



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 ^{KW}
School Board Internal Auditor, Department of Internal Audit

SUBJECT: Follow-up School Activity Funds Audit
Renaissance Academy

DATE: January 28, 2026

BACKGROUND

As part of the 2026 Audit Work Plan, the Department of Internal Audit (IA) has performed the Follow-up School Activity Funds Audit for Renaissance Academy.

The principal has the responsibility for safeguarding, accounting and managing the school activity funds. The school activity funds are accounted for using the cash basis of accounting and are recorded by the bookkeeper in School Funds Online, the division's school-level accounting software. Examples of other discretionary income received by schools are payments made by parents, fundraisers and other miscellaneous sources. Expenditures include school activities such as clubs, fundraisers, etc.; payroll expenditures are not allowed to be paid from these funds. School activity account regulations provide administrative control over the income and disbursement of monies for school activities and provide an accurate record of all financial transactions of these activities and organizations.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS

Inquiry and examination of documents and data, interviews and site visits were the methods of reviewing internal controls. IA judgmentally selected transactions to ensure that a variety of vendors and deposits were analyzed throughout the audit period, and as a result, this sample cannot be extrapolated across the entire population. The audit period was July 1, 2025, through December 31, 2025. The audit objectives, methodology, results and conclusions are as follows:

1. Objective: Determine if cash balances were fairly stated.
Methodology:
 - IA traced the prior year's ending balance to this year's beginning balance;

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS, CONTINUED

- IA reviewed the bank reconciliation, year-end investment statement, as applicable, and the original bank statements during the audit period for unusual transactions;
- IA reviewed transfers reducing cash and other material transfers for allowability;
- IA reviewed a sample of cash disbursements to determine if the amounts paid matched the invoice/receipt and were coded to the correct account;
- IA reviewed a sample of cash receipts to determine if the amount collected was deposited and coded correctly;
- IA reviewed unpaid invoices;
- IA counted change funds, as applicable;
- IA inspected the contents of the school's safe(s); and
- IA reviewed the general ledger to determine if there were any unusual transactions or accounts with inconsistent activity.

Results:

- IA determined from analysis and transactional testwork that the account balances appeared reasonable.

Conclusion: IA concluded that the cash balances at the school level are fairly stated.

2. Objective: To assess compliance with applicable policies and procedures.

Methodology:

- IA reviewed a sample of cash receipts to determine if the amounts were deposited timely;
- IA reviewed a sample of disbursements to determine if the amounts paid were reasonable, were approved by the principal, contained an itemized receipt or invoice to support the purchase and two authorized signatures on checks, as applicable;
- IA reviewed applicable disbursements over \$10,000 to determine if they were paid from a contract and/or were approved by the Office of Business Services or Office of Procurement Services, as applicable; and
- IA evaluated certain policies and procedures related to transfers, banking and account usage and procedures for cash collection and disbursements.

Results:

- All cash receipts reviewed were deposited timely;
- All of the disbursements reviewed were reasonable, were approved by the principal, contained an itemized receipt or invoice to support the purchase and two signatures, as applicable;
- There were no disbursements above \$10,000; and
- From items reviewed, IA noted no exceptions related to certain policies and procedures with transfers, banking and account usage and procedures for cash collection and disbursements.

Conclusion: IA concluded that the school is compliant with the applicable policies and procedures.

AUDIT OBJECTIVES, METHODOLOGY, RESULTS AND CONCLUSIONS, CONTINUED

3. Objective: To determine if internal controls are adequate and functioning as intended.

Methodology:

- IA conducted internal control interviews with the principal and the bookkeeper regarding the system of internal controls; and
- IA identified key internal controls and performed sample testwork on these significant controls to determine if they were working as intended.

Results:

- The principal and bookkeeper provided internal control information consistent with division requirements; and
- The sample testwork indicated that the school's significant internal controls are working as intended.

Conclusion: IA concluded that the internal controls are adequate and functioning as intended.

AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results for this audit were discussed with management. Audit results are based on The Code of Virginia, School Board policies and regulations, accounting procedures, the *Business Manual for Schools* and proper internal controls. The Statement of Cash Receipts and Disbursements has been included in the Appendix to this report. We thank management and staff of the Department of School Leadership, Renaissance Academy and all others that were contacted for their cooperation throughout the audit.

cc: Mr. Matthew D. Delaney, Chief Schools Officer, Department of School Leadership
Dr. Walter C. Brower Jr., Senior Executive Director of High Schools
Mr. Anthony Smith, Director

Ms. Crystal M. Pate, Chief Financial Officer, Department of Budget and Finance
Mr. Daniel G. Hopkins, Director of Business Services

Attachment: Appendix

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For the Six-Month Period Ended December 31, 2025

Renaissance Academy

Account Group	Balance 7/1/2025	Cash Receipts	Cash Disbursements	Net Transfers	Balance 12/31/2025
Administrative Accounts	\$ 30,023	10,898	863	(8,060)	31,998
Virginia High School League Accounts	37	-	-	-	37
Club and Student Activity Accounts	2,973	3,049	443	765	6,344
Departmental Accounts	(4,413)	11,354	8,892	7,292	5,341
VBCPS Accounts	116	-	-	-	116
Class/Scholarship/Grant Accounts	7,839	500	2,787	3	5,555
Clearing Accounts	-	1,292	1,367	-	(75)
Total	\$ 36,575	27,093	14,352	-	49,316
General	\$ 1	-	-	-	1
Student Concession/Vending	3,550	338	-	-	3,888
Staff Concession/Vending	955	204	-	(700)	459
Bank Interest	128	-	-	-	128
Pictures	130	-	-	-	130
Staff Welfare	-	6	700	700	6
Supply Store	22	-	-	-	22
Office	829	-	41	766	1,554
Donations/Contributions	1,763	10,305	-	(7,263)	4,805
Staff Recognition	466	-	122	-	344
Parking	738	45	-	-	783
Indigent/Needy Students	1,304	-	-	(32)	1,272
Procurement Card Rebate	1,531	-	-	(1,531)	-
Bottled Drinks Vending	18,606	-	-	-	18,606
Administrative Accounts	30,023	10,898	863	(8,060)	31,998
Yearbook	37	-	-	-	37
Virginia High School League Accounts	37	-	-	-	37
Student Activities	1,709	40	191	765	2,323
SCA	897	-	-	-	897
Student Recognition	(667)	2,000	-	-	1,333
DECA	112	693	123	-	682
FBLA	410	316	129	-	597
The Nobleteen	512	-	-	-	512
Club and Student Activity Accounts	2,973	3,049	443	765	6,344
Instructional Materials	3,651	-	-	(3)	3,648
Library	2,381	419	44	2,000	4,756
Art	74	-	-	-	74
Tech Ed	2,349	5	-	-	2,354
Student Uniforms	(13,947)	10,815	8,353	295	(11,190)
Family and Consumer Science	850	105	-	-	955
Computer Supplies	50	-	-	-	50
Field Trips	130	-	485	5,000	4,645
College Board Tests	39	-	-	-	39
GED Exams	10	10	10	-	10
Departmental Accounts	(4,413)	11,354	8,892	7,292	5,341
Calc/Heart Mon-Lost/Damaged	116	-	-	-	116
VBCPS Accounts	116	-	-	-	116
Senior Class	662	-	-	-	662
Va Beach Educ Found Grants	16	-	-	-	16
Outside Organization Grants	4,477	500	2,787	3	2,193
Pepsi Scholarship	1,000	-	-	-	1,000
Class/Club Scholarships	1,684	-	-	-	1,684
Class/Scholarship/Grant Accounts	7,839	500	2,787	3	5,555
Change	-	-	75	-	(75)
United Way	-	225	225	-	-
Clearing	-	1,067	1,067	-	-
Clearing Accounts	-	1,292	1,367	-	(75)
Total	\$ 36,575	27,093	14,352	-	49,316

Appendix

Follow-up School Activity Funds Audit
Renaissance Academy
January 2026