



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2012
Fiscal Year Audited Under GAGAS: 2012



Dave Yost • Auditor of State

Board of Trustees
Horizon Science Academy Dayton High School
250 Shoup Mill Road
Dayton, Ohio 45415

We have reviewed the *Independent Auditor's Report* of the Horizon Science Academy Dayton High School, Montgomery County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2011 through June 30, 2012. 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 Horizon Science Academy Dayton High School is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 27, 2013

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HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
YEAR ENDED JUNE 30, 2012

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Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report

Members of the Board
Horizon Science Academy Dayton High School
Montgomery County
250 Shoup Mill Road
Dayton, Ohio 45415

We have audited the accompanying financial statements of the business-type activities of the Horizon Science Academy Dayton High School, Montgomery County, Ohio, (the School), as of and for the year ended June 30, 2012, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Horizon Science Academy Dayton High School, Montgomery County, Ohio, as of June 30, 2012, and the change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. The report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements taken as a whole. The Schedule of Federal Awards Receipts and Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Federal Awards Receipts and Expenditures is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Balestra, Harr & Scherer, CPAs
Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2012

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

The discussion and analysis of Horizon Science Academy Dayton High School's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30 2012. Readers should also review the financial statements and notes to enhance their understanding of the School's financial performance.

Financial Highlights:

Key financial highlights for fiscal year 2012 are as follows:

- Total net assets increased by \$16,048 from \$108,771 to \$124,819
- The School had total operating revenues of \$1,753,934
- The School had total operating expenses of \$2,776,317
- The current liabilities increased by \$107,988
- The School received Federal and State Grants total of \$723,197

In its third year of operation, the School recorded a net gain of \$16,048. Throughout the year the School maintained its enrollment around 240 students which was 10 students less than the previous year's enrollment. In the fiscal year, the School also received its second phase of Public Charter School Program (PCSP) Start-up grant in the sum of \$195,000. The School used \$103,714 of the grant budget to purchase capital assets such as school furniture and electronic equipment. The School also received a waiver from its management company for the \$200,891 of management fees that were incurred during the year. The School also received \$116,291 of contributions from its landlord, New Plan Learning, which is a non-profit company, established to provide facility acquisition and development services to community schools.

Using this Financial Report:

This annual report consists of three parts; Management's Discussion and Analysis, the Financial Statements and the Notes to the Financial Statements. The Financial Statements part includes a *Statement of Net Assets*, a *Statement of Revenues, Expenses and Change in Net Assets* and a *Statement of Cash Flows*.

These statements report the School's *net assets* and changes to those assets. This change is important because it tells the reader whether the *financial position* of the School has improved or diminished during the fiscal year. The cause of this change may be result of many factors, some financial, some not. Non-financial factors include the School's student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, required educational programs and other factors.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

The *Statement of Net Assets and Statement of Revenues, Expenses and Change in Net Assets* reflect how the School performed financially during the fiscal year. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting method used by most private-sector companies. This basis of accounting includes all the current year revenues and expenses regardless of when cash is received or paid. These statements can be found on pages 7 and 8 of this report. The *Statement of Cash Flows* provides information about how the School financed and met the cash flow needs for its operations during the fiscal year. The School uses enterprise presentation for all its activities. The *Statement of Cash Flows* can be found on pages 9 and 10 of this report.

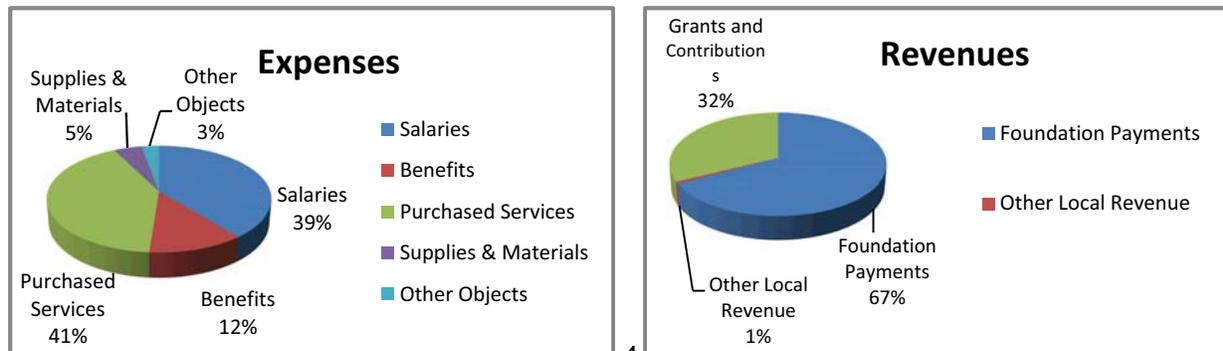
The following table provides a comparison of the School’s Net Assets in fiscal years 2011 and 2012.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Assets		
Cash	\$ 153,985	\$ 84,749
Other Assets	130,819	133,794
Capital Assets	261,159	210,708
Total Assets	\$ 545,963	\$ 429,251
Liabilities		
Current Liabilities	\$ 413,007	\$ 305,019
Long Term Liabilities	8,137	15,461
Total Liabilities	421,144	320,480
Net Assets	\$ 124,819	\$ 108,771

In fiscal year 2012, the School’s cash reserves increased by 82% and current liabilities increased by 35%. Current liabilities include a \$150,000 note payable to New Plan Learning, the Schools landlord and an \$85,000 note payable to Horizon Science Academy Columbus Elementary School.

The Statement of Revenues, Expenses and Change in Net Assets:

The *Statement of Revenues, Expenses and Change in Net Assets* shows the operating and non-operating activities took place during the fiscal year. The following charts are a summary of the School’s Revenues and Expenses for the fiscal year ended June 30, 2012.



**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

The following table is a summary of the Statement of *Revenues, Expenses and Change in Net Assets* for the fiscal years 2011 and 2012.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
<u>Operational Income/Expense</u>		
Income		
Foundation Payments	\$ 1,735,263	\$ 1,693,289
Other Local Revenue	18,671	19,137
Total Operational Income	<u>1,753,934</u>	<u>1,712,426</u>
Expense		
Salaries	1,061,970	1,081,943
Benefits	333,608	318,760
Purchased Services	1,126,490	1,093,705
Supplies & Materials	125,340	156,351
Other Objects	75,646	69,571
Depreciation Expense	53,263	45,207
Total Operational Expense	<u>2,776,317</u>	<u>2,765,537</u>
Net Operational Income	<u>(1,022,383)</u>	<u>(1,053,111)</u>
<u>Non-Operational Income/Expense</u>		
Federal Grants	720,188	818,750
State Grants	3,009	7,728
Contributions and Donations	116,476	20,000
Management Fee Forgiveness	200,891	207,427
Interest Expense	(2,133)	(3,172)
Net Non-Operational Income	<u>1,038,431</u>	<u>1,050,733</u>
Change in Net Assets	16,048	(2,378)
Net Assets at Beginning of Year	<u>108,771</u>	<u>111,149</u>
Net Assets at End of Year	<u>\$ 124,819</u>	<u>\$ 108,771</u>

Comparing the previous fiscal year, the School's revenues and expenses remained stable with minor variances. The most significant difference was a 12% decrease in federal grants due to expiration of ARRA Title Grants. However, the school received \$116,476 of contributions from its landlord, New Plan Learning.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Capital Assets:

As of June 30, 2012, HSA Dayton High School had \$261,159 invested in capital assets such as office equipment, school furniture, computers and projectors net of depreciation. The following table is a summary of Capital Assets as of June 30, 2012.

Capital Assets				
	Beginning July 1, 2011	Additions	Deletions	Ending June 30, 2012
Instructional Furniture & Equipment	\$ 223,697	\$ 97,253	\$ -	\$ 320,950
Office Furniture & Equipment	53,271	6,461	-	59,732
Total Fixed Assets	276,968	103,714	-	380,682
Less: Accumulated Depreciation	(66,260)	(53,263)	-	(119,523)
Net Fixed Assets	\$ 210,708	\$ 50,451	\$ -	\$ 261,159

Contacting the School’s Financial Management:

This financial report is designed to provide citizens, grantors and potential creditors with a general overview of the School’s finances. Questions concerning any of the information in this report or requests for additional information should be directed to the School’s Treasurer, Ryan Uysaler, by mail at Concept Schools South Ohio Regional Office, 2356 Morse Rd. Columbus, OH 43235 or by phone at 614- 428 7656.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**Statement of Net Assets
As of June 30, 2012**

	<u>June 30, 2012</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 153,985
Intergovernmental Receivable	97,819
Total Current Assets	251,804
Non-Current Assets	
Lease Security Deposit	33,000
Capital Assets (Net of Accumulated Depreciation)	261,159
Total Non-Current Assets	294,159
Total Assets	\$ 545,963
LIABILITIES & EQUITY	
Current Liabilities	
Accounts Payable	\$ 32,147
Intergovernmental Payable	3,371
Accrued Wages	89,932
Payroll Liabilities	45,232
Capital Leases- Current	7,325
Note Payable- New Plan Learning	150,000
Note Payable- HSA Columbus Elem. School	85,000
Total Current Liabilities	413,007
Long Term Liabilities	
Capital Leases- Long Term	8,137
Total Long Term Liabilities	8,137
Total Liabilities	421,144
NET ASSETS	
Investment in Capital Assets, Net of Related Debt	245,697
Unrestricted	(120,878)
Total Net Assets	\$ 124,819

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY

**Statement of Revenues, Expenses
and Change in Net Assets
For the Fiscal Year Ended June 30, 2012**

	<u>June 30, 2012</u>
<u>Operational Income/Expense</u>	
Income	
Foundation Payments	\$ 1,735,263
Other Local Revenue	18,671
Total Operational Income	<u>1,753,934</u>
Expense	
Salaries	1,061,970
Benefits	333,608
Purchased Services	1,126,490
Supplies & Materials	125,340
Other Objects	75,646
Depreciation Expense	53,263
Total Operational Expense	<u>2,776,317</u>
Net Operational Loss	<u>(1,022,383)</u>
<u>Non-Operational Income/Expense</u>	
Federal Grants	720,188
State Grants	3,009
Contributions and Donations	116,476
Management Fee Forgiveness	200,891
Interest Expense	(2,133)
Net Non-Operational Income	<u>1,038,431</u>
Net Assets	
Change in Net Assets	16,048
Net Assets at Beginning of Year	108,771
Net Assets at End of Year	<u>\$ 124,819</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**Statement of Cash Flows
For Fiscal Year Ended June 30, 2012**

	<u>June 30, 2012</u>
Cash Flows from Operating Activities	
Cash Received from State of Ohio	\$ 1,738,634
Cash Received from Other Operating Revenues	18,671
Cash Payments to Suppliers for Goods and Services	(1,173,955)
Cash Payments to Employees for Services	(1,058,490)
Cash Payments for Employee Benefits	(340,141)
Other Cash Payments	(75,646)
Net Cash Used for Operating Activities	(890,927)
Cash Flows from Noncapital Financial Activities	
Grants Received from Federal Government	723,163
Grants Received from State Government	3,009
Cash Received from Contributions and Donations	116,476
Cash Received from Notes Payable	875,000
Payments for Notes Payable	(640,000)
Interest Payments	(2,133)
Net Cash Provided by Noncapital Financial Activities	1,075,515
Cash Flows from Capital and Related Activities	
Cash Payments for Capital Acquisitions	(103,714)
Cash Payments for Capital Leases	(11,638)
Net Cash Used for Capital and Related Activities	(115,352)
Net Increase in Cash and Cash Equivalents	69,236
Cash and Cash Equivalents at Beginning of Year	84,749
Cash and Cash Equivalents at End of Year	\$ 153,985

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY

Statement of Cash Flows
For Fiscal Year Ended June 30, 2012
(Continued)

**Reconciliation of Operating Loss to Net Cash Used
for Operating Activities:**

Operating Loss \$ (1,022,383)

**Adjustments to Reconcile Operating Loss to Net Cash
Used for Operating Activities**

Depreciation 53,263

Management Fee Forgiveness 200,891

Changes in Assets and Liabilities

Increase in Intergovernmental Payable 3,371

Decrease in Accounts Payable (123,016)

Increase in Accrued Wages 3,480

Decrease in Payroll Liabilities (6,533)

Total Adjustments 131,456

Net Cash Used for Operating Activities \$ (890,927)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Horizon Science Academy Dayton High School Inc. (the School), is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades 7 through 12 in Dayton. The School, which is part of the State's education program, is independent of any School and is nonsectarian in its programs, admission policies, employment practices, and all other operations.

The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School. The School has been approved 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.

The School was approved for operation under contract with the Buckeye Hope Foundation (the Sponsor) for a period of one year commencing on July 1, 2009. It was extended for five more years on June 2, 2010.

The School operates under the direction of a self-appointed, five-member Board of Trustees. 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. In fiscal year 2012, the School employed 33 personnel for up to 240 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles 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 does not apply FASB statements issued after November 30, 1989. The more significant of the School's accounting policies are described below.

A. Basis of Presentation

The School's basic financial statements consist of a Statement of Net Assets; a Statement of Revenues, Expenses, and Change in Net Assets; and a Statement of Cash Flows. The School uses enterprise accounting to report on its financial activities. Enterprise accounting focuses on the determination of operating income, changes in net assets, financial position, and cash flows.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the School are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Change in Net Assets present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the School finances meets the cash flow needs of its enterprise activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The full accrual basis of accounting is used for reporting purposes. 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. Revenues resulting from non-exchange transactions, in which the School receives value without directly giving equal value in return, such as grants, entitlements and donations are recognized in the period in which all eligibility requirements have been satisfied. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue. Expenses are recognized at the time they are incurred.

C. Budgetary Process

Unlike other public schools in the State of Ohio, community Schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705; rather community schools are required to create a Five Year Budget Forecast that is approved by the School Board and submitted to ODE and to the School's Sponsor twice a year. The contract between the School and its Sponsor does not prescribe any other budgetary process for the School.

D. Cash

To improve cash management, all cash received by the School is pooled in a central bank account. Total cash amount at the end of the fiscal year is presented as "Cash" in the Statement of Net Assets. Any investment with an original maturity less than 90 days is considered a cash equivalent and any investment with an original maturity greater than 90 days is considered an investment. The School did not have any investments on June 30, 2012.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of \$1,000 for inventory assets and \$10,000 for fixtures and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized.

All capital assets are depreciated. Furniture, computers, office equipment, and vehicles are depreciated using the straight-line method over the following estimated useful lives. Improvements to capital assets are depreciated using straight-line method over the remaining useful lives of the related capital assets. Leasehold improvements are depreciated using the straight-line method over the life of the lease.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets and Depreciation (Continued)

	<u>Useful Life</u>
Improvements	3 to 10 years
Heavy Duty Office or Classroom Furniture	10 years
Computers and Other Electronic Equipment	3 to 5 years
Vehicles	3 to 10 years

F. Intergovernmental Revenues

In fiscal year 2012, the School participated in the State Foundation Program, Special Education Program, and the Parity Aid Program which are reflected under "Foundation Payments". Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Amounts awarded under these programs for fiscal year 2012 totaled \$1,735,263.

Grants from State and Federal Governments and donations are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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. Amounts awarded under these programs in fiscal year 2012 totaled \$723,197.

G. Operating Revenues and Expenses

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

H. Compensated Absences

The School's policy indicates that all full time employees are entitled to eight days of sick/personal days in a school year. All leave earned by employees must be used within the current school year and cannot be transferred to the next school year. At the end of the year employees are awarded \$125 per each unused sick/personal day.

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, or contracts. The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. At the end of the fiscal year ended June 30, 2012 the School did not have any restricted net assets.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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 those estimates.

3. DEPOSITS AND INVESTMENTS

At June 30, 2012, the book balance of the School's bank account at Chase Bank was \$153,985 and the bank balance was \$199,895. The bank balance was insured by FDIC up to \$250,000. The School had no investments at June 30, 2012 or at any point during the fiscal year.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

Capital Assets				
	Beginning July 1, 2011	Additions	Deletions	Ending June 30, 2012
Instructional Furniture & Equipment	\$ 223,697	\$ 97,253	\$ -	\$ 320,950
Office Furniture & Equipment	53,271	6,461	-	59,732
Total Fixed Assets	276,968	103,714	-	380,682
Less: Accumulated Depreciation	(66,260)	(53,263)	-	(119,523)
Net Fixed Assets	\$ 210,708	\$ 50,451	\$ -	\$ 261,159

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

5. DEFINED BENEFIT PENSION 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 can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the 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 DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent 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 DB Plan and the DC 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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of 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.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salary. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School's required contributions to STRS Ohio were \$142,601 for the fiscal year ended June 30, 2012, \$134,230 for the fiscal year ended June 30, 2011, and \$92,020 for the fiscal year ended June 30, 2010. For fiscal year 2012, 91 percent has been contributed. The full amount has been contributed for fiscal years 2011 and 2010.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

5. DEFINED BENEFIT PENSION PLANS (Continued)

B. School Employees Retirement System

Plan Description – The School participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$5,964, \$8,593 and \$5,904, respectively. For fiscal year 2012, 85 percent has been contributed. The full amount has been contributed for fiscal years 2011 and 2010.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2012, no members of the Board of Education have elected Social Security. The remaining Board members contribute to SERS. The Board's liability is 6.2 percent of wages paid.

6. POSTEMPLOYMENT BENEFITS

A. State Teachers Retirement System

Plan Description – The School participates in 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. Ohio law authorizes STRS to offer this plan. 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 can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

6. POSTEMPLOYMENT BENEFITS (Continued)

A. State Teachers Retirement System (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$10,186, \$10,195, and \$7,078 respectively. For fiscal year 2012, 91 percent has been contributed. The full amount has been contributed for fiscal years 2011 and 2010.

B. School Employees Retirement System

Plan Description – The School participates in two cost-sharing multiple-employer defined benefit other postemployment 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 obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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 105(e). For fiscal year 2012, 0.55 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 fiscal year 2012, this amount was \$35,800. During fiscal year 2012, the School paid \$977 in surcharge.

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, 2012, 2011, and 2010 were \$234, \$876, and \$212, respectively. For fiscal year 2012, 85 percent has been contributed. The full amount has been contributed for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, were \$320, \$465, and \$351 respectively. For fiscal year 2012, 85 percent has been contributed. The full amount has been contributed for fiscal years 2011 and 2012.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

7. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2012, the School contracted with Selective Insurance Company for property and general liability insurance with a \$1,000,000 single occurrence limit and \$3,000,000 annual aggregate with no deductible. The School did not make any claims in the fiscal year.

The School also pays the State Workers Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State. The School paid 100% of its premiums for the fiscal year ended June 30, 2012.

8. EMPLOYEE MEDICAL AND DENTAL BENEFITS

According to the School Policy, the School is required to provide Medical and Dental Insurance to all its full time employees. 60% of the monthly premiums for Medical and Dental coverage are to be paid by the School while the remaining 40% are to be deducted from employee's wages.

9. PURCHASED SERVICES

A summary of the purchased service expenses during fiscal year 2012 were as follows:

Purchased Services	
Type	Amount
Instructional Services	46,267
Rent and Property Services	549,932
Management Fees	200,891
Advertising and Communications	49,037
Pupil Transportation	51,215
Contracted Food Services	90,167
Professional Development	54,958
Other Professional Technical Services	84,023
Total	\$ 1,126,490

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

10. OPERATING LEASES

On June 22, 2009 the School entered into a ten year lease agreement with 250 Shoup Mill LLC., a subsidiary of New Plan Learning which is an Ohio based non-profit organization that acquires and manages school facilities for Concept Schools. The agreement is updated and extended in August 2011 until July 2041 upon the approval of a bond package in order to improve premises including the construction of a gym. After the improvements were completed in September 2012, the facility is being shared with Horizon Science Academy Dayton Elementary School; where the School pays two thirds of the monthly rent and Horizon Science Academy Dayton Elementary School pays the remaining one third of the rent. In fiscal year 2012, the School paid a total of \$427,072 of rent and received \$116,291 of donations from New Plan Learning. The School's estimated rent share for the following three years will be as follows;

July 2012 – June 2013	\$354,216
July 2013 – June 2014	\$474,006
July 2014 – June 2015	\$518,216

11. CAPITAL LEASES

During the prior years, the School entered into capitalized lease agreements for equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. At the end of fiscal year 2012 the total recorded cost of capital lease assets was \$45,753 with the accumulated depreciation of \$21,249. The payment schedule for principle and interest on those capital leases is as follows;

	Total Payments	Interest	Principal
2013	8,462	1,137	7,325
2014	7,404	487	6,917
2015	1,235	15	1,220
Total Lease Payments	\$ 17,101	\$ 1,639	\$ 15,462

12. CONTINGENCIES

A. Auditor of State Review

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

In fiscal year 2012, the School received Federal and State grants in total of \$723,197. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability for the School. This also encompasses the Auditor of State's ongoing review of student attendance data. 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, 2012.

**HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL
MONTGOMERY COUNTY**

12. CONTINGENCIES (Continued)

B. Ohio Department of Education Enrollment Review

The Ohio Department of Education (ODE) conducts reviews of enrollment data and full time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the Community School is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. According to the FTE review made for fiscal year 2012, the School was overpaid by \$66. This amount is included under intergovernmental payable in the Statement of Net Assets.

13. NOTES PAYABLE

As a requirement of the lease agreement with the landlord and the bond holder agency, the School is required to have cash reserves that is equal to or greater than 12% of its annual operating budget at the end of each quarter. During fiscal year 2012, in order to fulfill this obligation, the School received three \$250,000 loans from New Plan Learning. The loans were interest free and paid back within two weeks. At the end of the fiscal year, the balance of the note payable to New Plan Learning was \$150,000.

In January 2012, the School received a \$125,000 loan from Horizon Science Academy Columbus Elementary School in order to overcome cash flow shortage. The loan was interest free. At the end of the fiscal year the balance of the loan was \$85,000. The School plans to pay it off by the end of the fiscal year 2013.

14. SPONSORSHIP AGREEMENT

On July 1, 2009, the School signed a sponsorship agreement with Buckeye Hope Community Foundation for one year. On June 2, 2010, it was extended for five years. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. According to the contract agreed by both parties, the School pays 3% of its foundation revenues to the Sponsor. In fiscal year 2012, the schools compensation to the Sponsor occurred as \$51,894.

15. MANAGEMENT COMPANY AGREEMENT

The School contracted with Concepts Schools on August 12, 2009 to serve as the School's Management Company. The contract is renewed automatically every year in one year terms unless the school or the management company decides otherwise. According to the contract, the school transfers 12% of the funds received from State. The total management fees incurred in fiscal year 2012 were \$200,891. The entire amount was forgiven by Concept Schools for the fiscal year.

Horizon Science Academy Dayton High School
Montgomery County
Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
United States Department of Agriculture				
<i>Passed through Ohio Department of Education</i>				
<i>Child Nutrition Cluster:</i>				
National School Lunch Program	3L60	10.555	\$ 88,784	\$ 88,784
School Breakfast Program	3L70	10.553	23,052	23,052
Total Child Nutrition Cluster			111,836	111,836
Total United States Department of Agriculture			111,836	111,836
United States Department of Education				
<i>Passed through Ohio Department of Education</i>				
<i>Title I, Part A Cluster:</i>				
Title I Grants to Local Educational Agencies	3M00	84.010	204,963	210,500
Title I Grants to Local Educational Agencies, ARRA	3DK0	84.389	-	4,954
Total Title I, Part A Cluster			204,963	215,454
<i>Special Education Cluster:</i>				
Special Education - Grants to States	3M20	84.027	60,723	48,391
Total Special Education Cluster			60,723	48,391
<i>Educational Technology State Grants Cluster</i>				
Educational Technology State Grants	3S20	84.318	559	1,191
Total Educational Technology State Grants Cluster			559	1,191
English Language Acquisition State Grants	3Y70	84.365	-	5,684
Improving Teacher Quality State Grants	3Y60	84.367	6,345	2,566
Charter Schools	3T40	84.282	229,480	193,440
Education Jobs Fund	3ET0	84.410	78,124	100,225
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, ARRA	3FD0	84.395	32,105	36,382
Total United States Department of Education			612,299	603,333
Total Federal Financial Assistance			\$ 724,135	\$ 715,169

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures.

Horizon Science Academy Dayton High School
Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2012

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the School's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.

NOTE C – MATCHING REQUIREMENTS

Certain federal programs require the School to contribute non-federal funds (matching funds) to support the federally-funded programs. The School has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Members of the Board
Horizon Science Academy Dayton High School
Montgomery County
250 Shoup Mill Road
Dayton, Ohio 45415

We have audited the financial statements of the business-type activities of Horizon Science Academy Dayton High School, Montgomery County, Ohio, (the School), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

Compliance and Other Matters

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

We intend this report solely for the information and use of management, the Board Members, the Community School's sponsor, federal awarding agencies, pass-through entities, and others within the School. We intend it for no one other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2012



Balestra, Harr & Scherer, CPAs, Inc.

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Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

Members of the Board
Horizon Science Academy Dayton High School
Montgomery County
250 Shoup Mill Road
Dayton, Ohio 45415

Compliance

We have audited the compliance of Horizon Science Academy Dayton High School, Montgomery County, Ohio (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Horizon Science Academy Dayton High School's major federal programs for the year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the School's major federal programs. The School's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School's compliance with these requirements.

In our opinion, Horizon Science Academy Dayton High School complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The School's management 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 School's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School'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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily 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.

We intend this report solely for the information and use of management, the Board Members, the Community School's sponsor, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2012

**Horizon Science Academy Dayton High School
Montgomery County, Ohio**

**Schedule of Findings
OMB Circular A-133 Section §.505
June 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510(a)?	No
(d)(1)(vii)	Major Programs (list):	Charter Schools – CFDA #84.282 Title I Cluster: Title I - CFDA #84.010 Title I (ARRA) – CFDA #84.389 Education Jobs Fund – CFDA #84.410
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**Horizon Science Academy Dayton High School
Montgomery County, Ohio**

**Schedule of Findings
OMB Circular A-133 Section §.505
June 30, 2012**

**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

**Horizon Science Academy Dayton High School
Montgomery County, Ohio**

**Schedule of Prior Audit Findings
Year Ended June 30, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2011-001	Material Weakness/Noncompliance/Questioned Cost – Allowable costs/cost principles	Yes	
2011-002	Material Weakness/Noncompliance – Level of Effort	Yes	



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Independent Auditor's Report on Applying Agreed Upon Procedures

Horizon Science Academy Dayton High School
Montgomery County
250 Shoup Mill Road
Dayton, Ohio 45415

To the Board of Education:

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 procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Horizon Science Academy Dayton High School (the School) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the School amended its anti-harassment policy at its meeting on October 13, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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 the School's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2012



Dave Yost • Auditor of State

HORIZON SCIENCE ACADEMY DAYTON HIGH SCHOOL

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
MARCH 12, 2013**