



Balestra, Harr & Scherer, CPAs, Inc.

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

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HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2011
Fiscal Year Audited Under GAGAS: 2011



Dave Yost • Auditor of State

Board of Directors
Horizon Science Academy of Columbus
1070 Morse Road
Columbus, Ohio 43229

We have reviewed the *Independent Auditor's Report* of the Horizon Science Academy of Columbus, Franklin County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2010 through June 30, 2011. 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 of Columbus is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

April 3, 2012

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HORIZON SCIENCE ACADEMY OF COLUMBUS
YEAR ENDED JUNE 30, 2011

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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 of Columbus
Franklin County, Ohio
1070 Morse Road
Columbus, Ohio 43229

We have audited the accompanying financial statements of the business-type activities of the Horizon Science Academy of Columbus, Franklin County, Ohio, (the School), as of and for the year ended June 30, 2011, 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.

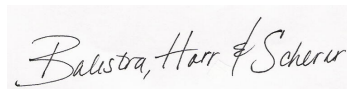
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform 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 of Columbus, Franklin County, Ohio, as of June 30, 2011, and the change 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 January 30, 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, Inc.
January 30, 2012

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

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

The discussion and analysis of Horizon Science Academy of Columbus' (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2011. 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 2011 are as follows:

- Total net assets decreased by \$151,079 from \$262,061 to \$110,982
- The School had total operating revenues of \$2,260,484
- The School had total operating expenses of \$3,244,348
- The current liabilities increased by \$103,928
- The School received Federal and State Grants total of \$833,605

In fiscal year 2011, although the School increased its enrollment slightly (from 369 to 375), it recorded a loss of \$151,079; due to the fact that Federal Grants decreased by 13% and salaries increased by 9%.

Using this Financial Report:

This annual report consists of a series of financial statements and notes to those statements.

These statements report the School's *net assets* and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the School has improved or diminished. The causes of this change may be the 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.

The *Statement of Net Assets and Statement of Revenues, Expenses, and Change in Net Assets* reflect how the School did financially during the fiscal year 2011. These statements include *all assets and liabilities* using the *accrual basis* of accounting similar to the accounting used by most private sector companies. This basis of accounting includes all of 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 finances and meets the cash flow needs of its operations. 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.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

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

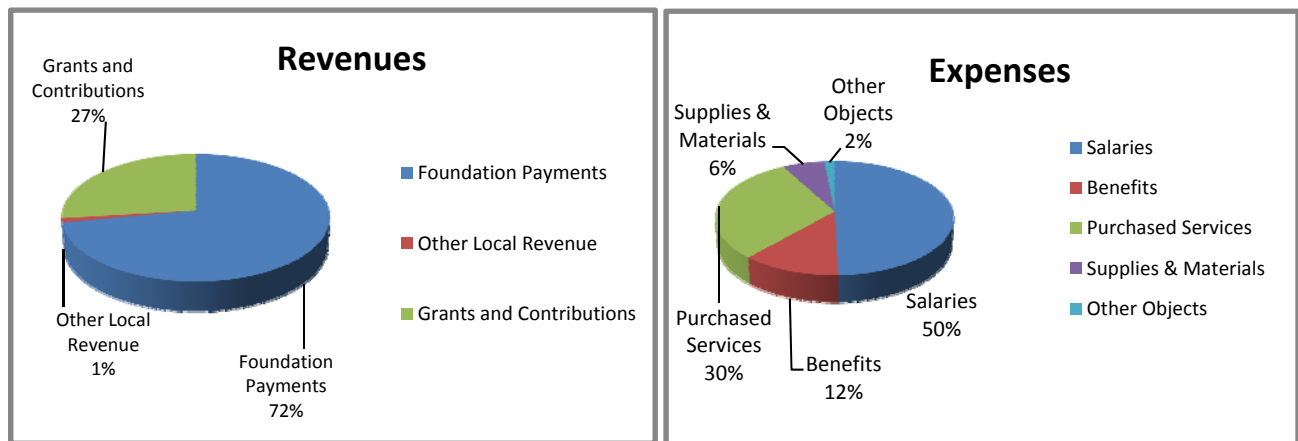
The following table provides a comparison of the School's net assets in fiscal years 2011 and 2010.

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Assets		
Cash	155,817	119,723
Other Current Assets	23,533	68,839
Capital Assets	213,861	256,320
Total Assets	393,211	444,882
Liabilities		
Current Liabilities	281,045	177,117
Long Term Liabilities	1,184	5,704
Total Liabilities	282,229	182,821
Net Assets	\$ 110,982	\$ 262,061

In the fiscal year 2011 the School improved its cash reserves to \$155,817, however its current liabilities increased to \$281,045. 60% of the current liabilities are accrued wages and payroll liabilities and 38% are account payables.

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 and table are a summary of the *Statement of Revenues, Expenses and Change in Net Assets* for the fiscal year ended June 30, 2011.



HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY

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

	June 30, 2011	June 30, 2010
<u>Operational Income/Expense</u>		
Income		
Foundation Payments	\$ 2,227,950	\$ 2,169,406
Other Local Revenue	32,534	37,814
Total Operational Income	2,260,484	2,207,220
Expense		
Salaries	1,568,302	1,441,306
Benefits	380,742	352,794
Purchased Services	963,308	1,025,635
Supplies & Materials	202,520	158,017
Other Objects	48,551	66,238
Depreciation Expense	80,925	65,515
Total Operational Expense	3,244,348	3,109,505
Net Operational Income	(983,864)	(902,285)
<u>Non-Operational Income/Expense</u>		
Federal Grants	825,352	953,887
State Grants	8,253	8,087
Contributions and Donations	-	8,900
Interest Payments	(820)	(2,781)
Net Non-Operational Income	832,785	968,093
Change in Net Assets	(151,079)	65,808
Net Assets at Beginning of Year	262,061	196,253
Net Assets at End of Year	\$ 110,982	\$ 262,061

In fiscal year 2011, the Federal Grants decreased by 13%, because the School used most of its one time ARRA-Title I and ARRA-IDEA allocations in fiscal year 2010; it used \$218,909 in fiscal year 2010, whereas it only used \$87,125 in fiscal year 2011. The salaries also increased by 9%. Also Supplies and Materials expenses increased by 28% due to extra textbook and classroom supplies purchases. The decreasing federal revenues and increasing costs resulted in a \$151,079 deficit for the year. In order to balance its budget, the School increased its enrollment from 275 to 285 in fiscal year 2012 and will cut around 5% from its payroll expenses.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

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

Capital Assets:

As of June 30, 2011, Horizon Science Academy of Columbus had \$213,861 invested in capital assets net of depreciation. The following table is a summary of Capital Assets as of June 30, 2011.

Capital Assets				
	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Instructional Equipment & Furniture	\$ 183,291	\$ 38,466	\$ (3,163)	\$ 218,594
Office Equipment & Furniture	141,549	-	-	141,549
Vehicles	8,678	-	-	8,678
Leasehold Improvements	238,026	-	-	238,026
Total Fixed Assets	571,544	38,466	(3,163)	606,847
Less: Accumulated Depreciation	(315,224)	(80,925)	3,163	(392,986)
Net Fixed Assets	\$ 256,320	\$(42,459)	\$ -	\$ 213,861

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 Ryan Uysaler, Treasurer 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 OF COLUMBUS
FRANKLIN COUNTY

Statement of Net Assets
For the Fiscal Year Ended June 30, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 155,817
Intergovernmental Receivable	23,533
Total Current Assets	179,350

Non-Current Assets

Capital Assets (Net of Accumulated Depreciation)	213,861
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Total Assets	\$ 393,211
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LIABILITIES & EQUITY

Current Liabilities

Accounts Payable	\$ 108,577
Accrued Wages	141,168
Payroll Liabilities	26,780
Capital Leases- Current	4,520
Total Current Liabilities	281,045

Long Term Liabilities

Capital Leases – Long Term	1,184
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Total Liabilities	282,229
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NET ASSETS

Investment in Capital Assets, Net of Related Debt	208,157
Unrestricted	(97,175)
Total Net Assets	\$ 110,982

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY

**Statement of Revenues, Expenses
and Change in Net Assets
For the Fiscal Year Ended June 30, 2011**

<u>Operational Income/Expense</u>	
Income	
Foundation Payments	\$ 2,227,950
Other Local Revenue	<u>32,534</u>
Total Operational Income	<u>2,260,484</u>
Expense	
Salaries	1,568,302
Benefits	380,742
Purchased Services	963,308
Supplies & Materials	202,520
Other Objects	48,551
Depreciation Expense	<u>80,925</u>
Total Operational Expense	<u>3,244,348</u>
Net Operational Loss	(983,864)
<u>Non-Operational Income/Expense</u>	
Federal Grants	825,352
State Grants	8,253
Interest Expense	<u>(820)</u>
Net Non-Operational Income	832,785
Change in Net Assets	(151,079)
Net Assets at Beginning of Year	<u>262,061</u>
Net Assets at End of Year	<u>\$ 110,982</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY

Statement of Cash Flows
For Fiscal Year Ended June 30, 2011

Cash Flows from Operating Activities	
Cash Received from State of Ohio	\$ 2,205,612
Cash Received from Other Operating Revenues	32,534
Cash Payments to Suppliers for Goods and Services	(1,082,720)
Cash Payments to Employees for Services	(1,552,248)
Cash Payments for Employee Benefits	(325,807)
Other Cash Payments	(48,551)
Net Cash Used for Operating Activities	(771,180)
Cash Flows from Noncapital Financial Activities	
Grants Received from Federal Government	842,502
Grants Received from State	8,253
Loan from HSA- Dayton	15,000
Loan Payment to HSA- Dayton	(15,000)
Interest for Capital Lease	(820)
Net Cash Provided by Noncapital Financial Activities:	849,935
Cash Flows from Capital and Related Activities	
Payments for Capital Acquisitions	(38,466)
Payments for Capital Leases	(4,195)
Net Cash Used for Capital and Related Activities	(42,661)
Net Increase in Cash and Cash Equivalents	36,094
Cash and Cash Equivalents at Beginning of Year	119,723
Cash and Cash Equivalents at End of Year	\$ 155,817

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY

Statement of Cash Flows
For Fiscal Year Ended June 30, 2011
(Continued)

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

Operating Loss \$ (983,864)

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

Depreciation 80,925

Changes in Assets and Liabilities

Increase in Accounts Payable 83,108

Increase in Wages Payable 16,054

Increase in Payroll Liabilities 54,935

Decrease in Intergovernmental Payable (22,338)

Total Adjustments 212,684

Net Cash Used for Operating Activities \$ (771,180)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Horizon Science Academy of Columbus, 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 six through twelve in Columbus. 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 qualifies as an exempt organization under Section 501(c) (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the school's tax-exempt status.

The School was initially approved for operation in August 1999 under a charter with Ohio Department of Education which expired on June 30, 2004. The School is currently under contract with Lucas County Educational Service Center (the Sponsor) until May 30, 2012.

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 the fiscal year ended June 30, 2011 the School employed 39 personnel for up to 375 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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, change in net assets, financial position, and cash flows.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN 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 meets the cash flow needs for 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. Unearned 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 unearned revenue. Expenses are recognized at the time they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community Schools are not required to follow budgetary provisions set forth in Ohio 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. 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 date less than 90 days is considered a cash equivalent and any investment with a maturity date greater than 90 days is considered an investment. The School did not have any investments during the fiscal year 2011.

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 maintained a capitalization threshold of one thousand dollars for inventory assets and five thousand dollars 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. The School does not capitalize interest. Furniture, fixtures, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets and Depreciation (Continued)

Improvements	3 to 10 years
Buildings	30 years
Heavy Duty Office or Classroom Furniture	10 years
Computers and Other Electronic Equipment	3 to 5 years
Vehicles	3 to 10 years

Improvements to capital assets are depreciated 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.

F. Intergovernmental Revenues

The School currently participates 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 2011 totaled \$2,227,950.

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 for 2011 school year totaled \$833,605.

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

School policy indicates that all full time employees are entitled to eight days of sick/personal leave 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. The school also compensates its employees \$125 per day for each unused sick/personal days. This compensation for the fiscal year was recorded under accrued wages.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2011 the School did not have any restricted net assets.

J. Use of 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 2011, the carrying book balance of the School's bank account at Chase Bank was \$155,817 and the bank balance was \$158,089. The bank balance was insured by FDIC. The School had no investments at June 30, 2011 or during the fiscal year.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

Capital Assets				
	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Instructional Equipment & Furniture	\$ 183,291	\$ 38,466	\$ (3,163)	\$ 218,594
Office Equipment & Furniture	141,549	-	-	141,549
Vehicles	8,678	-	-	8,678
Leasehold Improvements	238,026	-	-	238,026
Total Fixed Assets	571,544	38,466	(3,163)	606,847
Less: Accumulated Depreciation	(315,224)	(80,925)	3,163	(392,986)
Net Fixed Assets	\$ 256,320	\$ (42,459)	\$ -	\$ 213,861

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

5. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81% of annual covered salary was the portion used to fund pension 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% for plan members and 14% for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$24,154, \$24,664, and \$27,077, respectively; 94% has been contributed for fiscal year 2011 and 100% has been contributed for the previous fiscal years.

B. 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 plan. 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 Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on 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% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

5. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

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 – For the fiscal year ended June 30, 2011, plan members were required to contribute 10% of their annual covered salaries. The School was required to contribute 14%; 13% was the portion used to fund pension obligations. 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 for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$192,208, \$181,395, and \$180,887, respectively; 100% has been contributed for all three fiscal years.

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, 2011, two members of the Board of Education have elected Social Security. The remaining Board members contribute to SERS. The Board's liability is 6.2% of wages paid.

6. POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School participates in two cost-sharing multiple-employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) 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 SERS 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 Street, Suite 100, Columbus, Ohio 43215-3746.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

6. POSTEMPLOYMENT BENEFITS (Continued)

A. School Employees Retirement System (Continued)

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% 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 2011, 1.43% of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, 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 health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$2,467, \$810, and \$8,084, respectively; 100% has been contributed for all three fiscal years.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2011, this actuarially required allocation was 0.76% of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,311, \$1,339, and \$1,276, respectively; 100% has been contributed for all three fiscal years.

B. 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 2011, STRS Ohio allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The School's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$13,729, \$12,957, and \$15,215, respectively; 100% has been contributed for all three fiscal years.

7. 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.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

8. 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. During the fiscal year 2011, the School contracted with Selective Insurance for property and general liability insurance with a \$1,000,000 single occurrence limit and \$3,000,000 annual aggregate with no deductible. There have been no settlements exceeding coverage in the last three years. 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, 2011.

9. PURCHASED SERVICES

Purchased service expenses during fiscal year 2011 were as follows:

Purchased Services	
Type	Amount
Instructional Services	\$ 77,716
Other Professional Services	57,629
Management Fees	281,276
Rent and Property Services	460,313
Advertising and Communications	21,371
Pupil Transportation	27,344
Extra-Curricular Activities	29,404
Staff Travel Expenses	8,255
Total	\$ 963,308

10. NOTE PAYABLE/RELATED PARTY

In November 2010, the School borrowed \$15,000 from Horizon Science Academy - Dayton with a promissory note. The loan was interest free and paid back within one week.

11. CAPITAL LEASES

During current and prior years, the School entered into several 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. Capital assets of \$53,173 have been recorded, which represents the present value of equipment at time of acquisition. The accumulated depreciation for the capital lease assets was \$46,515 for the fiscal year. During the fiscal year the principal and interest payments totaled \$4,195 and \$820, respectively. The following is a schedule of the future minimum lease payments as of June 30, 2011.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

11. CAPITAL LEASES (Continued)

Capital Leases Payment Schedule			
	Lease Payments	Interest	Principal
2012	4,794	274	4,520
2013	1,199	15	1,184
Total Lease Payments	\$ 5,993	\$ 289	\$ 5,704

11. OPERATING LEASES

In June 2008 the School extended its lease agreement with Breeze Inc., until June 30, 2018. The School's contracted annual lease for the fiscal year 2011 was \$455,543. However the Landlord, Breeze Inc. agreed to reduce the rent to \$382,000 for the fiscal year. Breeze Inc. is a subsidiary of New Plan Learning which is a non-profit organization established to acquire and manage school facilities for community schools. Even though the required lease payments according to the agreement for the following years are as follows, Breeze Inc. agreed to adjust monthly lease payments for fiscal year 2012 to \$34,000;

Fiscal Year Ending June 30,	Facility Lease
2012	\$473,765
2013	\$492,715
2014	\$512,424
2015	\$532,921
2016	\$554,238
2017-2018	\$1,175,871
Total minimum lease payments	<u>\$3,741,934</u>

12. CONTINGENCIES

A. Grants

The School received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2011.

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. Such a review has not been conducted for fiscal year 2011 at the time of this reports preparation.

**HORIZON SCIENCE ACADEMY OF COLUMBUS
FRANKLIN COUNTY**

13. SPONSORSHIP AGREEMENT

On July 1, 2004, the School signed a sponsorship agreement with Lucas County Educational Services. 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. On May 2, 2007 the original contract was extended until July 1, 2012. According to the contract, the School pays 1.5% of its foundation revenues to the Sponsor. In fiscal year 2011, the schools compensation to the Sponsor was \$33,023.

14. MANAGEMENT COMPANY AGREEMENT

The School contracted with Concepts Schools Inc. 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 2011 was \$281,276.

15. MANAGEMENT'S PLAN

In order to strengthen the School's financial position, the School's management plans to increase the enrollment up to 400 students and keep its expenses about the same for the following years.

Horizon Science Academy of Columbus
Franklin County
Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash 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	\$ 83,906	\$ 7,297	\$ 83,906	\$ 7,297
School Breakfast Program	3L70	10.553	31,458	-	31,458	-
Total Child Nutrition Cluster			115,364	7,297	115,364	7,297
Child Nutrition Discretionary Grants Limited Availability	3EF0	10.579	10,800	-	10,800	-
Total United States Department of Agriculture			126,164	7,297	126,164	7,297
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 Education Agencies	3M00	84.010	266,395	-	266,395	-
Title I Grants to Local Education Agencies, ARRA	3DK0	84.389	102,190	-	87,125	-
Total Title I, Part A Cluster			368,585	-	353,520	-
<i>Special Education Cluster:</i>						
Special Education - Grants to States	3M20	84.027	64,699	-	64,699	-
Special Education - Grants to States, ARRA	3DJ0	84.391	14,255	-	-	-
Total Special Education Cluster			78,954	-	64,699	-
<i>Education Technology State Grants Cluster</i>						
Education Technology State Grants	3S20	84.318	2,225	-	888	-
Total Education Technology State Grants Cluster			2,225	-	888	-
<i>State Fiscal Stabilization Fund Cluster</i>						
State Fiscal Stabilization Fund (SFSF) - Education Grants, ARRA	GRF	84.394	189,846	-	189,846	-
Total State Fiscal Stabilization Fund Cluster			189,846	-	189,846	-
<i>Safe and Drug-Free Schools and Communities -</i>						
State Grants	3D10	84.186	3,055	-	-	-
English Language Acquisition Grants	3Y70	84.365	27,954	-	12,972	-
Improving Teacher Quality State Grants	3Y60	84.367	21,059	-	21,059	-
Charter Schools	3T40	84.282	28,163	-	28,163	-
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	3FD0	84.395	9,960	-	9,960	-
Total United States Department of Education			729,801	-	681,107	-
Total Federal Financial Assistance			\$ 855,965	\$ 7,297	\$ 807,271	\$ 7,297

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

Horizon Science Academy of Columbus
Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2011

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 – FOOD DONATION

Program regulations do not require the School to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the entitlement value of the commodities received as assessed by the U.S. Department of Agriculture.



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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 of Columbus
Franklin County
1070 Morse Road
Columbus, Ohio 43229

We have audited the financial statements of the business-type activities of Horizon Science Academy of Columbus, Franklin County, Ohio, (the School), as of and for the year ended June 30, 2011, and have issued our report thereon dated January 30, 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.

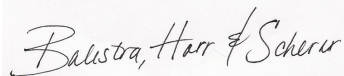
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies 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, Inc.
January 30, 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 of Columbus
Franklin County
1070 Morse Road
Columbus, Ohio 43229

Compliance

We have audited the compliance of Horizon Science Academy of Columbus, Franklin 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 of Columbus' major federal programs for the year ended June 30, 2011. 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.

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 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*. Those 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 those 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 those requirements.

In our opinion, Horizon Science Academy of Columbus 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, 2011.

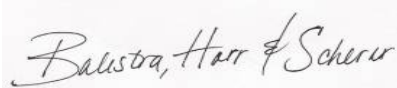
Internal Control Over Compliance

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, Inc.
January 30, 2012

**Horizon Science Academy of Columbus
Franklin County, Ohio**

**Schedule of Findings
OMB Circular A-133 Section §.505
June 30, 2011**

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):	Title I Cluster: Title I - CFDA #84.010 Title I (ARRA) – CFDA #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

**Horizon Science Academy of Columbus
Franklin County, Ohio**

**Schedule of Findings
OMB Circular A-133 Section §.505
June 30, 2011**

**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



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Independent Auditor's Report on Applying Agreed Upon Procedures

Horizon Science Academy of Columbus
Franklin County
1070 Morse Road
Columbus, Ohio 43229

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 of Columbus (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 29, 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, Inc.
January 30, 2012

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Dave Yost • Auditor of State

HORIZON SCIENCE ACADEMY OF COLUMBUS

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 17, 2012**