

Hotline

Rock Hill School District Three of York County

To: Members of the Board of Trustees

From: Kelly Pew

C: Cabinet

Date: June 22, 2017

The following items have been included for your information:

Reminders: **Monday, June 26, 2017**
Business Meeting – 6:00 p.m.
@ Rawlinson Road Middle School

Wednesday, June 28, 2017
RH State of the Community – 7:30-9:00 a.m.
Hood Center at York Technical College
(Registered Vining, Douglas, Hutchinson, Reid, Cole, Pew)

1. **Information:** *Annual Financial Audit Year Ended 6/30/17*
2. **Information:** *8% Debt Money*
3. **Information:** *Field Study Report*
4. **Information:** *Superintendent's Event Calendar*

Memo

TO: Dr. Kelly Pew

FROM: Terri Smith

DATE: June 20, 2017

SUBJECT: Hotline/Annual Financial Audit for the year ended June 30, 2017

Please see the attached engagement letter from our external financial auditors, Greene, Finney & Horton, LLP.



Greene, Finney & Horton, LLP

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

May 1, 2017

Board of Trustees
1234 Flint St. Ext.
Rock Hill, SC 29730

We are engaged to audit the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Rock Hill School District Three ("District") for the year ended June 30, 2017. Professional standards require that we provide you with the following information related to our audit. Please feel free to contact us, as we would also be glad to meet with you to discuss this information.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and Uniform Guidance

As stated in our engagement letter dated May 1, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the District's compliance with those requirements.

Required Supplementary Information

Generally accepted accounting principles provide for certain required supplementary information ("RSI") to supplement the basic financial statements. Our responsibility with respect to management's discussions and analysis, the budgetary comparison schedule – General Fund, and the pension plan schedules, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

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Supplementary Information

We have been engaged to report on the combining and individual fund financial schedules, location reconciliation schedule, other schedules as may be required by the South Carolina Department of Education, and the schedule of expenditures of federal awards, which accompanies the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

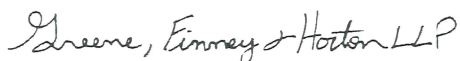
Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

According to professional standards, a group audit is an audit of group financial statements which consists of more than one component. A component is any entity or business activity for which the group or component management prepares financial information that is required by accounting standards to be included in the group financial statements. Our audit of the District is a group audit as it not only includes the primary government but also includes The Palmetto School at the Children's Attention Home ("Charter School"), which is a component of the District. For each component, we have gained an understanding of the component auditor and we plan to make reference to their report in the group financial statements. We will review and/or evaluate the component's financial statements and component auditor's report and communications in accordance with professional standards.

We expect to begin our interim audit work in May 2017 and our year-end audit work in October 2017. We expect to issue our report by December 1, 2017. David Phillips is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Trustees and management of Rock Hill School District Three and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Greene, Finney & Horton, LLP
Certified Public Accountants

Memo

TO: Dr. Kelly Pew
FROM: Terri Smith
DATE: June 20, 2017
SUBJECT: Board member question – 8% debt money

At the April 3, 2017 work session, a question was asked about how much would the \$5 million 8% money have increased over time with inflation and with our increase in property? Should the \$5 million be more or equal to what it would buy sixteen years ago?

Using the cost per square foot scenario, the cumulative change in the price index since 2004 is 1.585 based on the website <http://www.turnerconstruction.com/cost-index>. This means that construction costs are 58.5% higher since 2003. Using the same price index of 1.585 for cost per square foot, the \$5 million would have increased over time to be approximately \$7,925,000 today.

Memo

TO: Dr. Kelly Pew

FROM: Luanne Kokolis

CC: Board Members

DATE: June 19, 2017

SUBJECT: 2016-17 Field Study Requests

Attached is the report of field study requests submitted in June for the board's review.

2016-2017 Field Study Requests

School	Level	Grade/Class	Destination	City, State	Dates	Cost	Requested
Out of Country Requests							
Northwestern	High	Band	Honolulu, Hi	Honolulu, HI	Spring Break 2018	\$2,200.00	17-Aug-16
Northwestern	High	Visual and Performing Arts	London, Paris, Normandy	Europe	Spring Break 2018	\$3,000.00	4-Feb-17
Out of State Day Trips							
ATC		Vet Assisting	Tiger World	Rockwell, NC	4/4/2017		19-Apr-17
Rock Hill	High	Volleyball	Davidson College	Davidson, NC	8/19/2017	\$ -	25-May-17
Rock Hill	High	Wrestling	West Forsyth	Winston Salem NC	11/22/2017	\$ -	25-May-17
Rock Hill	High	Wrestling	R J Reynolds High	Winston Salem NC	12/29/2017	\$ -	25-May-17
Rock Hill	High	Girls BB	UNC- Asheville	Asheville, NC	6/23/2017	\$ 35.00	25-May-17
Rock Hill	High	Girls BB	Wingate University	Wingate, NC	6/24/2017	\$ 30.00	25-May-17
South Pointe	High	Football	Buford High School	Buford, GA	9/15/2017		7-Apr-17
Out of State Overnight							
Applied Technology	High	HOSA	Leadership Conference	Orlando, FL	6/21-25 2017	\$ -	21-Apr-17
Northwestern	High	Model UN	Georgia Tech	Atlanta GA	10/ 8-10-2017	\$ 200.00	1-Jun-17
Rock Hill	High	Wrestling	UNC	Chapel Hill NC	6/22-26 2017	\$ 431.68	28-May-17
Rock Hill	High	Model UN	Georgia Tech	Atlanta GA	10/8-10 2017	\$ 200.00	28-May-17
Rock Hill	High	Wrestling	Buford High School	Buford, GA	11/17-18-2017	\$ -	25-May-17
Rock Hill	High	Wrestling	Newton-Conover HS	Newton NC	12/15-16/17	\$ -	25-May-17
Rock Hill	High	Wrestling	WRAL Athens Drive High	Raleigh, NC	12/22-23/17	\$ -	25-May-17
Rock Hill	High	Wrestling	East Burke HS	NC	12/29-30/17	\$ -	25-May-17
Rawlinson Road	Middle	8th Grade	Washington	Washington, DC	5/1-4/2017	\$ 560.00	1-Jun-17
Dutchman Creek	Middle	8th Grade	Walt Disney World Yes Program	Orlando, FL	4/25-29/2018	\$ 735.00	
NWHS	High	AFJROTC	East Paulding High School	Dallas, GA	6/19-23-2017	\$ 100.00	11-May-17
In State Overnight Trips							
Northwestern	High	AFJROTC	Newberry College	Newberry, SC	6/4-10-2017	\$ 100.00	19-May-17
Rock Hill	High	Volleyball	College of Charleston	Charleston, SC	7/13/2016	\$ 325.00	25-May-17
Rock Hill	High	Volleyball	Dorman High	Spartanburg, SC	9/5-16 2017	\$ -	25-May-17
Rock Hill	High	Volleyball	Wando High	Charleston, SC	10/13-15-2017	\$ -	25-May-17
Rock Hill	High	Wrestling	Eastside High School	Greenville, SC	11/30-12-2		25-May-17
Rock Hill	High	Wrestling	Westside HS	Anderson SC	12-8-9-17		25-May-17
Rock Hill	High	Wrestling	Battery Creek HS	Beaufort, SC	1/12-13/18		25-May-17
Rock Hill	High	Wrestling	J L Mann	Greenville, SC	1/19-20/18		25-May-17
Rock Hill	High	Wrestling	Laurens High School	Laurens, SC	2/16-17/18		25-May-17
Rock Hill	High	Wrestling	Anderson Civic Center	Anderson SC	2/23-24/18		25-May-17

