



**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2009



Mary Taylor, CPA
Auditor of State

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Horizon Science Academy Columbus Middle School
Franklin County
2350 Morse Rd.
Columbus, OH 43229

To the Board of Directors:

We have audited the accompanying basic financial statements of the Horizon Science Academy – Columbus Middle School, Franklin County, Ohio (the School), as of and for the year ended June 30, 2009 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Horizon Science Academy Columbus Middle School, Franklin County, Ohio, as of June 30, 2009 and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The School has not fully paid the Auditor of State for services provided more than one year prior to our opinion date. AICPA Code of Professional Conduct, ET Section 191 considers this circumstance to impair an auditor's independence. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity because Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. Ohio Revised Code § 117.13 also includes provisions to collect unpaid audit fees including negotiating a schedule for payment of the amount due, seeking payment through the office of budget and management or through the county auditor of the county in which the local public office is located.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009 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 did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the School's basic financial statements. The federal awards receipts and expenditures schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards receipts and expenditures schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Mary Taylor, CPA
Auditor of State

November 2, 2009

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The discussion and analysis of Horizon Science Academy Columbus Middle School's (the School) financial performance provides an overall review of the financial activities for the School's first fiscal year ended June 30, 2009. Readers should also review the basic financial statements and notes to enhance their understanding of the School's financial performance.

Financial Highlights:

Key financial highlights for fiscal year 2009 are as follows:

- The net assets increased by \$117,236 from (\$73,728) to \$43,508. This is due to the increase in capital assets purchased from the grant monies
- The School had total operating revenues of \$1,095,770
- The School had total non-operating revenue of \$664,270
- The School had total operating expenses of \$1,634,703
- The current liabilities increased by \$4,187

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 Changes in Net Assets*, reflect how the School did financially during fiscal year 2009. 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. The School uses enterprise presentation for all of its activities.

The *Statement of Cash Flows* provides information about how the School finances and meets the cash flow needs of its operations. The *Statement of Cash Flows* can be found on page 9 of this report.

Table 1 provides a comparison of the School's net assets in fiscal years in 2009 and 2008.

	2009	2008
Current assets	\$ 38,390	\$ 28,882
Capital assets	205,873	97,883
Total assets	244,263	126,765
Current liabilities	190,855	186,698
Long term liabilities	9,900	13,795
Total liabilities	200,755	200,493
Net Assets Invested in Capital Assets,		
Net of Related Debt	149,633	24,233
Unrestricted Net Assets	(106,125)	(97,961)
Net assets	\$ 43,508	\$ (73,728)

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

During fiscal year 2009 the change in the Academy's net assets was resulted \$43,508 which is 159% more from 2008 primarily due to the increase in non operating revenue.

Table 2 provides a comparison of School's Revenues & Expenses and Changes in Net Assets in fiscal years in 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Operating Income and Expense		
Operating Income		
Foundation Paymenynts	\$ 1,070,996	\$ 978,905
Extracurricular Actiuvites	4,803	3,308
Food Service	2,575	11,932
Other Local Revenue	17,396	10,006
Total Operating Revenue	1,095,770	1,004,151
Operating Expenses		
Salaries	730,871	469,991
Benefites	171,042	118,199
Purchased Services	423,523	643,066
Supplies and Materials	181,298	67,009
Depreceiation Expense	60,452	38,631
Other Objects	67,517	54,215
Total Operating Expense	1,634,703	1,391,111
Net Operating Loss	(538,933)	(386,960)
Non operating Income/ Expenses		
Federal Grants	659,270	312,993
State Grants	5,000	5,000
Interest and notes	(1,179)	(4,761)
Loss from disposal Of asse	(6,922)	-
Total nonoperating Income	656,169	313,232
Net Assets		
Change in net assets	117,236	(73,728)
Net assets at the beginning of the	(73,728)	-
Net assets at the end of year	\$ 43,508	\$ (73,728)

The increase in the operating revenue is due to the enrollment increase of 15 students in the 2009 school year.

The increase in Federal Grants is due to the Start-up grant. The School was originally awarded \$150,000 for the second year of its Public Charter School Program (Start-up) grant. Later, another \$300,000 was allocated to the School for the purposes of increasing academic achievement in core subject areas of Mathematics and Language Arts. The bulk amount of this \$450,000 grant has been used to purchase school furniture, technological equipment and textbooks. The School's capital assets increased by \$175,364 during the year due to capital asset purchases.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The significant decrease in purchased services is mainly because; in 2008 the School purchased some of its teachers' services from Horizon Science Academy- Columbus High School from which the School separated in the last fiscal year. Those teachers were compensated through the regular payroll in the fiscal year 2009.

Capital Assets

Capital assets net of accumulated depreciation were increased by 110%. A total of \$175,364 capital Assets were added in 2009. There was a total of \$94,482 capital asset deletions in 2009 due to the school moved to a new building facility.

Budget

Pursuant to the Sponsor's contract with the Governing Authority, the School prepares and adopts an annual budget which includes estimated revenues and expenditures for the fiscal year and a five year forecast of revenues and expenditures. The School will from time to time adopt budget revisions as necessary.

Restrictions and Other Limitations

The future stability of the School is not without challenges. The School does not receive any funds from taxes. The primary source of funding is the state foundation program. An economic slowdown in the state could result in budgetary cuts to education, which would have a negative impact on the School.

Other Information

Management is currently unaware of any known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

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, Horizon Science Academy Columbus Middle School, Inc. 2350 Morse Rd. Columbus OH 43229.

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**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

Assets

Current Assets

Cash	\$ 37,640
Intergovernmental receivable	750
Total Current Assets	<u>38,390</u>

Non-Current Assets:

Depreciable capital assets, net	<u>205,873</u>
Total Non-current Assets	<u>205,873</u>

Total Assets	<u>244,263</u>
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Liabilities

Current Liabilities:

Accounts payable	111,912
Accrued wages	70,805
Payroll liabilities	4,243
Capital leases	<u>3,895</u>
Total Current Liabilities	<u>190,855</u>

Long-Term Liabilities

Capital leases	<u>9,900</u>
Total Long-Term Liabilities	<u>9,900</u>

Total Liabilities	<u>200,755</u>
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Net Assets

Invested in capital assets, net of related debt	149,633
Unrestricted (deficit)	<u>(106,125)</u>
Total net assets	<u>\$ 43,508</u>

See accompanying notes to the basic financial statements.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

Operating Revenues

State foundation payments	\$ 1,070,996
Extracurricular activities	4,803
Food services	2,575
Other local revenue	<u>17,396</u>
Total Operating Revenues	<u>1,095,770</u>

Operating Expenses

Salaries	730,871
Fringe benefits	171,042
Purchased services	423,523
Supplies and materials	181,298
Depreciation expense	60,452
Other expense	<u>67,517</u>
Total Operating Expenses	<u>1,634,703</u>

Operating loss (538,933)

Non-Operating Revenues

Federal grants	659,270
State grants	<u>5,000</u>
Total Non-Operating Revenue	<u>664,270</u>

Non-Operating Expenses

Interest	1,179
Loss from Disposal of Assets	<u>6,922</u>
Total Non-Operating Expenses	<u>8,101</u>

Change in net assets 117,236

Net assets beginning of year (73,728)

Net assets end of year \$ 43,508

See accompanying notes to the basic financial statements.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash received from state foundation	\$ 1,070,996
Cash received from other operating revenues	24,774
Cash payments to suppliers for goods and services	(592,494)
Cash payments to employees for services	(729,960)
Cash payments for employee benefits	(180,403)
Other cash payments	<u>(67,517)</u>
Net Cash Used by Operating Activities	<u><u>(474,604)</u></u>

Cash Flows from Non-Capital Financing Activities

State grants received	5,000
Payments for interest on notes	<u>(1,179)</u>
Net Cash Provided by Non-Capital Financing Activities	<u><u>3,821</u></u>

Cash Flows from Capital and Related Financing Activities:

Federal grants received	673,459
Payments for capital acquisitions	(175,364)
Principal Payments for capital leases	<u>(3,615)</u>
Net Cash (Used by) Capital and Related Financing Activities	<u><u>494,480</u></u>

Net Increase in Cash and Cash Equivalents	23,697
Cash and Cash Equivalents Beginning of Year	<u>13,943</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 37,640</u></u>

**Reconciliation of Operating Loss to Net Cash
Used by Operating Activities**

Operating/(Loss)	\$ (538,933)
Adjustments:	
Depreciation	60,452
Increase in liabilities:	
Accounts payable	12,327
Payroll liabilities	911
Accrued wages	<u>(9,361)</u>
Net Cash Used by Operating Activities	<u><u>\$ (474,604)</u></u>

See accompanying notes to the basic financial statements.

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**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Horizon Science Academy Columbus Middle School, (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 eight in Columbus. The School used to operate as a part of Horizon Science Academy- Columbus since 1999. The School Board decided to separate high school from middle school in fiscal year 2008... The same Board continues to govern both of the schools for unspecified terms. 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 was approved for operation under contract with Buckeye Community Hope Foundation (the Sponsor) for a period of five years commencing on March 14, 2007.

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 operates under the direction of a self-appointed five-member Board of Directors. 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 2009, the School employed 22 personnel for up to 172 students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School's accounting policies.

A. Basis of Presentation

The School's basic financial statements consist of a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes 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.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the School are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes 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 for its enterprise activities.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

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. The School had no Deferred Revenue. Expenses are recognized at the time they are incurred.

C. Budgetary Process

Unlike traditional public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code section 5705; rather community schools are required to create a Five Year Budget Forecast that is approved by the Board of Directors and submitted to ODE and to the School's Sponsor. The contract between the School and its Sponsor requires the Governing Authority to submit an annual proposed budget.

D. Cash

To improve cash management, all cash received by the School is pooled in a central bank account. 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 during fiscal year 2009.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School established a capitalization threshold of one hundred dollars for fiscal year 2009. 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. The School does not capitalize interest.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives. 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.

Useful Life	
Improvements	3 to 10 years
Copiers included as Capital Lease	5 to 10 years
Heavy Duty Office or Classroom Furniture	5 to 10 years
Computers and Other Electronic Equipment	3 to 5 years
Vehicles	3 to 10 years

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Intergovernmental Revenues

The School currently participates in the State Foundation Program, Special Education Program, Parity Aid Program, and other State Programs. Revenues from those programs are reflected under "Foundation Payments" and recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Amounts awarded under these programs for FY 2009 totaled \$ 1,070,996.

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 2009 school year totaled \$664,270.

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 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. The school also compensates it employees \$100 per day for each unused sick/personal days. There were no Compensated Absences included in the financial statements.

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, 2009 the School did not have any restricted net assets.

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.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Economic Dependency

The School receives the majority of its operating revenue from the Ohio Department of Education. Due to the significance of this revenue source, the School is considered to be economically dependent on the State of Ohio Department of Education.

3. DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The School has an investment policy that limits the School's allowable deposits or investments and addresses the specific types of risk to which the School might be exposed. At June 30, 2009 the carrying book balances of the School's bank account at National City Bank and Chase Banks were \$380 and \$37,260 respectively and the actual bank balances were \$563 and \$55,072. The bank balance was insured by FDIC up to \$250,000. The School had no investments at June 30, 2009 or during the fiscal year.

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

Capital Assets				
	Balance			Ending
	July 1, 2008	Additions	Deletions	June 30, 2009
Furniture and Equipment	\$ 75,512	175,364	(47,290)	\$ 203,585
Facility Improvements	47,192		(47,192)	0
Capital Leases	19,950		-	19,950
School Vehicle	9,444		-	9,444
Total Fixed Assets	152,098	175,364	(94,482)	232,979
Less: Accumulated Depreciation	\$54,215	(60,452)	87,560	(27,106)
Net Fixed Assets	\$ 97,883	\$ 114,912	(6,922)	\$ 205,873

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.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

5. DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employees Retirement System (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008 (the latest information available), 9.16 percent 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 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009 (based on 2008 rates) and 2008 were \$5,723 and \$9,583 respectively; 100 percent has been contributed for fiscal years 2009 and 2008.

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

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

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

5. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2009 and 2008 were \$94,180 and \$50,575 respectively; 100 percent has been contributed for fiscal years 2009 and 2008.

6. POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The School participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008 (the latest information available), 4.18 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 2009 (based on 2008 rate), this amount was \$1,033.

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 contribution for health care for the fiscal years ended June 30, 2009 (based on 2008 rate) and 2008 were \$1,709 and \$3,861; 100 percent has been contributed for fiscal years 2009 and 2008.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

6. POSTEMPLOYMENT BENEFITS (Continued)

A. School Employee Retirement System (Continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008 (the latest information available), this actuarially required allocation was 0.66 percent of covered payroll. The School contribution for Medicare Part B for the fiscal years ended June 30, 2009 (based on 2008 rates) and 2008 were \$270 and \$452 respectively; 100 percent has been contributed for fiscal years 2009 and 2008.

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 2008 (the latest information available), STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School contributions for health care for the fiscal year ended June 30, 2009 (based on 2008 rate) and 2008 were \$6,727 and \$3,613 respectively; 100 percent has been contributed for 2009 and 90 percent for fiscal year 2008.

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. During fiscal year 2009, the School contracted with Auto Owners Insurance Company for property coverage for \$3,000,000 of general aggregate with \$1,000,000 for each occurrence. There has been no reduction in coverage over the prior year. There have been no settlements exceeding coverage in the last three years.

8. EMPLOYEE MEDICAL AND DENTAL BENEFITS

According to the School's 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 contributed by the School while the remaining 40% are deducted from employees' wages.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

9. PURCHASED SERVICES

Purchased service expenses during fiscal year 2009 were as follows:

Purchased Services	
Type	Amount
Professional Services	\$ 138,196
Rent and Property Services	175,638
Advertising and Communications	61,716
Management Fees	35,481
Pupil Transportation	10,447
Staff Travel Expenses	654
Food Services	1,391
Total	\$ 423,523

10. CAPITAL LEASES PAYABLE

The School entered into a capitalized lease agreement for a copy machine/printer in September 2007. The lease 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 \$19,950 have been recorded, which represents the present value of the minimum lease payments at time of acquisition. The accumulated depreciation for the capital lease asset at the end of the fiscal year was \$7,315. Principal payments for fiscal year 2009 totaled \$3,615. The following is a schedule of the future minimum lease payments required for the capital leases as of June 30, 2009.

	Total Payments	Interest	Principal
2010	4,794	899	3,895
2011	4,794	598	4,196
2012	4,794	274	4,520
2013	1,199	15	1,184
Total Minimum Lease Payments	\$ 15,581	\$ 1,786	\$ 13,795

11. OPERATING LEASES

The School entered into a sub-lease agreement with Horizon Science Academy- Columbus in fiscal year 2008 for school facilities at 1341 Bethel Rd for two years, until the end of the lease agreement between Horizon Science Academy Columbus High School and the owner of the facilities, B & A Realities. According to the agreement the School pays a monthly rent of \$9,500. In fiscal year 2009, the School paid a total of \$114,000.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

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, 2009.

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 School is reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The FTE review has been conducted for fiscal year 2009 but was not a material obligation and therefore not included in the financial statements.

13. INTERGOVERNMENTAL RECEIVABLE

Receivables at June 30, 2009 consisted of intergovernmental receivables due to Federal Title Grants of \$750. All intergovernmental receivables are considered collectable in full.

14. ACCOUNTS PAYABLE

Accounts payable at June 30, 2009 totaled \$111,912. Out of this amount, \$55,571 was due to capital asset transfers from Horizon Science Academy- Columbus. \$27,073 was unpaid management fees. The rest of the account payables were to several other vendors.

15. SPONSORSHIP AGREEMENT

On March 14, 2007, the School signed a sponsorship agreement with Buckeye Community Hope Foundation (the Sponsor) 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, the School pays 3% of its foundation revenues to the Sponsor. In fiscal year 2009, the schools compensation to the Sponsor was \$32,131.

16. 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 10% of the funds received from State. The total management fees paid to Concept Schools in fiscal year 2009 was \$35,481. \$27,073 of the management feed was unpaid at 6/30/09 and is recorded as part of accounts payable.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(Continued)**

17. RELATED PARTY TRANSACTIONS

In the process of withdrawing from the High School, the Horizon Science Academy Columbus High School provided capital assets to the Middle School. As of June 30, 2009, the School still owes the total amount of \$55,571 for the capital assets received. The school is planning to pay this liability by 2010.

On August 4th 2008 The School borrowed a \$3,000 non interest bearing short term loan from the Treasurer. The loan was paid back on November 11, 2008.

18. SUBSEQUENT EVENT/MANAGEMENT PLAN

In August 2009, the School moved into its new location at 2350 Morse Rd. Columbus, OH 43229 and entered into a new lease agreement with 2350 Morse LLC for ten years. 2350 Morse LLC. is a subsidiary of New Plan Learning which is an Ohio based non-profit company specifically established to provide facility development and management services for Horizon Science Academies. Its board members are selected by the Boards of Horizon Science Academies. According to the agreement initial monthly rent is \$30,000 with a 3% annual increase. The lease expires as of June 30, 2020.

The School's enrollment went up to 276 from 170. In the first half of the 2010 fiscal year, July through December 2009, the School recorded a profit of around \$190,000. The School paid off its management fees payable from last fiscal year (\$27,073) in December 2009 and made a \$10,000 payment in January 2010 for its debt to Horizon Science Academy Columbus (\$55,571) that was coming from capital asset transfers at the time of the split of the two schools. We plan to pay off this debt by the end of fiscal year 2010. The School plans to increase its enrollment up to 300 students for next school year.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
<u>United States Department of Agriculture</u> <i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster:			
Federal School Breakfast Program	10.553	\$ 37,687	\$ 36,982
National School Lunch Program	10.555	11,416	11,416
Total U.S. Department of Agriculture-Nutrition Cluster		<u>49,103</u>	<u>48,398</u>
<u>United States Department of Education</u> <i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	149,279	149,506
Special Education Grants to States	84.027	3,846	3,846
Safe and Drug Free School and Communities State Grants	84.186	1,400	1,400
Public Charter Schools Program. (Start-up Grant)	84.282	450,000	455,063
Education Technology State Grants	84.318	1,922	1,922
Improving Teacher Quality State Grants	84.367	3,720	3,720
Total United States Department of Education		<u>610,167</u>	<u>615,457</u>
TOTAL FEDERAL AWARDS		<u>\$ 659,270</u>	<u>\$ 663,855</u>

The accompanying notes are an integral part of this schedule.

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNT**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

The School commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School assumes it expends federal monies first.



Mary Taylor, CPA

Auditor of State

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

Horizon Science Academy Columbus Middle School
Franklin County
2350 Morse Rd.
Columbus, OH 43229.

To the Board of Directors:

We have audited the financial statements of Horizon Science Academy - Columbus Middle School Inc, Franklin County, Ohio (the School) as of and for the year ended June 30, 2009 and have issued our report thereon dated November 2, 2009. 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the School's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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

We did note certain internal control matters that we reported to the School's management in the separate letter dated November 2, 2009.

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 did note certain noncompliance or other matters that we reported to the School's management in the separate letter dated November 2, 2009.

We intend this report solely for the information and use of the audit committee, management, the Board of Directors and Buckeye Community Hope Foundation. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 2, 2009



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Horizon Science Academy of Columbus Middle School
Franklin County
2850 Morse Road
Columbus, Ohio 43231

To the Board of Directors:

Compliance

We have audited the compliance of Horizon Science Academy Columbus Middle School (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 apply to its major federal program for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the School's major federal program. 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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 types of 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, the Horizon Science Academy Columbus Middle School complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2009.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to administer a federal program such that there is more than a remote likelihood that the School's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the School's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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 the Audit Committee, Management, Board of Directors, Buckeye Community Hope Foundation and federal awarding agencies. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 2, 2009

**HORIZON SCIENCE ACADEMY COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material 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 deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Public Charter Schools Program (CSP) CFDA # 84.282
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	All >300,000
(d)(1)(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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Mary Taylor, CPA

Auditor of State

Independent Accountant's Report on Applying Agreed-Upon Procedures

Horizon Science Academy Columbus Middle School
Franklin County
2350 Morse Rd.
Columbus, OH 43229.

To the Board of Directors:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on January 17, 2009
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the School administration semiannually provide the president of the School board a written summary of all reported incidents and post the summary on its web site, if the School has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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 Audit Committee, Management, Board of Directors and Buckeye Community Hope Foundation and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 2, 2009



Mary Taylor, CPA
Auditor of State

**HORIZON SCIENCE ACADEMY – COLUMBUS MIDDLE SCHOOL
FRANKLIN COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 11, 2010**