



# VIRGINIA BEACH CITY PUBLIC SCHOOLS

## CHARTING THE COURSE

### MEMORANDUM

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

**FROM:** Ms. Karen W. Woodson, CIA, CFE <sup>KW</sup>  
School Board Internal Auditor, Department of Internal Audit

**SUBJECT:** FY23 School Activity Funds Audit

**DATE:** September 5, 2023

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We have audited the accompanying statement of cash receipts and disbursements of the school activity funds for Virginia Beach City Public Schools (VBCPS) for the year ended June 30, 2023. 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. We are required to be independent of VBCPS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Government Auditing Standards* also require that we consider internal controls over financial reporting and compliance with requirements of laws, regulations, contracts, and grants. The management of VBCPS 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.

**Emphasis of Matter – Basis of Accounting**

As described in Note 1, VBCPS prepares the school activity funds financial statement on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this manner. 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 VBCPS as of June 30, 2023, and the recorded cash transactions for the year then ended using the cash basis of accounting as described in Note 1, which is a basis of accounting other than U.S. generally accepted accounting principles.

cc: Mr. Daniel G. Hopkins, Director, Office of Business Services  
Ms. Crystal M. Pate, Chief Financial Officer

Dr. Melanie J. Hamblin, Senior Executive Director of Elementary Schools  
Dr. James J. Smith, Senior Executive Director of Middle Schools  
Dr. Walter C. Brower, Jr., Senior Executive Director of High Schools  
Mr. Matthew D. Delaney, Chief Schools Officer

# STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

## For the Year Ended June 30, 2023

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>High Schools:</b>				
Bayside High School	\$ 119,284	323,657	336,561	106,380
First Colonial High School	122,073	336,260	327,848	130,485
Floyd E. Kellam High School	397,595	692,220	618,053	471,762
Frank W. Cox High School	366,042	572,259	544,135	394,166
Green Run Collegiate	5,212	79,556	73,351	11,417
Green Run High School	174,358	455,915	484,274	145,999
Kempsville High School	172,586	439,431	371,867	240,150
Landstown High School	196,646	401,013	415,464	182,195
Ocean Lakes High School	241,120	526,545	570,434	197,231
Princess Anne High School	162,630	474,044	394,245	242,429
Salem High School	198,382	335,061	360,107	173,336
Tallwood High School	168,919	334,496	311,071	192,344
<b>Subtotal</b>	2,324,847	4,970,457	4,807,410	2,487,894
<b>Middle Schools:</b>				
Bayside Middle School	4,938	44,193	33,979	15,152
Bayside 6th Grade Campus	4,093	16,281	13,693	6,681
Brandon Middle School	20,448	42,454	43,725	19,177
Corporate Landing Middle School	38,269	63,670	70,531	31,408
Great Neck Middle School	7,043	88,582	66,281	29,344
Independence Middle School	64,925	84,196	118,208	30,913
Kempsville Middle School	39,996	82,775	72,327	50,444
Landstown Middle School	86,760	75,834	95,519	67,075
Larkspur Middle School	60,018	69,224	68,443	60,799
Lynnhaven Middle School	21,777	75,714	81,255	16,236
Old Donation School	75,805	116,893	106,605	86,093
Plaza Middle School	70,907	90,822	94,325	67,404
Princess Anne Middle School	51,356	174,725	192,367	33,714
Salem Middle School	36,184	73,580	66,604	43,160
Virginia Beach Middle School	21,250	71,454	64,379	28,325
<b>Subtotal</b>	603,769	1,170,397	1,188,241	585,925
<b>Elementary Schools:</b>				
Alanton Elementary School	57,160	21,593	15,352	63,401
Arrowhead Elementary School	38,115	22,804	13,076	47,843
Bayside Elementary School	10,919	31,205	25,802	16,322
Bettie F. Williams Elementary School	12,226	21,680	23,501	10,405
Birdneck Elementary School	39,972	26,859	24,205	42,626
Brookwood Elementary School	26,761	30,294	37,763	19,292
Centerville Elementary School	23,273	31,343	34,567	20,049
Christopher Farms Elementary School	40,705	24,912	26,371	39,246
College Park Elementary School	19,527	37,459	41,571	15,415
Corporate Landing Elementary School	22,361	22,433	21,357	23,437
Creeds Elementary School	28,041	27,119	24,621	30,539
Diamond Springs Elementary School	14,054	12,131	12,622	13,563
Fairfield Elementary School	13,381	40,282	28,131	25,532
Glenwood Elementary School	22,307	36,518	28,724	30,101
Green Run Elementary School	8,791	18,533	18,119	9,205

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, CONTINUED**  
**For the Year Ended June 30, 2023**

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Elementary Schools, continued:</b>				
Hermitage Elementary School	\$ 11,992	24,240	21,960	14,272
Holland Elementary School	4,807	16,186	11,331	9,662
Indian Lakes Elementary School	37,708	40,768	43,818	34,658
John B. Dey Elementary School	26,195	47,188	37,794	35,589
Kempsville Elementary School	22,571	11,181	7,225	26,527
Kempsville Meadows Elementary School	16,846	30,676	22,583	24,939
King's Grant Elementary School	35,341	35,209	34,454	36,096
Kingston Elementary School	36,958	49,983	37,108	49,833
Landstown Elementary School	32,989	27,367	27,715	32,641
Linkhorn Park Elementary School	33,583	34,554	31,801	36,336
Luxford Elementary School	19,345	26,356	17,261	28,440
Lynnhaven Elementary School	14,096	15,885	16,913	13,068
Malibu Elementary School	22,628	16,319	8,180	30,767
New Castle Elementary School	33,285	61,179	64,880	29,584
Newtown Elementary School	12,280	18,068	15,309	15,039
North Landing Elementary School	18,162	47,274	41,557	23,879
Ocean Lakes Elementary School	25,665	36,555	32,700	29,520
Parkway Elementary School	7,797	55,551	54,195	9,153
Pembroke Elementary School	58,126	26,578	32,081	52,623
Pembroke Meadows Elementary School	36,756	29,305	31,574	34,487
Point O'View Elementary School	9,277	30,036	24,555	14,758
Princess Anne Elementary School	35,397	51,132	59,144	27,385
Providence Elementary School	39,931	42,823	37,511	45,243
Red Mill Elementary School	38,172	66,431	56,658	47,945
Rosemont Elementary School	5,011	18,271	13,285	9,997
Rosemont Forest Elementary School	44,048	30,971	42,469	32,550
Salem Elementary School	28,751	22,908	18,342	33,317
Seatack Elementary School	16,598	18,203	5,426	29,375
Shelton Park Elementary School	42,555	54,618	51,705	45,468
Strawbridge Elementary School	20,603	20,768	19,771	21,600
Tallwood Elementary School	17,415	40,046	34,981	22,480
Thalia Elementary School	12,833	33,118	23,722	22,229
Thoroughgood Elementary School	52,100	17,765	31,939	37,926
Three Oaks Elementary School	92,330	36,103	62,277	66,156
Trantwood Elementary School	29,838	69,966	66,555	33,249
W. T. Cooke Elementary School	27,887	29,687	25,770	31,804
White Oaks Elementary School	24,437	41,372	30,214	35,595
Windsor Oaks Elementary School	15,514	34,871	31,336	19,049
Windsor Woods Elementary School	12,135	20,555	23,145	9,545
Woodstock Elementary School	23,534	57,844	59,183	22,195
<b>Subtotal</b>	1,473,089	1,793,075	1,684,209	1,581,955

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, CONTINUED**  
**For the Year Ended June 30, 2023**

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Other Schools:</b>				
Adult Learning Center	\$ 223,911	288,341	300,298	211,954
Advanced Technology Center	56,246	75,271	72,751	58,766
Renaissance Academy	23,577	38,850	44,590	17,837
Technical and Career Education Center	277,766	165,667	160,228	283,205
<b>Subtotal</b>	581,500	568,129	577,867	571,762
<b>Total</b>	<b>\$ 4,983,205</b>	<b>8,502,058</b>	<b>8,257,727</b>	<b>5,227,536</b>

## 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 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.