



**HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**SPECIAL AUDIT**

**FOR THE PERIOD  
JULY 1, 2000 THROUGH JUNE 11, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY

SPECIAL AUDIT

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**HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**SCHEDULE OF OFFICIALS  
AS OF JUNE 11, 2001**

**Board of Education**

Hayrettin Bora Karayaka, President

Ehat Ercanli, Vice President

Mesut Sahin

Vedat Akgun

Selim Ozdemir

**Administrative Official**

David Disli, Director

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Ms. Joni Cunningham  
Office of School Options  
Ohio Department of Education  
25 South Front Street  
Columbus, Ohio 43215-4183

Mr. David Disli, Director  
Horizon Science Academy of Columbus  
Franklin County  
1329 Bethel Road  
Columbus, Ohio 43220

We have conducted a "Special Audit" of the Horizon Science Academy of Columbus, Franklin County, Ohio (the School), and performed the procedures summarized below and detailed in our "Supplement to the Special Audit Report," for the period July 1, 2000 through June 11, 2001 (the Period). These procedures were performed solely to determine whether there were any checks improperly written by the School accountant to herself and to determine whether the School accountant increased her wages without the approval of the Board of Education. This engagement was performed in accordance with consulting standards established by the American Institute of Certified Public Accountants. The procedures we performed and the significant results are summarized as follows:

1. We reviewed the School's recorded check disbursements and related supporting documentation for unauthorized transactions.

**Significant Results:** Cynthia Donahey, the School's former accountant, wrote six checks to herself and/or her spouse totaling \$5,402 without proper authorization and supporting documentation. Three of the six checks, totaling \$5,321, were written using check numbers which had previously been used for payments to legitimate vendors and had cleared the School's account. Ms. Donahey endorsed and cashed the checks. We issued a finding for recovery against Ms. Donahey for public funds converted or misappropriated in the amount of \$5,402.

2. We reviewed all payroll disbursements to the School's former accountant, Cynthia Donahey, to determine whether she increased her wages without the approval of the Board of Education.

**Significant Result:** Cynthia Donahey, the School's former accountant, increased her compensation without approval resulting in an overpayment of \$464. We issued a finding for recovery against Ms. Donahey for public funds converted or misappropriated in the amount of \$464.

On November 21, 2001, we held an exit conference with the following officials and administrative personnel of the School and:

David Disli, Director  
Ridvan Uysaler, Assistant to the Director  
Dave L. Cash, Ohio Department of Education

Our detailed procedures and the results of applying these procedures are contained in the attached "Supplement to the Special Audit Report." Because these procedures do not constitute an examination conducted in accordance with generally accepted auditing standards, we do not express an opinion or limited assurance on any of the accounts or items referred to above. Also, we express no opinion on the School's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report relates only to transactions relating to the above procedures, and does not extend to any financial statements of the School taken as a whole.

This report is intended for the use of the specified users listed above and should not be used by anyone other than those specified parties. However, reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.

**JIM PETRO**  
Auditor of State

October 26, 2001



**HORIZON SCIENCE ACADEMY  
FRANKLIN COUNTY**

**SUPPLEMENT TO THE SPECIAL AUDIT REPORT**

**BACKGROUND**

The School's Accountant, Cynthia Donahey, was terminated on March 30, 2001, due to several discrepancies noted in her payroll checks.

While reconciling the bank statements for the month of March 2001, the School's Director, David Disli, noted three checks that had cleared the bank twice. He requested copies of the checks from the bank on April 16, 2001 and on April 20, 2001. The following is a summary of the checks that were noted to be duplicated.

<u>Check Number</u>	<u>Amount</u>	<u>Date Cleared</u>	<u>Duplicate Check Amount</u>	<u>Duplicate Check Date Cleared</u>
2498	\$290	3/28/01	\$771	4/2/01
2499	405	3/22/01	1,275	4/9/01
2500	1,040	3/20/01	3,275	4/13/01

Upon receiving copies of the checks, the Director noted that the duplicate checks were written to and endorsed by the School's former accountant, Cynthia Donahey. The School's former Director, Selim Ozdemir, confirmed that he had not signed the duplicate checks and that his signature was falsified. Upon inspection of the duplicate checks, they did not appear to be his signature. The checks had originally been written to vendors of the School and had cleared for those amounts.

The School's Director filed a police report related to the improperly written checks and requested that the bank reimburse the District for the amount of the duplicate checks. As of the date of this report, the bank has repaid \$5,321 to the School.

During an on-site review of the School, the Ohio Department of Education's Office of School Options noted the alleged activity and reported it to the Auditor of State on May 9, 2001 by requesting a special audit of the allegedly falsified checks.

The Office of School Options' written request, as well as, additional information obtained from the Office of School Options on May 16, 2001, was presented to the Auditor of State's Special Audit Committee on May 24, 2001 which voted to initiate a "Special Audit."

On June 28, 2001, the School's Director requested the payroll transactions that resulted in the termination of Cynthia Donahey also be included in the Special Audit. This issue was considered and it was determined that we would include additional procedures to determine whether Ms. Donahey paid herself an unauthorized wage increase.

**HORIZON SCIENCE ACADEMY  
FRANKLIN COUNTY**

**SUPPLEMENT TO THE SPECIAL AUDIT REPORT  
(Continued)**

<b>ISSUE NO. 1 - IMPROPER CHECKS</b>
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We reviewed the School's recorded check disbursements and related supporting documentation for unauthorized transactions.

**Procedures**

3. We compared the checks recorded in the check register for the Period with the checks that cleared the School's bank account to ensure there were no checks that cleared more than once and to ensure completeness. We also examined all checks for a valid signature and proper endorsement.
4. We interviewed the School's former accountant, Cynthia Donahey, to determine the purpose of any questionable checks written to her.

**Results**

1. We identified three checks written to Ms. Donahey totaling \$5,321. These checks were in the amounts of \$771, \$1,275, and \$3,275. These checks were written on what appeared to be xerox copies of check numbers 2498, 2499, and 2500, and cleared the bank on April 2, 2001, April 9, 2001, and April 13, 2001. The original checks were previously written to vendors and cleared the bank on March 28, 2001, March 22, 2001, and March 20, 2001.

We did not note any check that cleared the bank that was not recorded in the ledger or any check that was recorded in the ledger that did not clear the bank other than regular outstanding items.

We noted two disbursements on which the Director's signature appeared to be falsified. Check numbers 1545 and 1563 were written to James Fulten Donahey and Cynthia Donahey for \$50 and \$16, respectively. Then Director, Selim Ozdemir, confirmed that he had not signed these two checks. Ms. Donahey endorsed and cashed these two checks on January 18, 2001.

We also noted check number 1587 that was written to Cynthia Donahey for \$15. Although this check did clear the bank, there was no cancelled check available for review. The School's then Director, Selim Ozdemir indicated that he did not authorize this expenditure. There was no supporting documentation for this disbursement.

2. Ms. Donahey did not provide invoices or other documentation to support that these were school related expenses. She would not provide an explanation of how she obtained checks with duplicate numbers.

**FINDING FOR RECOVERY**

We noted that Cynthia Donahey endorsed and cashed three checks written to herself totaling \$5,321. These checks had been duplicated and had previously cleared the School's bank account.

Cynthia Donahey wrote two checks totaling \$66 to James Fulten Donahey and herself for which the signatures on the checks appeared to be falsified. According to then-Director, Selim Ozdemir, he did not sign these checks. Ms. Donahey endorsed and chased these checks.

We also noted a check to Cynthia Donahey for \$15 that was not approved by the School and for which there was no supporting documentation.

**HORIZON SCIENCE ACADEMY  
FRANKLIN COUNTY**

**SUPPLEMENT TO THE SPECIAL AUDIT REPORT  
(Continued)**

**ISSUE NO. 1 - IMPROPER CHECKS (Continued)**

**FINDING FOR RECOVERY  
(Continued)**

In accordance with the foregoing facts pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is hereby issued against Cynthia Donahey, the former accountant of the Horizon Science Academy of Columbus, for public property converted or misappropriated in the amount of \$5,402, and in favor of the Horizon Science Academy of Columbus.

**ISSUE NO. 2 - PAYROLL DISBURSEMENTS TO FORMER SCHOOL ACCOUNTANT, CYNTHIA DONAHEY**

We reviewed all payroll disbursements to the School's former accountant, Cynthia Donahey, to determine whether she increased her wages without the approval of the Board of Education.

**Procedures**

1. We reviewed the contract of the School's former accountant to determine her compensation.
2. We compared the payroll transactions of the former accountant with the contract amounts.
3. We reviewed the School's payroll disbursement procedures to determine who was responsible for preparing and approving payroll disbursements.
4. We reviewed the cancelled checks for payroll disbursements to Ms. Donahey to determine who signed the checks.
5. We interviewed Ms. Donahey to determine the purpose of the increase.

**Results**

1. The contract with Ms. Donahey was for an annual salary of \$19,000. The contract was for the period September 1, 2000 through July 31, 2001 and included an overtime provision with a rate of \$11.00 per hour.
2. Beginning in January 2001, Ms. Donahey was paid based on an annual salary of \$21,000 and \$12.00 per hour for overtime. The increases were not approved by the Board of Education. These increases resulted in Ms. Donahey being paid \$464 in excess of her contract amount.
3. Ms. Donahey was responsible for preparing payroll disbursements, including her own, and providing them to the School's Director for approval.
4. Mr. David Disli, the School's Director, signed the payroll checks written to Cynthia Donahey.
5. Ms. Donahey did not provide a valid and legitimate explanation regarding the unauthorized increase in her wages. During the interview she expressed that she felt that the authorized salary was low for her position and she was due an increase because the secretaries of the school had received an increase.

**HORIZON SCIENCE ACADEMY  
FRANKLIN COUNTY**

**SUPPLEMENT TO THE SPECIAL AUDIT REPORT  
(Continued)**

**ISSUE NO. 2 - PAYROLL DISBURSEMENTS TO FORMER SCHOOL ACCOUNTANT, CYNTHIA  
DONAHEY (Continued)**

**FINDING FOR RECOVERY**

We noted that Cynthia Donahey, the School's former accountant, was paid \$464 in excess of her contract amount.

In accordance with the foregoing facts pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is hereby issued against Cynthia Donahey, the former accountant of the Horizon Science Academy of Columbus, for public property converted or misappropriated in the amount of \$464, and in favor of the Horizon Science Academy of Columbus.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
DECEMBER 13, 2001**