

# Dickenson County School Board Meeting – Summary Minutes

February 27, 2019

## I. ROLL CALL AND MEETING CALLED TO ORDER

- a. The meeting was called to order by Chairman, Susan Mullins followed by the Pledge of Allegiance and a Moment of Silence.
- b. **Members in Attendance:** Susan Mullins, Chairman; Rick Mullins, Vice-Chairman; Rocky Barton; Dr. Lurton Lyle; Shanghai Nickles; Haydee Robinson, Superintendent; Reba McCowan, Clerk and Scott Mullins, Board Attorney
- c. **Approval of Agenda**  
Superintendent Robinson requested to add agenda item: "f (1). Discussion of Special Grand Jury and Its Report of Findings".  
Following a motion by Dr. Lurton Lyle and second by Rick Mullins the agenda was approved with the addition as requested.

### *Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

## II. PUBLIC COMMENT

1. Kathy Musick, VPE – Virginia Professional Educators has a lobbyist in Richmond lobbying on behalf of the teachers, students and Dickenson County. It's an exciting time with the Governor's budget even though it may not pass; it is proposed and there are a lot of good things. We are excited about HB 2037 which is about teacher licensure, 45 minute planning time for elementary teachers and reducing class size. Overall, I feel like it is pretty positive. For the first time in a long time I feel like we have more positive news. Thank you for all you do. I know this is School Board Appreciation and I know how hard your job is. I can only imagine all the decision you have to make and you can't make money. You are dependent on the State, Board of Supervisors and Federal government you still have to make things meet. I think you do a great job. Stay strong; continue working for the teachers and students of Dickenson County. Thank you.
2. Phyllis Mullins, DEA – As of Saturday, word has come that we do have a budget and there has been an increase of \$72.7 million dollars. There is an additional 2% percent for salary which added to the 3% is a total of 5%. We will have more at risk money. These are some of the things that DEA has lobbied for; it's been so long. I went and two of my cohorts went to Richmond on Lobby Day and it was amazing. I'm so proud to be part of it. DEA will be having Professional Development for members at the next meeting on the 19<sup>th</sup> and then at the end of March we will be going to convention in Richmond. We all look forward to that.
3. Kathy Harrison – Tonight I want to agree with Mr. Nickles about the sewer system at Ervinton Elementary. He's mentioned the last couple of meetings; why can't something be done? I had no idea what might be wrong or how much it would take to fix it. From the website I printed the OWPR assessment and marked a few places and reviewed for the Board. The projected cost for five years; it has Mechanical and plumbing together, but plumbing alone is \$20,000. I know there is \$150,000 that the Board of Supervisors gave for upgrades; Capital Improvements. Why can't you take some of that money and investigate the plumbing and see what needs to be fixed and make sure the kids are drinking water that is acceptable and not sitting in old pipes. Make sure that the plumbing system is working good, not backing up anywhere, why is that money just sitting there? I know further investigation will need to take place, but it needs to take place. You need to vote to have them do this. Don't just let it sit there. The money's there and as Mr. Nickles said, why is it not being done? I'm

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saying why is it not being done? I have two grandsons up there and I want to know that they are drinking water and the food that is coming from up there is acceptable and coming from water with good pipes. I want to know that when they go to the rest rooms there is not going to be water backed up in the floor. Please take this under consideration, take it seriously and you have the money there. The money is there for Capital Improvements for Ervinton; its ear marked. So start using it; put some of it to use. Thank you.

Response: Superintendent Robinson stated that the \$150,000 that was given by the Board of Supervisors, and I'm going to ask Mr. Barton to verify me on this, was given to us about three years ago and was a down payment for a roof at Clintwood Elementary School.

Kathy Harrison: Didn't both Ervinton and Clintwood receive \$150,000?

Superintendent Haydee Robinson: No, Mr. Barton.

Larry Barton: No, we only received \$150,000 for one year and last year they had some extra money and gave us \$400,000 making a total of \$550,000 they are holding for us for the roof project at Clintwood Elementary School. The IDA is procuring that for us.

Superintendent Haydee Robinson: The roof project at Clintwood Elementary school is under way. It has gone out for an RFP. I think your question and Mr. Nickles question is: Has the Board of Supervisors appropriated more Capital Project funding for Ervinton? At this point, they have not. All the Capital Project money that has been funded is for the roof at Clintwood Elementary. The first was \$150,000 and we discussed this with the Board of Supervisors. We could not do the roof with that amount of money and we asked and received approval to hold that funding until this past year when we received the \$400,000. We now have \$550,000 for the roof and that process is already under way. The IDA very graciously sent out an RFP and we should have a new roof at Clintwood Elementary School this summer.

Kathy Harrison: I was under the impression that \$150,000 was given to both. If I'm incorrect then...

Superintendent Haydee Robinson: I will let Mr. Barton confirm because I want to make sure.

Larry Barton: It was just the \$150,000 but I will go back and check just to verify for you.

Kathy Harrison: Thank you. I appreciate it.

Shanghai Nickles: To her point, I also thought the same thing. If we had it then why aren't we doing it? Then, of course, I heard the rest of the story.

Chairman Susan Mullins: Do we know how the \$20,000 was going to fix the drains because when we were up there they were poured full of concrete.

Larry Barton: Fixtures and things was what that was for. It was the faucet fixtures and things. The

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best I remember; it's been a long time since I looked at that.

Chairman Susan Mullins: So, it wasn't for the drains.

Shanghai Nickles: I think the \$20,000 was to get us started but it's a long, long way from getting us finished.

Larry Barton: I'm thinking the sewer system was in the 10 year plan and it was over \$200,000 but it's been a long time since I've looked at it.

4. Allison Mullins – I'm going to ask a couple of things of the newspaper, The Dickenson Star. I've noticed the last couple of articles have been based on interpretation of reports. I would ask if The Dickenson Star could publish the independent accountant's report on applying the Agreed-Upon Procedures, just the first page. Also, the full Special Grand Jury's report. My comments tonight and I had to change them a little bit because I saw the agenda and I noticed the newspaper has been reporting on meeting comments so I'm hoping my comments will make it into the newspaper. I have permission from Jamie Hackney, who has announced his candidacy for School Board in the Sandlick District, to read a Facebook post he made today. I want to read that:

"The school project article in the Dickenson Star this morning reads like a hit piece against special grand jury. Very one sided. The only reference to the misappropriation of federal funds is made by Superintendent with an accusation by her that investigation was politically motivated because of personal agendas during an election year. She says she comes to this conclusion based on prior FOIA requests, public comments at board meetings, and get this: "posts on social media"...yes you heard that right. We have to remember these county officials work for us and their salaries are paid by us, the citizens of this county. FOIA information is public knowledge and comments at board meetings or on social media calling for transparency is an exercise of free speech and should be encouraged, not disparaged. For a public official to criticize this and attempt to undermine the credibility and integrity of the local citizens she works for, as well as the special grand jury....is irresponsible and unprofessional, to put it mildly. The public needs to know and be aware that a majority of regular grand jury recommended special grand jury be impanelled only after enough evidence was presented through documents and/or testimony....and then as Virginia Code requires: court found probable cause to believe a crime had been committed with school project. An independent judge from outside the area was brought in to preside and examine each jurors qualifications and suitability individually while under oath and subject to purgery. While the grand jury didn't find cause to issue indictments, they did find serious issues with the handling of the project and related funds. Public officials need to respect this legal process without levying unfounded accusations against grand jury or county citizens (The people they work for!) about the reasons or motivations for the investigation. The legal process has a purpose and responsibility to the public and should be able to proceed as such without public officials attempting to undermine the validity of a lawfully impanelled jury with unsubstantiated claims and accusations. Citizens also need to understand grand jury panel members took an oath to be truthful and impartial and were examined and certified as being disinterested in subject matter and outcome of investigation, yet Dickenson Star article states without evidence: "word had already circulated about their identities and allegiances." This is an unwarranted and unfounded attack by local media on our

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citizens called to jury duty to provide a public service. It is at best irresponsible, and at worst borders on dangerous and slanderous. As a citizen of this county, I demand a retraction and apology to our local citizens who were called to duty and took an oath. This is not quality journalism at all.”

Now real quick I want to read an excerpt from the audit:

“We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the selected records. Accordingly, we do not express such an opinion or conclusion.”

5. Jarvis Deel – I really wanted to make it to the Board of Supervisor’s Meeting but I didn’t get to. I can’t understand what they’re talking about a 9 acres pad to a 2 acres pad and splitting the land up. Now this is what I read in the newspaper. Part in Sandlick, part in playground; it just really don’t make no sense. When all this started there was no shrinking that pad; it had to be a 9 acres pad. Now they can split according to the Board of Supervisors. This decision is yours not theirs. I hope you don’t let them push you around like that. There are three of them that are really dead set on what they want. They’re not worried about the kids; they’re not worried about nothing. They’re just worried about getting it their way. That’s the way I see it. The General Assembly, I’m pretty sure would disagree with that because there’s statues. School Board authority over school property. The Board of Supervisors’ have no authority and I can’t figure out why they are voting over school property. I hope that you all will stick to what’s right. Do what’s best for the children; keeping their safety in mind when you vote. That way you will be able to sleep at night knowing you did what you thought was best for the children. It just shocked me on what the Board of Supervisors is doing. I plan on making it to the next meeting. I appreciate it.
6. Carroll Edwards – No comment at this time.
7. Don Hill – Addressed the Board in support of Clinchco as the site for the new elementary school. He stated this was the best location when considering the safety of the children and taxpayers. He provided maps to show population of students in relation to the proposed school sites and stated that the Clinchco site was far superior to the Ridgeview site. I’ve provided you with hard data to support the Clinchco site. It would be a hard task for anyone to provide you with hard data to support building the school on the Ridgeview site. Again, I encourage you to not be bullied. He encouraged the Board to stay strong, stand firm and make the decision based on facts. I want to leave you with a bit of philosophy from Aristotle. “Seek truth. Use facts. Curb emotionalism.” I’ve always endeavored to do that. Truth and facts require no explanation but emotionalism means arousing one to act on impulse. You’ve encountered a great deal of emotionalism in this search on where to build this school. You’ve handled it with grace, dignity, restraint and civility and I appreciate that. You’re getting close to making a decision on this school. Seek truth, use facts, curb emotionalism. Thank you.

**III. CONSENT AGENDA ITEMS**

Following a motion by Rick Mullins and second by Rocky Barton; minutes were approved.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

- a. Approval of Minutes
  - ❖ January 23, 2019 – Reorganization Meeting
  - ❖ January 23, 2019 – Regular Meeting
  - ❖ February 4, 2019 – Special Called Meeting

Following a motion by Rick Mullins and second by Rocky Barton the consent agenda items were approved.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

- b. Approval of Monthly Bills – School Operating Fund
  - Monthly Bills: Check # 879482 - Check #879589.....\$322,585.71
  - Monthly Payroll: Check #388757 – Check #388781.....\$1,652,471.55
- c. School Activity Fund
  - ❖ Informational Item
- d. Field Trips
  - ❖ Ridgeview High School
    - 02/05 – Mountain Empire Community College – 12<sup>th</sup> Grade
    - 02/16 – Central High School – Wise, VA – 11<sup>th</sup>-12<sup>th</sup> Grade
    - 02/27 – The Attic – Clintwood, VA – 9<sup>th</sup>-PG
    - 02/28 – State DECA Competition – Virginia Beach, VA – 10<sup>th</sup>-12<sup>th</sup> Grade
    - 03/07-03/08 – BETA Leadership Conference – Gatlinburg, TN – 9<sup>th</sup>-12<sup>th</sup> Grade
  - ❖ Ridgeview Middle School
    - 02/20 – The Attic – Clintwood, VA – 6<sup>th</sup>-8<sup>th</sup> Grade
    - 03/07 – WCYB TV – Bristol, TN – 6<sup>th</sup> Grade

**IV. INFORMATION FOR THE BOARD**

- I. School Board Clerk Appreciation Week, Feb. 18 – 22, 2019
  - Superintendent Robinson recognized Reba McCowan, Clerk and Larry Barton, Deputy Clerk with a Certificate of Appreciation

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- II. February School Board Appreciation Month: "Leading for Success."  
Superintendent Robinson recognized Susan Mullins, Chair; Rick Mullins, Vice-Chair; Rocky Barton, Dr. Lurton Lyle and Shanghai Nickles with a Certificate of Appreciation
- III. VSBA Hot Top Conference – March 13, 2019 at Wytheville Meeting Center

**V. SUPERINTENDENT ROBINSON**

**e. Good News from Our Schools**

**January 2018 Enrollment and Attendance Report**

**Be Great with 8! Be a Hero: Here, Everyday, Ready, On-Time**

The student enrollment on Jan. 31, 2019 was 1974. Congratulations to Ridgeview Middle School who has won the Attendance Banner with a 94.82% student attendance percentage for January, 2019. Clintwood Elementary School came in second with 94.52%, and Ervinton Elementary School's attendance percentage was 94.14%. Overall the attendance percentage for January was 93.98% and the yearly total is 94.18%

2018 – 2019 Attendance Percentage per School:

- Clintwood Elementary: 94.52%
- Ervinton Elementary School: 94.14%
- Sandlick Elementary School: 94.82%
- Ridgeview High School: 92.94%
- Ridgeview Middle School: 94.82%

Eighty-nine students are enrolled in our Pre- K program.

- Clintwood Elementary School: 27
- Ervinton Elementary School: 18
- Sandlick Elementary School: 44

**I. Robotics Competition: Feb. 2 – 3, 2019**

The robotics team competed this past weekend in Richmond. We finished the day with a 3-2 record and the second highest score in our division. The robot had a technical issue during the first match and we lost a match we should have won. After everything played out we finished with a rank of 13th at the State Competition. Unfortunately, we did not qualify for the World Competition this year. They take 9 robots from Virginia. Looking at the totals for the year, there are 520 teams in Virginia and we finished in the top 5% of teams. I received several comments about how friendly and helpful the students were at the competition, which is no surprise to me. They are great ambassadors for Dickenson County ---- Chris Owens

Below is a list of the team's accomplishments:

**Christiansburg Qualifier**

Winning Alliance

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2nd Place Inspire  
2nd Place Control  
2nd Place Motivate  
1st Place Think Award

**Southwest Qualifier**

1st place Motivate  
2nd Place Control

**VA State Competition**

13th place finish

**II. Staff Recognition and Accomplishment: Alicia Belcher**

Ms. Alicia Belcher, math teacher at Ridgeview High School, has been chosen by VASS (Virginia Advanced Studies Strategies) President and CEO Jennifer Stevens, to present with her at the Carnegie Foundation Summit on Improvement in Education in San Francisco, CA on April 16-18, 2019. The presentation will be about the work that VASS is doing in RMIN (Rural Math Innovation Network). The project is funded through an Investing in Innovation (i3) Grant from the US Department of Education. Alicia is participating in RMIN, which is innovation-minded pre-Algebra and Algebra 1 teachers participating in the four-year project. The teachers work in a virtual network to create lessons that increase student motivation for mastery of math skills and concepts needed for pursuing STEM and health postsecondary technician programs and career credentials. Student success on the math assessment of the National Career Readiness Certificate is one outcome of project.

Alicia was recognized for her hard work, background and work in the research arena. She has embraced the principles of a growth mindset and instilling grit in her students, which are key components of RMIN training. Her students have responded, wonderfully. We would like to commend and recognize Alicia for her accomplishment.

**III. Ridgeview Beta Club Winners at the Virginia State Beta Conference:**

Colby Hackney, Vice President (his term will end July 1)  
Kloe Rife, Vice President Elect (term begins July 1)

\*Kloe is the 4th consecutive state officer elected from Ridgeview High School.\*

1st Place—10 Grade, Math—Gabriel Brown

1st Place—Freshman Problem Solving—Alyssa Mullins, Rachel Moore, Conner Hill, Elias Rose

1st Place—Campaign Skit—Bryant Bentley, Mimi Strouth, Lee McCowan, Morgan Slempp, Emily McCarty, Hannah Thacker, Rachel Hillman, Madison R. Mullins, Heaven O'Quinn, Kandice Mullins, Madison Yates

2nd Place—9th Grade, Language Arts—Ivey Patrick

2nd Place—Club Trading Pin

3rd Place—Robotics—Jenna Nowlin, Raegan Lamkin, Grayson Martin, Alexa Lester, Elias Rose

3rd Place—Show Choir—Raegan Lamkin, Heaven O’Quinn, Lee McCowan, Adrianna Roth, Madison R. Mullins, Emily McCarty, Hannah Thacker, Alexa Lester, Mimi Strouth, Morgan Slem, Kandice Mullins, Cheyenne Mullins, Jenna Nowlin

**Scholastic Bowl - Second Team Recognition**

(This is a historical moment; it’s the first time our Scholastic Bowl has been recognized.)

Nick Cox

Caleb Carico

**f. (1) Discussion of Special Grand Jury and Its Report of Findings**

Superintendent Robinson reviewed a memo she had provided the Board on the Special Grand Jury report as follows:

The purpose of this memo is to update you on my understanding of the report of the special grand jury that was emailed to you on February 21. This memo represents my best efforts to provide accurate information. However, because special grand jury deliberations are by their very nature are intended to be secretive, we do not understand everything that occurred during this process. The below is intended to answer the most common questions and concerns that I have heard to date.

1. What caused a special grand jury to be impaneled in the first place?

We really do not know. When requesting information as why a Special Grand Jury was empanelled, the school division was informed that a regular grand jury conducting its work on matters that were unrelated to Ridgeview, converted itself into a special grand jury at the conclusion of its investigation. As a result, this special grand jury became authorized to investigate Ridgeview.

2. What is the composition of a special grand jury?

**Virginia Code §19.2-207. Composition of a special grand jury.**

Special grand juries shall consist of not less than seven and not more than 11 members, and shall be summoned from a list prepared by the court. Members of a special grand jury shall possess the same qualifications as those prescribed for members of a regular grand jury, including indifferent in the cause to be conducted by the special grand jury. In order to determine a potential juror’s qualifications, the presiding judge shall examine each juror individually and under oath. He shall then certify in writing and not under seal that he has examined the members of the special grand jury and has found that they are qualified and are impartial and disinterested in the subject matter and outcome of the investigation. The examination shall be recorded by a court reporter and conducted pursuant to the requirements of secrecy provided for in this chapter. The court shall appoint one of the members as foreman.



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3. What interaction occurred between the school system and the special grand jury?

The Division Superintendent received a subpoena on October 24, 2018. This subpoena was very broadly worded, and it essentially required us to produce all documents relating to Ridgeview on or before November 9, 2018. Fortunately, the Commonwealth's Attorney and Virginia State Police were willing to extend the due date for a limited number of documents that we were having trouble pulling together in the time allotted. After hundreds of hours of work, thousands of documents were provided to the Special Grand Jury.

Neither I nor any employee of the school system testified before the special grand jury. The School Board's attorney was subpoenaed but his appearance was continued due to a scheduling conflict with his personal attorney, and the special grand jury concluded its work without interviewing him. Our interaction was essentially with the Commonwealth's Attorney's office and the Virginia State Police. These individuals were very professional and courteous with us throughout this process.

4. What was the conclusion of the special grand jury?

The report reads, "After careful consideration of this information, we do not find probable cause to believe any criminal acts were committed and subsequently are not issuing any indictments."

5. Did the special grand jury determine that funds were mismanaged?

No. But the special grand jury did opine that there "... may have been mismanagement of funds associated with real estate acquisitions as well as soft costs. Soft costs, been defined as cost typically associated with non-tangible items such as real estate fees, inspection fees, project management and administrative fees. Examples include but are not limited to the following: Attorneys being paid for such things as reviewing proposals for the cost of athletic equipment and uniforms, also for reviewing quotes for furniture fixtures and equipment for the school complex. These functions could have been carried out by salaried employees without incurring additional costs. (See attached examples)."

We have carefully reviewed the Special Grand Jury's Report of Findings and its focus on the potential mismanagement of construction funds for Ridgeview. However, the invoices attached as examples in the Report of Findings from the school board attorney were **not** paid by Construction Funds. In reviewing the attached invoices, these invoices are identified by heading: General Matters. Invoices with this heading were paid by the school division. Invoices with the heading: Construction Matters were paid from construction funds. The invoices included in the Report of Findings have examples of the attorney's participation in the RFP for athletic equipment and athletic uniform, the same invoices also referred to matters as "phone call with central office personnel regarding various issues including school prayer, issue associated with social service and review of email regarding insurance rates. In short, the Special Grand Jury was concerned that these bills should have not been paid from construction funds, and, in fact, they were not paid from construction funds. To be fair, since no school board employee or the school board attorney testified before the Special Grand Jury, the members of the Special Grand Jury were unaware of which invoices were "General Matters" or "Construction Matters" and what those invoice headings meant. Also, the subpoena from the Special Grand Jury from the Special Grand Jury did not request any of the school board attorney's invoices regarding "General matters" issues only invoices pertaining to the Ridgeview Project, and therefore were not provided to the Special Grand Jury.

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6. Do we have enough information to understand the exact nature of the special grand jury's concerns and is there any way to clear up any confusion?

The report represents the extent of the information available to us regarding the special grand jury's concerns. These concerns merit serious consideration by the School Board, IDA and Board of Supervisors. Many of these concerns are not new. They have been the topic of social media discussions and they have been a topic of discussion by the School Board in open session. While we may not know exactly what the special grand jury was referring to in each area, it is apparent that they were expressing a concern that soft costs should be kept to a minimum and that, to the extent possible, salaried employees should be used to avoid additional costs. We respect and agree with that position.

As previously stated, the School Board has been aware of the concerns in the community by individuals regarding the participation of the School Board attorney in negotiations for a complex procurement process for the scoreboards advertisements as it relates to the available funding for the new elementary school.

The School Board is keenly aware that the year before Ridgeview was to open; there was no money to buy uniforms for the Wolfpack Teams. The school board attorney's work on the athletic contracts involved much more than simply picking out athletic apparel. Specifically, it involved:

1. Creating an RFP.
2. Review of RFP responses for compliance
3. Participating in interviews with numerous proposers.
4. Putting together a complex three-year agreement that included a partnership between various corporate entities that would provide:
  - a. Athletic uniforms, apparel, footwear, helmets and other equipment.
  - b. A yearbook that was provided by Herff Jones.
  - c. Caps, gowns, diplomas, announcements, and class rings.
  - d. Cheer apparel, footwear and uniforms through Varsity Sports.
  - e. Numerous scoreboard contracts that provided \$188,000 in funds necessary for purchasing the above.
  - f. Creation of original art for trademarked logos for Ridgeview.

Simply stated, the work stated immediately above could not have been done by school personnel. It is also noteworthy that this was an extremely time sensitive issue. We were completing the work on the school gym and we needed to create the trademarked logos very quickly in order to not hold up school construction. These are the large trademarked logos that you see in the center of the basketball court. Perhaps more importantly, the school board was at all times aware of what was going on and as recently as the October 2018 meeting they have complemented the school board attorney on this work.

7. Where there other financial concerns addressed in the Special Grand Jury's Report of Findings?

Yes. The Report of Findings also opined that "it did not appear that types of periodic audits were performed at the direction of this group of five".

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Throughout the project construction we have worked closely with our construction manager, Skanska. On the Ridgeview project, a process of checks and balances was implemented which included review and approval of all construction bills by our construction manager prior to being submitted to the client to pay. Prior to checks being cut, representatives of each of the 3 boards reviewed all invoices before they were paid and signed off on checks. On a monthly basis, our construction manager reconciled their accounting records with ours to ensure all invoices were accounted for and that costs were reflected correctly in the project budget.

As for annual audits, the County, School Board and IDA have audits performed annually by Robinson, Farmer, Cox Associates, CPAs. Each year, they reviewed the financial and banking information for the School Construction Project and included the information from the construction project with their combined audit report issued to the County. As stated above, hiring an independent CPA to perform additional annual audits would have resulted in added expense to the project.

8. The report makes specific reference to the lack of an independent certified public accountant during the construction phase and the lack of periodic audits. Is this something that we should consider for future construction?

The recommendations on special grand jury report should be taken seriously by all three Boards for the future construction of the new elementary school. In speaking with our construction manager at Skanska, it is not customary in the industry to hire an independent Certified Public Accountant (CPA) for a construction project such as Ridgeview to have an independent CPA on the project to manage the funds as it would have been an added expense to the project. If an audit is felt to be warranted, it would be performed at final completion, at a significant cost to the owner.

9. What are the most significant take away points from the Special Grand Jury process and its Report of Findings?

- a. The members of a grand jury are randomly selected by the Clerk of the Court or the Circuit Court Judge. It is comprised of individuals that have stated under oath that they are impartial and disinterested in the subject matter and outcome of the investigation.
- b. The Special Grand Jury reviewed thousands of documents submitted by the IDA, the Dickenson County School Board and the Board of Supervisors.
- c. The Dickenson County Schools takes the work of the Special Grand Jury and the Report of Findings seriously.
- d. After their review, the Special Grand Jury opined that there was a lack of evidence of probable cause to indicate that any crime had been committed.
- e. There was **no** finding that any funds were mismanaged. Concerns were raised that funds "may" have been mismanaged; however, the examples given from the school board attorney's invoices as attached in the Report, in fact, were not paid from Construction Funds but from "General matters", the Dickenson County Public Schools. To be fair, no one from the DCPS testified in front of the Special Grand Jury to clarify this point with the Special Grand Jury.
- f. While there is always room for further discussion about the Special Grand Jury's report, we should appreciate and respect their work. Their bottom line was that they wanted the County to consider using existing staff whenever possible to avoid the costs associated with independent contractors and they wanted a strong system of internal control. These are excellent points and we should keep them in mind moving forward. There is always a

cost\benefit analysis on internal control. Similarly, there is always the question of what work existing staff can perform and when independent contractors should be used. In summary, the Special Grand Jury’s concerns should be used as a foundation for discussions on future projects.

- g. Ridgeview was constructed with very little financial contribution from the taxpayers of Dickenson County. It is the most beautiful school facility in southwestern Virginia. However, it did not happen by accident. It happened because a group of very focused individuals worked for hundreds of hours to make it happen. These individuals were supported by three boards that were committed to promoting education and Dickenson County.

We are continuing to study the Special Grand Jury report and will use it positively moving forward.

**RECESS: 6:25 pm**

Following a motion by Dr. Lurton Lyle and second Rick Mullins; request for a short recess was approved.

*Vote Results*

Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

**Reconvene: 6:40 pm**

**f. (2) Update of the 2019-2020 State Budget**

State budget plans under consideration now that would move the at-risk money to the lottery pool would mean the 58 most needy school districts would lose money and the top five wealthiest would gain, Superintendent Haydee Robinson explained Tuesday. “We support Lottery Funds for school divisions, but Lottery Funds help the wealthiest school divisions. At-Risk funds help rural counties with the highest poverty rates. That is why the Coalition of Small and Rural Schools is advocating for At-Risk funds for their students. Dickenson County Schools is one of those school divisions that At-Risk funds would significantly help to provide the same educational opportunities as the affluent counties.”

The Coalition of Small and Rural Schools Region 7 representative Keith Perrigan testified before lawmakers last week on at-risk funding. Perrigan is now superintendent in Bristol City Schools but formerly headed Norton City Schools. Perrigan circulated his presentation to lawmakers on moving at-risk money to the lottery pool.

Figures from the coalition show that school divisions with the highest poverty would lose a total of \$9.89 million and those with the lowest poverty rates would gain \$6.18 million.

Dickenson County, with a child poverty rate of 28.7 percent, would lose more than \$85,000.

The impact of moving the at-risk funding:

- Roughly \$1.8 million decrease for Southwest Virginia schools from Pulaski to Lee County
- Almost \$4.9 million decrease to 58 of 71 rural school divisions.
- Six affluent school divisions would receive almost \$5 million increase.

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- More than \$9 million decrease for the 25 highest poverty divisions.
- More than \$6 million increase for the 25 most affluent divisions.

The presentation also offered a glimpse of the issue by race. It noted that while not a “rural issue” it certain is “an equity issue.”

- The 18 school divisions with the highest percentage of students of color would lose \$21 million.
- The 60 school divisions with the largest portion of white students lose a combined \$9 million.
- The small and rural schools presentation lists preferences and potential solutions. It says:
- The most equitable solution for all school divisions is a budget that puts priority on both lottery and at-risk funding.

The coalition presentation noted enrollment and funding trends:

- Rural school divisions have lost more than 21,000 students — 7 percent — over the past decade.
- More than 40 school divisions on average have qualified every year for enrollment loss money.
- Funding for enrollment loss has decreased from \$16.1 million in 2008 compared to \$7.2 million for 2019.

Dickenson County Schools would benefit most from the Governor’s proposal Under the Senate plan, the Dickenson County Schools would lose \$81,350 from what the governor had proposed. Under the House plan, the Dickenson County Schools would lose \$85,152 from what the governor had proposed. In fiscal year 2020, Robinson said, the loss difference grows to \$83,841 in the House plan

**g. Update on the New Elementary School**

Superintendent Robinson updated the Board that a response from the letter sent to Chairman David Perry has not been received requesting guidance on questions and issues regarding the elementary school and the Board of Supervisors rescinded their motion on the Sandlick site for the new elementary school.

Larry Barton provided the Board with Scenarios prepared by Davenport & Company in regards to the investment of funds available; \$8,000,000. Chairman Mullins inquired as to the procedure to pull money out if it was needed for interim financing of the elementary construction. Mr. Barton stated that in the short term investments it would not be difficult to access funds; however it would require all three Boards signature to withdraw monies. After discussions, the Board agreed that it would be important to be able to access the funds if needed for interim financing for the elementary school.

Following a motion by Rick Mullins and second Dr. Lurton Lyle; Scenario 2 – Investment of Funds 50% long term and 50% short-term was approved with including a contractual agreement that these funds would be accessible for interim financing and however a court should decide it, that funds will not be tied up by the withholding of signatures

*Vote Results*

---

Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

**h. Brown Edwards Financial Ridgeview Audit**

Larry Barton presented and reviewed 4 strategies to invest funds the following information: On January 24, Mr. Jeff Sturgill presented the audit report from Brown Edwards in a joint public meeting with the Board of Supervisors and the IDA. Due to the short notice, the School Board was not able to attend, so I would like to go through the report with you and will try to answer any questions that you may have.

Even though we refer to it as an audit, Brown Edwards actually applied Agreed Upon Procedures. Before we review the report, I want to share some background on the procedures that were applied. With an audit, they would have looked at the scope of the overall project and determined what would be considered a material amount. They would then review the bank statements and other financial data and select different samples of items to look at, such as invoices, cancelled checks, loan documents, etc. This would have limited what they were looking at they would not have considered anything they found if it was less than the above mentioned material amount.

When Agreed Upon Procedures are performed, you decide what you what done and they will report back to you on what they find. With the Agreed Upon Procedures that were contracted with Brown Edwards, they looked at every bank statement from every account from the construction project, this started with the first Wachovia account opened by the IDA in December of 2010 through the start of Brown Edwards work in November of 2018. For each transaction on the bank statement, they would go to the source documents and match up cancelled checks to each debit listed on the bank statement. They would then make sure that the check had the proper signatures and was issued to the correct payee. From this point, they would make sure that they had an invoice that matched the amount and payee listed on the cancelled check and that the invoice had the proper approvals. After all this was completed, vendor verifications were mailed to all major vendors asking to verify the amount of money received from the construction project from December 2010 to November 2018 in order to verify that the proper vendors received the amount of money the records showed.

For the deposits, they traced each credit back to the original funding source, whether that be a Corps deposit or a loan disbursement. All loan documentation was reviewed and verified as were the repayments / outstanding balances. As was done with withdrawals, verifications were sent to the Corps of Engineers as well as Rural Development, US Bank and Wells Fargo Bank to verify the amount of funds that were received from the loans and what was paid back on them. The outstanding balance on the QSCB was also verified.

So that gives us some background on what they done. Now, let's look at the "Independent Accountant's Report on Applying the Agreed Upon Procedures" for the Ridgeview School Construction Project.

In looking over the findings, we see that there were 7 invoices that did not have all 3 initials and 12 checks that did not have all 3 signatures. There was a huge volume of transactions that were looked at over an eight year period. As for the process of approvals / signatures, the construction bills are compiled and reviewed by Skanska and compiled into a report that was sent to us for payment each month. These bills have been reviewed and approved by the construction manager at Skanska before sending to us. From there, Cindy Mullins would enter the invoices into QuickBooks, write checks and attach each check to the corresponding invoice for review. Some months would have a very large volume of payables. She would give these completed packets to the County Administrator, who would review each one and initial the invoice, then sign the check. After he completed this, he would give to the IDA representative who would review, initial the invoice and sign the checks. Lastly, Cindy would bring to the School Board for Mrs. Robinson to review and initial the invoice, then sign the checks. For all 7 invoices and 12 checks that were missing an initial or signature, there was supporting documentation for these disbursements that did indicate three approvals, whether it be a check that was missing a signature that had 3 initials on the invoice or an invoice that was missing an initial that had 3 signatures on the check. Nothing was sent out that was not approved by all 3 parties.

Also, in the "Other Findings" of the report there is mention of several unauthorized transactions that were made on one of the construction bank accounts. According to the report, "these were made over a three-month period by an individual unknown to the IDA and unrelated to any of the parties involved in the school construction project." I have pulled that information and there were 7 internet based purchases / withdrawals made by a Shirley Jager. The first transaction was made on 12/29/2015 in the amount of \$1,041.81. We were not aware of this transaction until we received our bank statement in January, 2016. At that time, the charges were disputed with Wells Fargo and a letter was written to Kevin Harewood, Sr. Vice President of Wells Fargo in Raleigh, NC asking that the charges be returned. At that time, there were 4 charges that had posted to our account and the money was returned to our account on 1/19/16. The account was monitored and 3 more charges occurred later on that January, resulting in a second letter being written on 1/26. Those 3 charges were promptly returned to our account on 1/27/16. In summary, this all occurred (withdrawals from our account and redeposit to our account) in less than a 30-day period. I'm not sure why the audit report says 3 months, I have gone back and reviewed all bank statements and this is all I can find. The charges totaled \$4,379.65 and were all promptly returned to our account. These accounts have always been monitored and promptly reconciled each month.

I also understand that there has been some confusion over the report and the language used in this report. The report contains a disclaimer in it, so some people think it is not reliable. Attestation Engagements are governed by the SSAE (Statement on Standards for Attestation Engagements) Issued by the Auditing Standards Board of the AICPA (American Institute of Certified Public Accountants). The AICPA sets US auditing standards for private companies, nonprofit organizations, federal, state and local governments. The language in this report is language legally required to be used in the report.

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In the first paragraph, it states that "The IDA's management is responsible for the records and that the sufficiency of these procedures is solely the responsibility of the IDA. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1 either for the purpose for which this report has been requested or for any other purpose." Basically, this is saying that the IDA is responsible for all the records and determining what procedures they want performed. Also, the IDA is the one who has to make the determination if these procedures are sufficient for what is needed. I don't think people have an issue with these.

In paragraph 2, the report states "We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the selected records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you." As previously stated, they did not perform an audit on the construction accounts, it was much more detailed. With agreed upon procedures they do not express an opinion, they just tell what the finding was for each procedure. Lastly, they legally have to say that if they looked at other procedures that other matters might have come up. The agreement with them was to look at all bank statements, cancelled checks, invoices, loan documents, Corps reimbursements, etc., there were not any other documents that we did not give them. As for what they done, they verified everything on the expenditures and deposits that could be done. Even though the required statement is in the report that "had we performed additional procedures, other matters might have come to our attention", there was nothing else that they could perform, everything was done that could be done.

In summary, this report shows that all money is properly accounted for, all expenditures and revenues match with source documents, loan and bank balances are correct, etc. This is a good report, don't get stuck on the disclaimers in the report, focus more on Attachment 1 and what the findings were. I can provide you a copy of SSARS AT-C 215.35 that gives the exact language required in the "Practitioner's Agreed-Upon Procedures Report", you will find that it is verbatim to what is in our report.

*Attachment #1: Dickenson County IDA Agreed-Upon Procedures*

*Attachment # 2: AICPA Guidelines (regarding Practitioner's Agreed-Upon Procedures Report)*

**i. Approval of the Proposed Guidelines for Field Trips and Overnight Field Trips**

We are recommending the approval of the proposed guidelines for field trips and overnight field trips effectively immediately. Mr. Setser presented the proposed guidelines with the School Board as follows:

**Expectations and Duties of Supervising Teachers during Day and Overnight Field Trips**

**Regarding Staff Responsibilities:**

1. One staff member for every 10 students will be provided for supervision on an extended fieldtrip. Male and female supervision will be provided for all overnight night trips which are co-educational. This ratio should be followed unless special permission to alter it becomes necessary due to extenuating circumstances. If in the opinion of the supervising staff members, the above ratio is unworkable for a



- specific trip, he/she may choose to consult with the Principal.
2. Students must be supervised at all times at any school-sponsored fieldtrip or event and must be readily available to respond to student requests and to provide balanced supervision.
  3. Supervising staff members will enforce all school rules.
  4. Supervising staff members will not use tobacco, drugs or alcohol during the trip.
  5. Supervising staff members will maintain student confidentiality.
  6. Supervising staff members will establish regular check-ins with students for whom they have responsibility.
  7. Supervising staff members will take attendance before leaving campus, before leaving the trip site, and at the end of the trip.
  8. Before the trip, supervising staff members will identify students that have photo restrictions. Pictures of these students may not be posted on the school's or supervising staffs' personal social media pages.

**Regarding Transportation:**

1. Supervising staff members will ride on the bus with students in positions and locations on the bus to monitor student behavior.
2. Supervising staff members traveling to a destination on the bus must return on the bus.
3. Supervising staff members are not allowed to transport students in their personal vehicles to any school sponsored fieldtrip or event. If a division- wide car is used, signed parental permission must be documented before students may ride in a vehicle with a supervising staff member.
4. A supervising staff member will travel home with any student who is asked to depart the field trip early unless picked up by a parent/guardian.

**Regarding Lodging:**

1. Supervising staff members will have rooms that are separate but adjacent to the rooms of students under their supervision.
2. Supervising staff members will set a reasonable curfew.
3. Two supervising staff members will do visual student room checks each evening.
4. Supervising staff members may be expected to monitor students in shifts during the night.
5. Whenever possible, a supervising staff member must be accompanied by another supervising teacher when entering a student room.
6. For the protection of both students and supervising teachers, do not place yourself in situations in which you are alone with a student.

**Regarding Student Conduct:**

1. Dickenson County Public Schools Students Code of Conduct applies during all field trips.
2. Before each field trip, supervising staff members will review the standards of conduct with student.
3. Students will use the "buddy system" at all times during a field trip.
4. Supervising staff members must report all disciplinary incidents to school administration immediately upon return to school.
5. In the event of a serious student discipline issue, the principal will be immediately contacted to confer with the supervising staff member, and the parent must be contacted.
6. If the student is sent home because of a discipline issue, the supervising staff member must accompany the student unless picked up by a parent or guardian.

**Regarding Emergencies**

1. In the event of an emergency, the supervising staff member will first call 911 or the local emergency

number.

- 2. The supervising staff member shall promptly report the situation to the Principal, and the parents of the student(s) involved in the emergency.
- 3. If a student becomes ill or has an accident or has to be transported to a medical facility, one supervising staff member must remain with the student, and complete an accident report when the trip ends.

**Regarding Medical Issues**

- 1. A supervising staff member must be trained to properly administer medications, if necessary, during the field trip.
- 2. The supervising staff member shall contact the school’s nurse and/or review the parents’ information before the scheduled trip to assess any special medication or other personal health care needs, including food allergies and diabetes plan.
- 3. All students who will be taking medication during the field trip must have properly completed district medication forms on file.
- 4. Staff members may administer medication and non-emergency medical treatment. All medications, unless health care provider orders indicate otherwise, will be held by the staff member trained to administer medications. These medications must be in the original container, labeled with the student’s name, dosage and medication timing.

Following a motion by Susan Mullins and second Shanghai Nickles; guidelines for field trips were approved.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

**j. Approval of ERATE Bid for Internet Service**

This information is to inform you that we have completed the first phase of the ERATE process with the Federal government for Internet service for the period 7/1/19 through 6/30/22. The ERATE process is a four step process that can cover a three year period. **The first phase** of the process is filing the form 470 with the School and Library Division of Universal Services, a federal government program under the FCC. The form will stay on the School and Library site for twenty-eight days. During this time period the School and Library Division will inform vendors that a request has been made for services. Vendors may then inquire and potentially bid on providing Internet service to DCPS. **The second phase** of this process involves the school division’s review of the bids and the selection of the vendors. After the school board approves the vendors’ bids, we will immediately file the form 471 for Internet service. **The third phase** of the process is informing the Universal Services that the internet service has begun in early July of the service year. This is completed by filing the form 486 with Universal Services School and Library division. **The fourth phase** of the process is the filing of form 472 (BEAR form) for reimbursement of funds from the federal government to the vendor. The vendor then reimburses the division, which is based on the free and reduced rate for the division. The rate over the past couple of years has been 80% for internet service and is anticipated at 80% for 2019-2020. This rate is subject to change dependent upon the free and reduced rate for the year.

Listed below will be the vendors and the annual cost for the service.

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Internet service for the past several years has been provided by Bristol Virginia Utilities (BVU). The approximate cost of the service has been \$13,700 per month or \$164,400 per year for the current year. Bandwidth for each school is as follows: Clintwood Elementary, Ervinton Elementary, Sandlick Elementary and Central Office each have 50 megabits per second (MB) for LAN Service. Ridgeview has a total of 500 MB of bandwidth and the Data Center at Clinchco has 300MB for LAN Services. Also, we currently have 1 GB of Tier 2 Internet service at the Data Center in Clinchco for the entire division. Internet service as requested on the form 470 for the years 2019-2020, 2020-2021 and 2021-2022 is as follows:

- 1 GB of LAN service for CES, EES, SES and Central Office
- 1 GB of LAN service at Data Center
- 2 GB of Internet Service at Data Center
- Three-year agreement on all services

When the bid process concluded on February 15, 2019, four bids were received. Of the four bids received, only three fulfilled the requirements to service all sites requested on the form 470. The bids were scored and the recommended vendor is Sunset Fiber.

- The Internet service for the division will be serviced by Sunset Fiber at a monthly cost of \$7,850 or yearly cost of \$94,200. The cost of service went down by \$70,200 per year.

- It is anticipated that the division will receive reimbursement for 80% of this cost through the ERATE program in the amount of \$75,360.

- This is contingent upon the school board approving Sunset Fiber as the vendor.

We recommend that the School Board approve Sunset Fiber as the vendor for internet services for the Dickenson County School Division.

The summary of the proposed internet service is as listed:

**Point to Point/ Internet Monthly Bid:**

Ridgeview HS / MS	1 GB LAN	\$750.00
Clintwood ES	1 GB LAN	\$750.00
Ervinton ES	1 GB LAN	\$750.00
Sandlick ES	1 GB LAN	\$750.00
Central Office	1 GB LAN	\$750.00
Data Center	1 GB LAN	\$1,800.00
Data Center Internet	2 GB Tier 2	\$2,300.00
<b>Total:</b>		<b>\$7,850.00</b>

Following a motion by Rick Mullins and second Dr. Lurton Lyle; Sunset Fiber was approved as the vendor for internet services.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

**k. Request from the Department of Social Service Board**

February 27, 2019

The Dickenson County Department of Social Services Board (DSS) is requesting the School Board’s consideration of the donation of one of the smaller buses (Bus 70) which has been declared as surplus property. The DSS Board would like to use the bus to provide transportation to clients. In exchange for the contribution, the DSS Board is making the following available services:

- Provide Professional development workshops for Mandated Report to DCSP Staff
- Provide Benefit Programs Specialist to provide assistance in applying for entitlements at Open Houses, Student/Parent Orientations or at regularly scheduled days which will accommodate parents.
- Provide Kinship Navigator Workshops, Assistance, and Support Groups for Parents/relatives who are acting caregivers for children
- Provide recruiting/training for prospective foster parents

We recommend this request from the DSS Board in lieu of services and programs provided to the students, staff and parents.

Following a motion by Dr. Lurton Lyle and second by Rocky Barton; the request for a bus which was declared as surplus property was approved.

*Vote Results*

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Aye:	4	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Shanghai Nickles
No:	0	
Abstain:	1	Susan Mullins
Not Cast:	0	

**I. 2019 March Budget Workshop Meetings and Dates**

There are two School Board Meetings scheduled in March to discuss and finalize the DCPS FY 20 Budget. On Wednesday, Mar. 6, 2019, a budget workshop is scheduled at 5:00 p.m. The Budget Hearing is scheduled on Wednesday, Mar. 20, 2019 at 5:00 p.m. The March School Board Meeting is scheduled on Wednesday, Mar. 27, 2019.

The Board concurred on the following dates:

- 
- Monday, March 11, 2019 @ 5:00 p.m. – Budget Workshop
  - Wednesday, March 20, 2019 @ 5:00 p.m. – Budget Hearing
  - Wednesday, March 27, 2019 @ 5:00 p.m. – Regular Meeting

February 27, 2019

**Early Dismissal for Friday, March 1, 2019 for Girls Basketball Champion Playoffs**

Following a motion by Susan Mullins and second Shanghai Nickles; early dismissal of Dickenson County Schools was approved.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

**VI. BOARD COMMENT**

Dr. Lurton Lyle

- I think there are a lot of good things going on at Ridgeview and I hope we're able to provide a facility for a lot of good things in our elementary schools.

Rick Mullins

- There are a lot of good things going on all around the school and I hope we can move forward building this elementary school.

Rocky Barton

- I commend the girls' basketball team. They've been a little up and down, but jet lag from being seniors. They're hitting their stride right now and we very well could be going for the next three weeks. I hope so.

Shanghai Nickles

- I'm always proud of those kids. I'm really proud of Nick Cox and his partner doing so well. We have so many things to be thankful for.
- I have something I would like to read:
  1. "A school board is solely responsible for the decision as to whether and how to consolidate schools and a county board of supervisors may not instruct the school board to consolidate schools or how to consolidate schools."
  2. "A governing body may not assume control over construction of schools or expenditure of funds for that purpose. Such as, the body may review appropriations made to recipient agencies to ensure proper expenditure of public funds and may consolidate certain functions. The board of supervisors may not remove statutory authority of the school board or to erect, furnish and equip necessary school buildings, to manage and control funds made available to the school board for public schools and to incur cost and expenses."
  3. "Based on the facts available to the Attorney General, the board of supervisors made an appropriation to the school board and therefore did not have the authority to reduce appropriation previously made."

I'm not saying that they are doing this. I just saying this, everybody's afraid if the Board of Supervisors don't get to build the school where they want to build it then they are going to cut our funds. If you're cutting funds to the school division you're cutting the kids throats. We need to feed our kids as much as we can knowledge wise. I worry about getting three people to sign

February 27, 2019

on anything. They say the worst partnerships you can have is more than one person. Of course we built with the three partnerships but now it seems to be a personal situation. Maybe there's an answer out there but I sure don't know what it is. If anybody has an answer for that situation I'd like to hear it.

- I appreciate Rock standing up for the kids in the Ervinton area. To me it's like okay we can build the school and then we can send the kids from Ervinton up to Ridgeview. I don't know how they will accept that. I really don't but they should get something out of this entire situation. Would we get more kids off the mountain, I don't know if they would quit going to Eastside or not. I think we have great teachers at Ervinton. I think they're teaching in a tough situation. I think Mr. Robinson was there as a principal, he knows and Mr. Neece has been there. I think that's a great group of people. It is a small group of people. I hope we don't overlook anyone of those kids and where they might have to go to school. Thank you.

Susan Mullins

- I think we are all mindful that the school needs to be built quickly because we are wasting money or losing money. So, I hope we can come to some kind of an agreement and move forward and get this done. It's a hard decision and I hope we make the right one. But, I think we need to look 20 years down the road and make sure we cover bases in case we can't keep all three schools open.

**VII. CLOSED SESSION,** PURSUANT TO Section 2.2-3711, Paragraph A of the Code of Virginia, there will be a closed meeting for the purpose of discussing: (1. Student appeal of disciplinary decision. (2. Employment issues relating to FMLA requests, resignations, employment recommendations, substitutes, coaches and to consult with legal counsel pursuant to Virginia Code Section 2.2-3711 (A) (1) and (7).

Following a motion by Susan Mullins and second by Dr. Lurton Lyle the Board convened in closed session.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Following a motion by Rocky Barton and second Dr. Lurton Lyle; the Board returned to open session.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Pursuant to Section 2.2-3712(a) of the Code of Virginia, I certify and second by Dr. Lurton Lyle; that during the closed meeting just concluded the Dickenson County School Board discussed only matters lawfully exempt from the open meeting requirements under Section 2.2-3711 of the Code and identified in the motion convening the closed meeting.

*Certification of Closed Session*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	

February 27, 2019

**VIII. BOARD ACTION**

Following a motion by Susan Mullins and second by Dr. Lurton Lyle; disciplinary decision as discussed in closed session was approved for Student #0566.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Following a motion by Susan Mullins and second by Shanghai Nickles; coach recommendation was approved pending meeting all requirements.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Approved: Nicole Cantrell, Volunteer – Girls Track

Following a motion by Susan Mullins and second by Rocky Barton; FMLA requests were approved for Lori Kendrick, Teacher – CES and Glenda Wampler, Teacher – CES.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Following a motion by Susan Mullins and second by Dr. Lurton Lyle; resignations were accepted for Teresa Leftwich, Part-time Aide – EES and Keaton Owens, Janitor - CES.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Following a motion by Susan Mullins and second by Dr. Lurton Lyle; employment recommendations were approved: Employment: Sherri Smith, Custodian – Transfer from RHS to CES; Whitney Turner, Part-time Special Ed. Teacher – EES; Michael Younce, Part-time Attendance Clerk - RHS.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Following a motion by Susan Mullins and second by Dr. Lurton Lyle; advertisements for Custodian, full and part-time; PK-6 Teacher and History and Social Sciences – 6-12 Teacher were approved.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

February 27, 2019

Following a motion by Susan Mullins and second by Dr. Lurton Lyle; substitutes were approved pending meeting all requirements.

*Vote Results*

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Aye:	5	Rocky Barton, Dr. Lurton Lyle, Rick Mullins, Susan Mullins, Shanghai Nickles
No:	0	
Abstain:	0	
Not Cast:	0	

Approved: Samantha Fields – Teacher; Freddie Meade – Janitor; Tiara Mullins – Cook/Teacher;  
Jessie Yates – Teacher; Warren Younce - Janitor

**IX. ADJOURNMENT: 10:15 p.m.**

Following a motion by Susan Mullins and second by Dr. Lurton Lyle the meeting was adjourned. All votes aye.

*Susan Mullins*

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Chairman, Susan Mullins

**Approved: March 27, 2019**

*Reba McCowan*

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Reba McCowan, Clerk



**DICKENSON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

**AGREED-UPON PROCEDURES**

**December 17, 2010 - November 13, 2018**

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

To Jeffery Sturgill, Counsel for Dickenson County Industrial Development Authority  
Wise, Virginia

We have performed the procedures enumerated in Attachment 1, which were agreed to by Dickenson County Industrial Development Authority ("IDA"), on the sources and uses of all funds received and disbursed for the construction of the Ridgeview High School and Ridgeview Middle School project ("the school construction project") for the period December 17, 2010 through November 13, 2018 ("the selected records"). The IDA's management is responsible for the selected records. The sufficiency of these procedures is solely the responsibility of the IDA. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1 either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the selected records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Jeffery Sturgill, Counsel, and the Dickenson County Industrial Development Authority, and is not intended to be, and should not be, used by anyone other than those specified parties.

*Brown, Edwards & Company, L.L.P.*  
CERTIFIED PUBLIC ACCOUNTANTS

Bristol, Virginia  
January 23, 2019

**DICKENSON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

**ATTACHMENT 1**

**AGREED-UPON PROCEDURES AND FINDINGS**

**1. United States Army Corps of Engineers (USACE) Sources of Funds**

	<b>AGREED-UPON PROCEDURES</b>	<b>FINDINGS</b>
1.1.0	Review documentation from the USACE to confirm total funding made available and total funding drawn down by the IDA. Agree the reported funding to the schedule provided by the IDA that summarizes payments made by the USACE toward the school construction project.	No exceptions were found as a result of applying the procedure.
1.2.0	Request a confirmation from the USACE and, if received, agree the amount to the schedule.	No exceptions were found as a result of applying the procedure.
1.3.0	Reconcile the schedule of USACE funding provided by the IDA to the general ledger provided by Dickenson County Public Schools (DCPS) ("general ledger").	No exceptions were found as a result of applying the procedure.
1.4.0	Trace the receipt of funds to the appropriate bank statements provided for the school construction project.	No exceptions were found as a result of applying the procedure.

**2. Borrowed Funds**

	<b>AGREED-UPON PROCEDURES</b>	<b>FINDINGS</b>
2.1.0	Based on transactions recorded in the general ledger review all loan documentation related to the school construction project and agree the proceeds to the deposits in the general ledger.	No exceptions were found as a result of applying the procedure.
2.2.0	Confirm with lenders the status of loans and agree balances to the general ledger as of November 13, 2018.	A confirmation was requested from the United States Department of Agriculture but has not been returned as of the date of this report. Confirmations to other lenders were returned without exception.
2.3.0	Confirm the balance of the Qualified School Construction Bonds and agree to the general ledger.	No exceptions were found as a result of applying the procedure.
2.4.0	Trace the receipt of funds to the appropriate bank statements provided for the school construction project.	No exceptions were found as a result of applying the procedure.

**3. Use of Funds**

	<b>AGREED-UPON PROCEDURES</b>	<b>FINDINGS</b>
3.1.0	Document the approval process for authorizing disbursements ("approval process").	Not applicable; see Attachment 2.
3.2.0	Review supporting documentation for disbursements reported in the general ledger.	No exceptions were found as a result of applying the procedure; see Other Findings - Number 3.
3.2.1	For a selection of 40 disbursements, review supporting documentation for proper authorization in accordance with the approval process.	Supporting documentation for 7 disbursements did not indicate evidence of three approvals, but the checks did have the required number of authorized signatures; see Other Findings - Number 3 below; see Attachment 3.
3.3.0	Request confirmations from significant vendors (total payments exceeding \$1,000,000) to agree recorded disbursements per general ledger to a third party.	No exceptions were found as a result of applying the procedure.
3.4.0	Trace the disbursement of funds to cleared transactions identified on the appropriate bank statements provided for the school construction project.	No exceptions were found as a result of applying the procedure.
3.4.1	Trace the disbursement of funds to cancelled checks (or check copies provided by the bank). For electronic transfers, identify the purpose of the electronic transaction and/or payee per description on bank statement.	No exceptions were found as a result of applying the procedure.
3.4.2	Determine whether the proper number of authorized signatures are on cancelled check copy in accordance with the approval process.	A total of 12 checks did not have the required number of authorized signatures, but the supporting documentation for these disbursements did indicate three approvals; see Attachment 3.

**4. Other Procedures**

	<b>AGREED-UPON PROCEDURES</b>	<b>FINDINGS</b>
4.1.0	Confirm all remaining cash balances with the bank and agree those balances to the general ledger.	No exceptions were found as a result of applying the procedure.
4.2.0	Provide a summary schedule reflecting all disbursements to all vendors.	See Attachment 3 and Attachment 4.

## OTHER FINDINGS

During the course of applying these agreed-upon procedures, we became aware of the following additional matters.

1. Several unauthorized transactions were made on one of the school construction project bank accounts over a three-month period by an individual or individuals unknown to the IDA and unrelated to any of the parties involved in the school construction project. IDA management identified the improper transactions, promptly contacted the bank to report the incident, and the funds were subsequently restored.
2. File copies for 2 out of 37 contractors' applications for payment did not contain all of the required authorizations, including contractor and architect certifications along with proper notarized endorsement.
3. Except as noted above in 3.2.0 and 3.2.1, we were provided supporting documentation for all disbursements in electronic and/or hard copy format. Due to the nature of the approval process and number of parties involved, some of the electronic and hard copy documentation did not reflect the same approvals or lack thereof. For this reason, we selected 40 disbursements to review the IDA's file copy of the supporting documentation, specifically noting whether the required approvals were evident.

**DICKENSON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

**ATTACHMENT 2**

**AUTHORIZATION OF DISBURSEMENTS**

During the course of applying these agreed-upon procedures, the following was presented as management's overview of the process for authorizing disbursements for payment for the school construction project.

Policies were implemented in November 2011 that required all expenses incurred for the school construction project to be approved by the County Administrator of Dickenson County, the Division Superintendent of the Dickenson County School Board, and the Project Representative of the IDA ("authorized personnel"). All invoices related to building materials and labor are to be approved by a construction manager and/or architect for the project. Authorized personnel document their approval for payment by initialing invoices and/or signing the check.

All checks require three signatures and are generally the same as the authorized personnel previously described. However, the initial checking account that was set up in 2010 for the school construction project only required two signatures. That checking account was closed in 2012. All other bank accounts set up for the school construction project require three signatures.

Disbursements involving electronic transfer of funds are to be approved in the same manner as payments made with a check.

**.30** The date of the written representations should be as of the date of the practitioner's report. The written representations should address the subject matter and periods covered by the practitioner's findings.

### **Requested Written Representations Not Provided or Not Reliable**

**.31** When the engaging party is the responsible party, and one or more of the requested written representations are not provided, or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concludes that the written representations are otherwise not reliable, the practitioner should

- a. discuss the matter with the appropriate party(ies);
- b. reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect, if any, on the engagement; and
- c. if any of the matters are not resolved to the practitioner's satisfaction, take appropriate action. (Ref: par. .A31)

**.32** When the engaging party is not the responsible party

- a. if one or more of the requested representations in paragraph .28 are not provided in writing by the responsible party, the practitioner should make inquiries of the responsible party about, and seek oral responses to, the matters in paragraph .28. (Ref: par. .A32)
- b. if one or more of the requested representations are not provided in writing or orally from the responsible party, the practitioner should take appropriate action. (Ref: par. .A33)

### **Preparing the Practitioner's Report**

**.33** The practitioner's report should be in writing. (Ref: par. .A34)

**.34** The practitioner's report should be in the form of procedures and findings.

### **\* Content of the Practitioner's Agreed-Upon Procedures Report**

**.35** The practitioner's agreed-upon procedures report should include the following:

- a. A title that includes the word *independent*. (Ref: par. .A35)
- b. An appropriate addressee as required by the circumstances of the engagement.
- c. An identification of the subject matter or assertion and the nature of an agreed-upon procedures engagement. (Ref: par. .A36)
- d. An identification of the specified parties.
- e. A statement that the procedures performed were those agreed to by the specified parties identified in the report.
- f. A statement that identifies the responsible party and its responsibility for the subject matter or its assertion.
- g. A statement that
  - i. the sufficiency of the procedures is solely the responsibility of the parties specified in the report.



- ii. the practitioner makes no representation regarding the sufficiency of the procedures either for the purpose for which the report has been requested or for any other purpose.
- h. A list of the procedures performed (or reference thereto) and related findings. (The practitioner should not provide a conclusion. See paragraph .25.)
- i. When applicable, a description of any agreed-upon materiality limits.
- j. A statement that
  - i. the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.
  - ii. the practitioner was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter.
  - iii. the practitioner does not express such an opinion or conclusion.
  - iv. had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported. (Ref: par. .A37)
- k. When applicable, a description of the nature of the assistance provided by a practitioner's external specialist, as discussed in paragraphs .21-.22.
- l. When applicable, reservations or restrictions concerning procedures or findings. (Ref: par. .A38)
- m. An alert, in a separate paragraph, that restricts the use of the report. The alert should
  - i. state that the practitioner's report is intended solely for the information and use of the specified parties,
  - ii. identify the specified parties for whom use is intended, and
  - iii. state that the report is not intended to be, and should not be, used by anyone other than the specified parties. (Ref: par. .A39 -.A40)
- n. When the engagement is also performed in accordance with Government Auditing Standards, the alert that restricts the use of the report should include the following information, rather than the information required by paragraph .35m:
  - i. A description of the purpose of the report, and
  - ii. A statement that the report is not suitable for any other purpose.
- o. The manual or printed signature of the practitioner's firm.
- p. The city and state where the practitioner practices. (Ref: par. .A41)
- q. The date of the report. (The report should be dated no earlier than the date on which the practitioner completed the procedures and determined the findings, including that
  - i. the attestation documentation has been reviewed,
  - ii. if applicable, the written presentation of the subject matter has been prepared, and