




VIRGINIA BEACH CITY PUBLIC SCHOOLS

CHARTING THE COURSE

MEMORANDUM

DATE: February 12, 2021

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

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

SUBJECT: Follow-Up School Activity Funds Audit
Bayside High School

We have audited the accompanying statement of cash receipts and disbursements of the school activity funds for Bayside 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, Bayside 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 Bayside 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. James D. Miller, 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	\$ 29,902	10,728	7,118	(3,928)	29,584
Virginia High School League Accounts	9,372	5,940	6,680	(150)	8,482
Club and Student Activity Accounts	36,295	6,123	9,033	7,580	40,965
Athletic Accounts	(18,002)	58,722	32,117	(336)	8,267
Departmental Accounts	20,326	881	6,180	374	15,401
VBCPS Accounts	2,073	2,920	3,829	-	1,164
Class/Scholarship/Grant Accounts	36,069	49,166	18,522	(3,746)	62,967
Clearing Accounts	(2,854)	2,615	12	206	(45)
Total	\$ 113,181	137,095	83,491	-	166,785
General	\$ (25)	-	42	-	(67)
Bank Interest	5	7	-	-	12
Pictures	397	-	-	(415)	(18)
Staff Welfare	226	-	99	-	127
Marlin Market	3,108	-	-	-	3,108
Office	261	42	660	357	-
Postage	2,000	-	2,000	-	-
Donations/Contributions	14,230	5,754	-	(2,500)	17,484
Staff Recognition	1,200	11	2,927	2,495	779
Parking	2,125	855	810	-	2,170
Family Benevolence	431	630	580	-	481
Procurement Card Rebate	503	3,429	-	(251)	3,681
Vending Operations	5,441	-	-	(3,614)	1,827
Administrative Accounts	29,902	10,728	7,118	(3,928)	29,584
Debate	(4,718)	4,680	79	39	(78)
Forensics	480	-	759	129	(150)
Yearbook	12,128	1,260	5,717	-	7,671
VHSL Regionals	1,482	-	125	(318)	1,039
Virginia High School League Accounts	9,372	5,940	6,680	(150)	8,482
Student Activities	650	486	1,457	1,293	972
Student Council Association	759	4,511	1,039	324	4,555
Student Recognition	154	-	2,501	2,207	(140)
Freshman Transition	-	-	3,456	3,456	-
Asian American Association	366	-	-	-	366
Academy Health Science Club	101	-	-	-	101
Drama Club	1,211	-	129	-	1,082
DECA	774	(300)	(295)	300	1,069
Future Business Leaders of America	2,941	-	-	-	2,941
Family, Career and Community Leaders of America	-	144	144	-	-
French Club	127	-	-	-	127
Friends of the Academy	1,555	-	-	-	1,555
German Club	222	-	-	-	222
Gifted Advisory Board	7	-	-	-	7
Health Occupations Students of America	21,801	-	125	-	21,676
Japanese American Association	65	-	-	-	65
Raktivists (Kindness) Club	28	-	-	-	28
NJHS/NHS	1,530	-	-	-	1,530
The Nobleteen	205	-	-	-	205
National French Honor Society	313	-	-	-	313
National German Honor Society	244	-	-	-	244
National Medical Honor Society	498	-	-	-	498
National Japanese Honor Society	60	-	-	-	60
Operation Smile Club	1,417	-	-	-	1,417
Spanish Club	72	-	-	-	72
Spanish Honor Society	523	-	-	-	523
Mighty Marlins Club	442	1,282	477	-	1,247
Sci-Phy Club	130	-	-	-	130
Seat Belt Compliance	100	-	-	-	100
Club and Student Activity Accounts	36,295	6,123	9,033	7,580	40,965

Office of Internal Audit

Follow-Up School Activity Funds Audit
Bayside High School
February 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
Athletics Reimbursement	\$ (31,414)	58,672	31,521	(486)	(4,749)
Boys Basketball	3,142	-	-	-	3,142
Football	1,957	-	-	-	1,957
Golf	-	-	258	-	(258)
Soccer	265	50	-	-	315
Tennis	439	-	-	-	439
Track	351	-	338	-	13
Volleyball	1,045	-	-	-	1,045
Swimming	1,881	-	-	-	1,881
Athletic Trainer	3,958	-	-	-	3,958
Cheerleaders	124	-	-	-	124
General Athletics	(150)	-	-	150	-
Cross Country	400	-	-	-	400
Athletic Accounts	(18,002)	58,722	32,117	(336)	8,267
Instructional Materials	698	734	1,387	-	45
Library	661	8	-	-	669
Art	1,577	-	175	-	1,402
Physical Education	(4,219)	24	6	-	(4,201)
Special Education	12,249	115	3,940	(175)	8,249
Band	509	-	549	549	509
Chorus	1,131	-	-	-	1,131
Orchestra	337	-	-	-	337
Technology Education	1,119	-	-	-	1,119
Advancement Via Individual Determination	192	-	-	-	192
Foreign Language	18	-	-	-	18
Family and Consumer Science	896	-	-	-	896
Computer Supplies	781	-	-	-	781
Field Trips	110	-	-	-	110
Health Sciences Academy	4,267	-	123	-	4,144
Departmental Accounts	20,326	881	6,180	374	15,401
Drivers Education	-	2,520	2,310	-	210
Dual Enrollment	-	-	(135)	-	135
Calculators/Heart Monitors-Lost/Damaged	792	121	578	-	335
Technology	969	260	734	-	495
Textbooks-Lost	312	19	342	-	(11)
VBCPS Accounts	2,073	2,920	3,829	-	1,164
Senior Class	2,945	44,200	5,413	175	41,907
Junior Class	2,223	-	-	-	2,223
Sophomore Class	166	-	-	-	166
Freshman Class	-	-	-	500	500
Alumni	26,465	1,651	7,070	(6,621)	14,425
Outside Organization Grants	-	2,000	1,974	-	26
Business Services Administered Grants	300	1,315	1,315	(300)	-
Class/Club Scholarships	3,970	-	2,750	2,500	3,720
Class/Scholarship/Grant Accounts	36,069	49,166	18,522	(3,746)	62,967
District-Wide Events	(2,854)	2,648	-	206	-
NSF/Returned Checks	-	(33)	12	-	(45)
Clearing Accounts	(2,854)	2,615	12	206	(45)
Total	\$ 113,181	137,095	83,491	-	166,785

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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.