

COUNTY OF JAMES CITY, VIRGINIA

Schedule of Findings and Questioned Costs

Year ended June 30, 2000

(1) Summary of Auditor's Results

- (a) The type of report issued on the general purpose financial statements: **unqualified opinion**
- (b) Reportable conditions in internal control were disclosed by the audit of the financial statements: **none reported**
Material weaknesses: **no**
- (c) Noncompliance which is material to the general purpose financial statements: **no**
- (d) Reportable conditions in internal control over major programs: **none reported**
Material weaknesses: **no**
- (e) The type of report issued on compliance for major programs: **unqualified opinion**
- (f) Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **yes**
- (g) Major programs:
School Breakfast Program and National School Lunch Program; CFDA: 10.553 and 10.555
Title I; CFDA: 84.010
Special Education – Title VIB and Special Education – Preschool Grants; CFDA: 84.027 and 84.173
Federal Transit – Formula Grants; CFDA: 20.507
- (h) Dollar threshold used to determine Type A programs: **\$300,000**
- (i) Auditee qualified as low-risk auditee under section 530 of OMB Circular A-133: **yes**

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None noted.

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Schedule of Findings and Questioned Costs, Continued

(3) Findings and Questioned Costs Relating to Federal Awards:

United States Department of Agriculture

School Breakfast Program; 10.553 and National School Lunch Program; 10.555; Pass-through agency: Virginia Department of Education

Finding 00-1: Allowable Activities

In accordance with James City County internal policies and procedures, all cafeteria managers are required to sign the *Monthly Meal Claim Reports* as certification that the amounts appearing on the report are true and correct. However, for three out of our nine sample items, we noted that the cafeteria manager did not sign the *Monthly Meal Claim Report*. We were unable to determine the questioned costs, if any, associated with this finding. We recommend that the County enhance its policies and procedures to ensure that the cafeteria managers sign each *Monthly Meal Claim Report* that is submitted.

Finding 00-2: Special Tests – Verification (Compliance)

In accordance with 7 CFR Section 245.6a(a), the School Food Authority (SFA) must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals. During our testwork, we noted that the County had made the wrong eligibility determination for one participant out of our sample of 16 participants based upon its verification procedures. The participant was originally determined to be eligible for free lunch. Through the verification process, it was determined that the participant's income was above the threshold for free lunch; however, they were eligible for reduced lunch. We noted that the County did not change the participant's status from free to reduced in its computer system. We were unable to determine the questioned costs, if any, associated with this finding. We recommend that the County develop procedures to ensure that the appropriate changes are made to eligibility determinations once verification has been completed.

Finding 00-3: Special Tests – Verification (Internal Control)

In accordance with James City County internal policies and procedures, the Verification Form is required to be signed and dated by a member of the County's Food Services Department to denote their review and determination of the appropriate eligibility status. We noted that three of the 16 Verification Forms selected did not include the date or signature of a member of the Food Services Department. We were unable to determine the questioned costs, if any, associated with this finding. We recommend that the County develop procedures to ensure that all Verification Forms are signed and dated once they have been reviewed by Food Service personnel.

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Schedule of Findings and Questioned Costs, Continued

United States Department of Education

Title I, Part A; CFDA: 84.010; Pass-through agency: Virginia Department of Education

Finding 00-4: Reporting

In accordance with the 2000 *Compliance Supplement*, each year an local education agency (LEA) must submit to the state education agency (SEA) its average per pupil expenditure data for submission to the National Center for Education Statistics. During our test work, we noted that James City County did not provide the calculation for their fiscal year 1999-2000 per pupil expenditures. We were unable to determine the questioned costs, if any, associated with this finding. We recommend that the County develop procedures to ensure that the required calculation of per pupil expenditures is performed each year and submitted to the SEA.