capital and related financing activities:	
Cash used for capital lease obligation	(18,265)
Cash used for interest payments	(3,303)
Net cash used for capital and related financing activities	(21,568)
Net increase in cash and cash equivalents	13,286
Cash and cash equivalents at the beginning of the year	8,883
Cash and cash equivalents at the end of the year	$ 22,169

(continued)

See accompanying notes to the financial statements.

Cash flow from operating activities:		
Operating loss	$	(1,394,699)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation		58,517
Change in assets and liabilities		
Accounts receivable		279,613
Intergovernmental receivable		63,511
Due from related parties		107,548
Prepaids items		11,657
Accounts payable		(21,525)
Intergovernmental payable		43,428
Due to related parties		(306,049)
Accrued wages and benefits payable		(39,583)
Accrued compensated absences payable		(9,880)
Other liabilities		(2,464)
Net cash used for operating activities	$	(1,209,926)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the ISUS Institute of Construction Technology are set forth to facilitate the understanding of data presented in the financial statements.

Description of organization

The ISUS Institute of Construction Technology (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 as an organization operated exclusively for educational purposes. The School is exempt 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 mission of the School is to advance youth through a program of academic education, employment training, personal and leadership development, and service learning. Students will graduate with the knowledge, skills and attitudes required for employment in the building trades industry. The School is a degree granting high school and serves students from age sixteen through twenty-one.

The School, which is part of the State's education program, is independent of any school district. It 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, the sponsor, by the developers of the School in April 1999. The Ohio Department of Education approved the proposal and entered into a contract with the developers effective July 1, 1999. The first school year, for students, began on September 15, 1999.

The school operates under a five member Board of Governance. The Board is ultimately 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 Board controls the School's one instructional facility that was staffed by 18 certificated counseling and teaching personnel, and 14 non-certificated administrative staff. Approximately one hundred and forty-five (145) students were served during the 2009-2010 school year.

The School is associated with five organizations which are defined as related organizations. These organizations are the Improved Solutions for Urban Systems, Inc. (ISUS), ISUS Trade and Technology Community School of Columbus, ISUS Trade and Technology Community School of Springfield, The ISUS Institute of Health Care, and The ISUS Institute of Manufacturing. These organizations are presented in Note 14 to the financial statements.

Financial statement presentation

The financial statements of the School 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 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 the provisions for the Statements and Interpretations of the Financial Accounting

Standards Board issued after November 30, 1989. The more significant of the School's accounting policies are described below.

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

Measurement focus and basis of accounting
The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net assets. The difference between total assets and liabilities is defined as net assets. Net assets are segregated into three categories: 1) net assets invested in capital assets, 2) restricted net assets and 3) unrestricted net assets. The statement of revenues, expenses and changes in net assets present increases (i.e. revenues) and decreases (i.e. expenses) in net total 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.

Budgetary process
The School must adopt a spending plan as set forth in the Ohio Revised Code 5705.391, which requires annual appropriations and annual revenue estimates.

Cash and cash equivalents
The School's fiscal officer accounts for all monies received by the School. All monies are maintained in a demand deposit account. To improve cash management, all cash received from the State of Ohio is electronically transferred into an account. The School had no investments during the period.

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.

Capital assets and depreciation
Capital assets and improvements with an estimated historical cost or cost of more than $1,000 are capitalized and updated for additions and retirements during the year. The costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are expensed.

Depreciation is computed using the straight-line method over an estimated useful life of the asset which is 5 years for equipment and 40 years for leasehold improvements.

Intergovernmental revenues
The School participates in the State Foundation Program. Revenues received from these programs are recognized as operating revenues (State Foundation) 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.

Compensated Absences
Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School will compensate the employees for the benefits through paid time off or some other means. The School records a liability for accumulated unused vacation and compensatory time when earned for all employees.

The School does not record a liability for sick leave benefits because its policy is not to pay out accumulated sick leave balances upon termination of employment.

Accrued liabilities, other
Obligations incurred but unbilled prior to June 30, 2010, are reported as accrued liabilities in the accompanying financial statements.

Exchange and non-exchange transactions
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.

Non exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 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 School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

2. CASH AND 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 June 30, 2010, all of the School's bank balance was covered within the federal deposit insurance limit. The balance in excess of the federal deposit insurance limit was covered by pooled investments held by the bank where the funds were held during the year.

The School has no deposit policy for custodial risk beyond the requirements of 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 one hundred five percent of the deposits being secured.

3. RECEIVABLES:

Accounts receivable

Accounts Receivable at June 30, 2010 includes $109,779 due from Sinclair Community College for the Prevention, Retention and Contingency funds grant. These receivables are considered collectible in full, due to the stable condition of State programs.

Due from related parties

Due from related parties at June 30, 2010 include amounts due the School from The ISUS Institute of Manufacturing, The ISUS Institute of Health Care and ISUS Inc., for state, federal, and other sources received by these related parties that are passed through to the School. These amounts are considered collectible in full, due to the stable condition of the related parties.

Due from related parties at June 30, 2010 consisted of the following:

Institute of Health Care	$	2,699
Institute of Manufacturing		31,175
ISUS, Inc.		65,037
Total due from related parties	$	98,911

Intergovernmental receivable

Intergovernmental receivable at June 30, 2010 consisted of the following:

Ohio Department of Education	$	18,471
School Lunch		5,898
Total intergovernmental receivable	$	24,369

4. 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. For the period ended June 30, 2010, the School contracted with the Cincinnati Insurance Company for property and general liability insurance.

The School leased a facility on which they were named insured's with ISUS Inc., with coverage provided by The Cincinnati Insurance Company. Coverage included personal property $1,689,500; employee dishonesty $300,000; and general liability $1,000,000 with an aggregate limit of $2,000,000.

Worker's compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying annual gross payroll by a factor calculated by the State.

Employee, medical, dental, and vision benefits

The School, through a contract held by ISUS, Inc., provides employee dental, life, vision, and medical and surgical benefits. The School pays 80% of the monthly premium and the employee is responsible for the remaining 20%, except for dental insurance which is split 50/50 by the School and employee. Insurance premiums vary by employee depending upon such factors as age, gender, and number of covered dependents.

5. DEFINED PENSION BENEFITS PLANS:

A. State Teachers Retirement System

Plan Description - The School participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting STRS Ohio web-site 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 DC 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 allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. 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 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.

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations 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 employer contributions.

The School’s required contributions to STRS Ohio for the fiscal year ended June 30, 2010, 2009 and 2008 were $97,353, $119,765 and $106,765, respectively; equal to required contributions for each year.

B. School Employee Retirement System

The School contributes to the School Employees Retirement System (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 State Statue Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (800) 878-5853. It is also posted on SERS's website, www.ohsers.org, under Employers/Audit Resources.

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent 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 percent of annual covered salary was the portion used to fund pension and death obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were $103,709, $129,229 and $160,544 respectively; which equaled the required contributions for each year.

6. POST-EMPLOYMENT BENEFITS:

The School provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Interested parties may obtain additional information regarding benefits provided by each system by obtaining the respective *Comprehensive Annual Financial Report* by following the directions noted in Note 5 above.

A. State Teachers Retirement System

Plan Description – The School contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio 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 Ohio. Active employee 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 Ohio allocated employer contributions equal to 1 percent 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 $6,954, $9,188, and $7,626, respectively; 100 percent has been contributed for all years.

B. School Employee Retirement System

Plan Description – The School participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated 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 the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute 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 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, 0.46 percent 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 $35,800.

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 the years ended June 30, 2010, 2009 and 2008 were $5,630, $38,399 and $47,934, respectively; 100 percent has been contributed for all fiscal years.

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 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were $3,408, $6,923 and $7,569, respectively.

7. OTHER EMPLOYEE BENEFITS-COMPENSATED ABSENCES:

The criteria for determining vacation and sick leave components are derived from School policy and State laws. Full-time employees earn 2 days of vacation after 90 day of employment and 7 days on the employee's annual employment anniversary. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers, administrators, and employees earn sick leave at the rate of three hours per pay period, accruable to 80 hours. Sick leave in excess of 80 hours is reimbursed on a quarterly basis.

8. 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 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, 2010.

State Funding

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full-time 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 review of fiscal year 2010 reconciliation revealed an overpayment of state funding to the School of $44,776 for the year. This amount has been included as a component of intergovernmental payable within these financial statements.

9. RELATED PARTY TRANSACTIONS:

Due to related parties

Included in due to related parties balance is $692 and $3,004 due to The ISUS Institute of Manufacturing and The ISUS Institute of Health Care, respectively, for reimbursement of administrative employees' payroll and pass through of grant funds. Also, included in the due to related parties is $26,345 due to ISUS Inc. for reimbursement of administrative employees' payroll, office supplies, and lease payments.

Improved Solutions for Urban Systems, Inc. (ISUS)

Improved Solutions for Urban Systems, Inc. (ISUS) is a not-for-profit corporation in the State of Ohio, operated under the direction of a different Board of Governance. The School paid $631,062 for administrative services to this organization during fiscal year 2010. At June 30, 2010, the School was due $65,037 from the organization and owed the organization $26,345. To obtain financial information, write to Improved Solutions for Urban Systems, Inc. (ISUS), David Bridge, Accountant, at 140 North Keowee Street, Dayton, OH 45402.

The ISUS Institute of Manufacturing

The ISUS Institute of Manufacturing is a not-for-profit corporation in the State of Ohio, operated under the direction of the same Board of Governance as this School. The School paid $233,996 for administrative services to this organization during fiscal year 2010. At June 30, 2010, the School was due $31,175 from the organization and owed the organization $692. To obtain financial information, write to The ISUS Institute of Construction Technology, David Bridge, Accountant, at 140 North Keowee Street, Dayton, OH 45402.

The ISUS Institute of Health Care

The ISUS Institute of Health Care is a not-for-profit corporation in the State of Ohio, operated under the direction of the same Board of Governance as this School. The School paid $235,437 for administrative services to this organization during fiscal year 2010. At June 30, 2010, the School was due $2,699 from the organization and owed the organization $3,004. To obtain financial information, write to The ISUS Institute of Construction Technology, David Bridge, Accountant, at 140 North Keowee Street, Dayton, OH 45402

10. PURCHASED SERVICES:

For the fiscal year 2010, purchased services expenses were payments for services rendered by various vendors for the following:

Professional/Technical Services	$	52,706
Contracted Craft/Trade Services		206,890
Administrative		392,845
Total purchased services	$	652,441

11. OPERATING LEASE:

During fiscal year 2010, the School leased a building and office facility under an operating lease agreement ending June 30, 2010 from ISUS, Inc. Total lease payments were $152,975 for the year ended June 30, 2010, which includes utilities, telephone service, and janitorial service. The basis for determining the payment was the square footage occupied by the School. The lease arrangement states it will automatically renew for four successive one year periods, absent an action by either of the parties to terminate the lease.

12. CAPITAL LEASE:

The School has entered a capital lease for copiers. The lease extends through January, 2013.

Future minimum lease payments are as follows:

2011	$	21,750
2012		21,750
2013		21,750
2013		12,688
		77,938
Less amount representing interest		5,764
Present value of minimum lease payments	$	72,174
Current maturities	$	19,051
Noncurrent maturities		53,123
	$	72,174

The amount capitalized under lease agreement at June 30, 2010 was $98,163 and the related accumulated depreciation with respect to these assets was $28,836. Amortization expense has been included with depreciation expense for financial reporting purposes.

	Balance 06/30/09	Additions	Reductions	Balance 06/30/10	Due Within One Year
Capital lease	$ 90,434	-	18,265	72,169	19,051

13. CAPITAL ASSETS:

A summary of the capital assets at June 30, 2010 follows:

	Balance 06/30/09	Additions	Reductions	Balance 06/30/10
Capital assets, being depreciated:				
Furniture and equipment	$ 495,499	-	-	495,499
Less: accumulated depreciation	(311,028)	(57,948)	-	(368,976)
Leasehold improvements	22,768	-	-	22,768
Less: accumulated depreciation	(3,354)	(569)	-	(3,923)
Capital assets, net	$ 203,885	(58,517)	-	145,368

14. RELATED ORGANIZATIONS:

ISUS Trade and Technology Community School of Columbus and the ISUS Trade and Technology Community School of Springfield are community schools in the State of Ohio, operated under the direction of the same Board of Governance that operates the School. The abovementioned schools are in the start-up phase of the community school process. The School provides administrative services to the abovementioned community schools. To obtain financial information, write to The ISUS

Institute of Construction Technology, Montgomery County, David Bridge, Accountant, at 140 North Keowee Street, Dayton, Ohio 45402.

The ISUS Institute of Manufacturing is a community school in the State of Ohio, operated under the direction of the same Board of Governance that operates the School. The School provides administrative services to the abovementioned community school with an amount due, as of June 30, 2010, to the School as defined in Note 9. The School paid $233,996 for administrative services to this organization during fiscal year 2010. To obtain financial information, write to The ISUS Institute of Construction Technology, Montgomery County, David Bridge, Accountant, at 140 North Keowee Street, Dayton, Ohio 45402.

The ISUS Institute of Health Care is a community school in the State of Ohio, operated under the direction of the same Board of Governance that operates the School. The School provides administrative services to the abovementioned community school with an amount due, as of June 30, 2010, to the School as defined in Note 9. The School paid $235,437 for administrative services to this organization during fiscal year 2010. To obtain financial information, write to The ISUS Institute of Construction Technology, Montgomery County, David Bridge, Accountant, at 140 North Keowee Street, Dayton, Ohio 45402.

Improved Solutions for Urban Systems, Inc. (ISUS) is a not-for-profit corporation in the State of Ohio, operated under the direction of a different Board of Governance. The School paid $631,062 for administrative services to this organization during fiscal year 2010. To obtain financial information, write to Improved Solutions for Urban Systems, Inc. (ISUS), David Bridge, Accountant, at 140 North Keowee Street, Dayton, Ohio 45402.

15. INTERGOVERNMENTAL PAYABLE:

Intergovernmental payables at June 30, 2010 consisted of the following:

Montgomery County Juvenile Center	$	840
Ohio Department of Education		44,776
School Employees Retirement System		5,241
Total intergovermental payable	$	50,857

16. DUE TO RELATED PARTIES:

Due to related parties at June 30, 2010 consisted of the following:

ISUS, Inc.	$	26,345
Institute of Manufacturing		692
Institute of Health Care		3,004
Total due to related parties	$	30,041

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number		Receipts	Grant Expenditures
United States Department of Health and Human Services					
Passed through Ohio Department of Education					
CSBG Community Economic Development	93.570	90EE0798	$	39,709	39,709
United States Department of Agriculture					
Passed through Ohio Department of Education					
Nutrition Cluster:					
School Breakfast Program	10.553	08PU-2009		9,141	9,141
National School Lunch Program	10.555	LLP8-2009		26,482	26,482
Total United States Department of Agriculture - Nutrition Cluster				35,623	35,623
United States Department of Education					
Passed through Ohio Department of Education:					
Title I Grants to Local Education Agencies	84.010	C1S1-09		76,854	76,854
Title I School Improvement	84.010	C1S1-09		17,157	17,157
ARRA - Title I	84.389			45,484	45,484
Total Title I cluster				139,495	139,495
Special Education Grants to States	84.027	6BSF-09		48,254	48,254
ARRA - Special Education Grants to States	84.391			34,599	34,599
Total Special Education cluster				82,853	82,853
Improving Teacher Quality State Grants	84.367	TRS1-09		27,327	27,327
Safe and Drug Free Schools	84.186	DRS1-09		1,863	1,863
Education Technology State Grants	84.318	TJS1-08		1,791	1,791
ARRA - State Fiscal Stabilization Funds	84.394			42,410	42,410
Total United States Department of Education				295,739	295,739
Federal Communications Commission					
Passed through the Universal Service Administrative Company					
E-Rate	32.001			36,626	1,650
United States Department of Labor					
Passed Through From ISUS Corp.					
ARRA - Green Capacity Building Grant	17.275	GJ-19806-10-60-A-39		10,838	10,838
YouthBuild Grants	17.274	YB-16921-08-60-A-39		310,423	310,423
				321,261	321,261
Total Federal Financial Assistance			$	728,958	693,982

See accompanying notes to Schedule of Expenditures of Federal Awards.

1. SIGNIFICANT ACCOUNTING POLICIES:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the School's federal award programs. The Schedule has been prepared in conformity with accounting principles generally accepted in the United States of America.

Note - $360,970 of the federal awards receipts are included in the School's (on behalf) revenue line item on the Statement of Revenues, Expenses and Changes in Net Assets.

2. MATCHING REQUIREMENTS:

Certain Federal programs require that the School contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School complied with these matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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 Governance
The ISUS Institute of Construction Technology
Dayton, Ohio

We have audited the financial statements of The ISUS Institute of Construction Technology as of and for the year ended June 30, 2010, and have issued our report thereon dated December 29, 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 ISUS Institute of Construction Technology'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 ISUS Institute of Construction Technology's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The ISUS Institute of Construction Technology'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School'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 ISUS Institute of Construction Technology'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*.

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This report is intended solely for the information and use of the Board of Governance, management, others within the School and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2010

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Governance
The ISUS Institute of Construction Technology
Dayton, Ohio

Compliance

We have audited The ISUS Institute of Construction Technology's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The ISUS Institute of Construction Technology's major federal programs for the year ended June 30, 2010. The ISUS Institute of Construction Technology's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The ISUS Institute of Construction Technology's management. Our responsibility is to express an opinion on The ISUS Institute of Construction Technology's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The ISUS Institute of Construction Technology's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The ISUS Institute of Construction Technology's compliance with those requirements.

In our opinion, The ISUS Institute of Construction Technology complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of The ISUS Institute of Construction Technology is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The ISUS Institute of Construction Technology's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The ISUS Institute of Construction Technology's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Board of Governance, others within the School and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2010

June 30, 2010

1. Summary of Auditors' Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses conditions reported at the financial statement level (GAGAS)?	None Noted
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	None Noted
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	None Noted
(d)(1)(iv)	Were there any material weaknesses reported for major federal programs?	None Noted
(d)(1)(iv)	Were there any significant deficiencies reported for major federal programs?	None Noted
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	None Noted
(d)(1)(vii)	Major Programs (list):	- YouthBuild CFDA 17.274; - Title I Cluster CFDA 84.010/84.389
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None Noted

3. Findings and Questioned Costs for Federal Awards

None Noted

THE ISUS INSTITUTE OF CONSTRUCTION TECHNOLOGY
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .315(b)

June 30, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; **Explain**:
N/A	None	N/A	N/A

No prior findings and questioned costs.

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At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success

INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The ISUS Institute of Construction Technology
Montgomery County
140 North Keowee Street
Dayton, Ohio 45402

To the Board of Governance:

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 The ISUS Institute of Construction Technology has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. 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.

1. We noted the Board adopted an anti-harassment policy at its meeting on January 10, 2008 and subsequently adopted a revised policy on December 2, 2010 to require a semi-annual report on incidents of harassment, discrimination, intimidation and/or bullying will be made to the ISUS Board of Directors by the Superintendent with information posted on the ISUS website as required by law.

2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B), except for the reporting requirements in procedure #10 described below:

   (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;

   (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;

   (3) A procedure for reporting prohibited incidents;

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

(5) 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;

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

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

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

(9) 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;

(10) 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 – as of December 29, 2010. As per discussion with the School Superintendent and review of Board of Directors minutes, The ISUS Institute of Construction Technology did not have any reported incidents as of December 29, 2010. The ISUS Institute of Construction Technology's website is currently under construction, therefore, a summary has not been posted on the web site.

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 Board and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2010

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Dave Yost • Auditor of State

ISUS INSTITUTE OF CONSTRUCTION TECHNOLOGY

MONTGOMERY 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 15, 2011

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