



MEMORANDUM

DATE: March 18, 2021

TO: Audit Committee of the School Board of the City of Virginia Beach

FROM: Terrie L. Pyeatt, CPA *TL*
Director, Office of Internal Audit

**SUBJECT: Change in Bookkeeper School Activity Funds Audit
Princess Anne High School**

We have audited the accompanying statement of cash receipts and disbursements of the school activity funds for Princess Anne High School for the six-month period from July 1, 2020 to December 31, 2020. This financial statement is the responsibility of management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts 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.

Government Auditing Standards also require that we consider internal controls over financial reporting and compliance with requirements of laws, regulations, contracts, and grants. Management is responsible for establishing and maintaining effective internal controls. In planning and performing our audit, we considered internal control over compliance with requirements that could have a direct and material effect on the financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving control over financial reporting and its operation that we consider to be material weaknesses.

As described in Note 1, Princess Anne High School prepares the school activity funds financial statement on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The principal is responsible for the financial records, maintained on a cash basis, which reflect the receipt and disbursement transactions of the school activity funds.

In our opinion, the financial statement included in this report presents fairly, in all material respects, the school activity funds cash balance for Princess Anne High School as of December 31, 2020, and the recorded cash transactions for the six-month period then ended using the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

cc: Mr. Danny M. Little, Principal
Mrs. Cheryl R. Woodhouse, Senior Executive Director of High Schools
Dr. Donald E. Robertson, Jr., Chief Schools Officer

Ms. Crystal M. Pate, Director, Office of Business Services
Mr. Farrell E. Hanzaker, Chief Financial Officer

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Six-Month Period Ended December 31, 2020

Account Group	Balance 7/1/2020	Cash Receipts	Cash Disbursements	Net Transfers	Balance 12/31/2020
Administrative Accounts	\$ 60,942	6,619	5,750	(5,627)	56,184
Virginia High School League Accounts	2,360	810	-	(14)	3,156
Club and Student Activity Accounts	40,887	10,188	15,500	4,147	39,722
Athletic Accounts	15,637	6,300	7,415	-	14,522
Departmental Accounts	24,491	72,586	66,995	4,657	34,739
VBCPS Accounts	2,881	6,780	2,300	-	7,361
School Board Allocation Accounts	-	731	731	-	-
Class/Scholarship/Grant Accounts	34,517	13,011	11,063	(3,057)	33,408
Clearing Accounts	-	106	-	(106)	-
Total	\$ 181,715	117,131	109,754	-	189,092
Student Concession	\$ 27	-	-	-	27
Staff Concession	81	-	-	-	81
Bank Interest	97	25	-	-	122
Pictures	14,961	463	-	(3,127)	12,297
Staff Welfare	733	782	185	-	1,330
School Store	1,865	12	-	-	1,877
Professional Development	208	-	125	-	83
Office	-	-	21	21	-
Donations/Contributions	20,369	-	-	(2,705)	17,664
Staff Recognition	1,128	-	2,361	2,000	767
School-Wide Fundraisers	4,368	-	931	205	3,642
Parking	9,615	2,534	2,127	-	10,022
Indigent/Needy Students	534	-	-	-	534
Procurement Card Rebate	2,435	2,803	-	(21)	5,217
Vending Operations	4,521	-	-	(2,000)	2,521
Administrative Accounts	60,942	6,619	5,750	(5,627)	56,184
Debate	75	-	-	-	75
Forensics	71	-	-	-	71
Newspaper	14	-	-	(14)	-
Yearbook	2,200	810	-	-	3,010
Virginia High School League Accounts	2,360	810	-	(14)	3,156
Student Activities	52	511	3,057	3,057	563
Student Council Association	17,084	22	1,682	-	15,424
Student Recognition	329	-	-	-	329
Astronomy Club	789	-	765	-	24
Bee Club	1,303	-	-	-	1,303
Turn It Around Club	2,000	-	-	-	2,000
Cavaliers Connecting Community	-	8,029	7,808	2,500	2,721
Drama	3,945	425	1,788	-	2,582
Cavallette Dance Team	1,410	-	-	(1,410)	-
Future Business Leaders of America	104	-	-	-	104
FCCLA	2,725	-	-	-	2,725
Garden Club	152	-	-	-	152
Get Fit Club	1,238	-	-	-	1,238
Key Club	120	-	-	-	120
Latin Club	88	-	-	-	88
Library Community Give Back	213	-	-	-	213
Model United Nations	392	-	-	-	392
Math Honor Society	363	-	-	-	363
NJHS/NHS	1,133	646	-	-	1,779
The Nobleteen	186	-	-	-	186
National French Honor Society	239	-	-	-	239
National Art Honor Society	298	-	-	-	298
Outdoors Club	24	-	-	-	24
Operation Smile Club	400	-	-	-	400

Office of Internal Audit

Change in Bookkeeper School Activity Funds Audit
Princess Anne High School
March 2021

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, CONT.
For the Six-Month Period Ended December 31, 2020

Account Group	Balance 7/1/2020	Cash Receipts	Cash Disbursements	Net Transfers	Balance 12/31/2020
Optimists Club	\$ 609	-	-	-	609
Spanish Honor Society	4,139	555	400	-	4,294
Special Olympics Club	365	-	-	-	365
West Cavalier Walkers	733	-	-	-	733
Women of Worth	65	-	-	-	65
Young Democrats	198	-	-	-	198
Young Republicans	191	-	-	-	191
Club and Student Activity Accounts	40,887	10,188	15,500	4,147	39,722
Athletics Reimbursement	-	3,944	3,944	-	-
Baseball	213	-	-	-	213
Basketball	4,951	2,334	3,401	-	3,884
Field Hockey	1,574	-	-	-	1,574
Football	944	-	-	-	944
Golf	700	-	-	-	700
Gymnastics	156	-	-	-	156
Soccer	1,768	-	-	-	1,768
Softball	24	-	-	-	24
Tennis	419	-	-	-	419
Volleyball	251	-	70	-	181
Swimming	807	-	-	-	807
Regional Games	175	-	-	-	175
Athletic Trainer	1,150	22	-	-	1,172
Cheerleaders	572	-	-	-	572
Cross Country	1,933	-	-	-	1,933
Athletic Accounts	15,637	6,300	7,415	-	14,522
Instructional Materials	-	3,132	3,127	3,141	3,146
Library	272	6	-	60	338
Guidance	5	10	-	-	15
Language Arts	190	-	-	35	225
Physical Education	4,187	10	-	11	4,208
Science	312	-	-	-	312
Special Education	3,444	457	1,509	1,410	3,802
Band	16	-	-	-	16
Orchestra	1,068	100	-	-	1,168
Technology Education	2,008	-	-	-	2,008
Foreign Language	50	-	-	-	50
Family and Consumer Science	1,911	-	-	-	1,911
Gifted Advisory Board	458	-	-	-	458
Computer Supplies	143	-	-	-	143
International Baccalaureate Academy	(5,132)	68,371	57,478	-	5,761
College Board Tests	4,204	-	137	-	4,067
NJROTC	11,201	500	4,744	-	6,957
Virginia Teachers for Tomorrow	154	-	-	-	154
Departmental Accounts	24,491	72,586	66,995	4,657	34,739
Drivers Education	840	5,030	2,300	-	3,570
Virtual Virginia	375	-	-	-	375
Calculator/Heart Monitor-Lost/Damaged	798	410	-	-	1,208
Technology	568	721	-	-	1,289
Textbooks-Lost	300	619	-	-	919
VBCPS Accounts	2,881	6,780	2,300	-	7,361
Summer School	-	731	731	-	-
School Board Allocation Accounts	-	731	731	-	-
Senior Class	1,618	6,876	5,925	-	2,569
Junior Class	2,496	-	-	-	2,496
Sophomore Class	950	-	-	-	950

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, CONT.
For the Six-Month Period Ended December 31, 2020

Account Group	Balance 7/1/2020	Cash Receipts	Cash Disbursements	Net Transfers	Balance 12/31/2020
Freshman Class	\$ -	-	-	1,000	1,000
Alumni	11,906	-	90	(4,057)	7,759
Virginia Beach Education Foundation Grants	2,834	-	2,391	-	443
PTSA Grants	568	-	-	-	568
Teacher Incentive Grant	518	-	-	-	518
NJROTC Federal Program	2,921	6,135	2,657	-	6,399
Class/Club Scholarships	3,746	-	-	-	3,746
Outside Organization Scholarships	2,700	-	-	-	2,700
Individual Memorial Scholarships	4,260	-	-	-	4,260
Class/Scholarship/Grant Accounts	34,517	13,011	11,063	(3,057)	33,408
Clearing	-	106	-	(106)	-
Clearing Account	-	106	-	(106)	-
Total	\$ 181,715	117,131	109,754	-	189,092

NOTE TO THE FINANCIAL STATEMENT

NOTE 1 – Reporting Entity

Nature of Activities

The Commonwealth of Virginia requires that school activity funds be audited at least once a year by a duly qualified accountant or accounting firm approved by the local school board. School Board Policy 3-46 Audits requires that a special audit of individual school accounts be conducted whenever there is a change in principal or bookkeeper or at the request of the Audit Committee. School activity funds are comprised of numerous extracurricular school activities, groups, and clubs existing in the schools for the benefit of the students. The principal at each school is responsible for the records that are maintained for each fund.

Significant Accounting Policy

The financial statement has been prepared on the cash receipts and disbursements basis of accounting. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from accounting principles generally accepted in the United States of America primarily because the effects of outstanding receivables and payables at the date of the financial statement are not included in the financial statement.

Cash

The principal and bookkeeper must establish a bank account in the name of the School Board of the City of Virginia Beach and the school name using the School Board's Federal Identification Number. This shall be the account for all school activities and all school activity funds. The account should be an interest-bearing checking account. The principal is also authorized to open a savings account or a certificate of deposit in the name of the school. During the audit period, there were no significant violations of those provisions.

The bank balances were collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks.