



Board of Education

Minutes of Work Session
The Board of Education

A Work Session of the Board of Education of Fort Smith Public Schools was held April 16, 2018, beginning at 5:30 PM in the Service Center, Bldg B.

Board Members Present: Ms. Susan McFerran, Ms. Jeannie Cole, Mr. Bill Hanesworth, Mr. Greg Magness, and Mr. Wade Gilkey and Ms. Yvonne Keaton-Martin. Ms. Talicia Richardson was absent. Administrators and Staff Present: Dr. Doug Brubaker, Superintendent, Dr. Gordon Floyd, Deputy Superintendent, Dr. Terry Morawski, Chief Operations Officer, Mr. Charles Warren, Chief Financial Officer, Dr. Barry Owen, Chief Academic Officer, Ms. Zena Featherston Marshall, Executive Director of Communication and Community Partnerships, Mr. Martin Mahan, Executive Director of Human Resources, Mr. Darian Layes, Executive Director of Student Services, and Ms. Nadine Brooks, Secretary to the Superintendent.

Ms. Susan McFerran, president, called the meeting to order at 5:30 p.m.

REVIEW AUDITOR REQUEST FOR PROPOSALS

Mr. Warren reported that the District requested proposals (RFP) from auditors for the three fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020. The proposals were due by March 12, 2018 with two fee structures requested.

The first type of audit requested was a "GAAP/GASB audit". The auditor is required to adjust the internal financial reports for GAAP/GAAS regulations (i.e. net pension liability). The second type of audit requested is a "regulatory audit". This audit has no GAAP/GASB accruals or adjustments. The financial reports mirror the internal financial statements prepared by the District. The District requested proposals for both types of audits to evaluate the cost-benefit of continuing to engage auditors to prepare a GAAP/GASB audit.

The cost of the GAAP/GASB audit is higher and the benefit is that the audit report is considered "unmodified". However, the GAAP/GASB net pension liability accrual has made the report less meaningful to the user. The cost of the regulatory audit is lower and the benefit is that the audit report reflects internal financial statements, providing more transparency. However, because the regulatory audit does not include GAAP/GASB accruals made by the auditor, the regulatory audit will include a paragraph titled "Adverse Opinion on US Generally Accepted Accounting Principles".

Four CPA firms submitted proposals. The District selection committee reviewed and scored the proposals as outlined in the RFP. Przybysz & Associates, CPAs held the best score for both types of audits, as well as providing the lowest fees for the regulatory audit.

After discussion between board members and District staff, the administration recommends that the board consider the three year proposal from Przybysz & Associates, CPAs to prepare regulatory audits for the District at the April 23 Board of Education Meeting.

REVIEW BANKING REQUEST FOR PROPOSALS

Mr. Warren reported that the District requested proposals (RFP) from banks for banking services for the three years beginning July 1, 2018. The proposals were due March 16, 2018. The District currently maintains investment accounts with Armstrong Bank and Centennial Bank while BancorpSouth provides the banking services (checking and payroll bank accounts) for the District.

Five banks responded to the District about the RFP and the differences in the three actual proposals received by the District were summarized for board review. The District selection committee reviewed and scored the proposals as outlined in the RFP. Centennial Bank held the best score, as well as provided the highest interest rate on the District bank account balance.

After discussion between board members and District staff, the administration recommended the board accept the three year proposal from Centennial Bank for banking services for the District beginning July 1, 2018 at the April 26 Board of Education Meeting.

RECOMMENDATION OF 2018-2019 PERSONNEL CONTRACTS

Mr. Mahan presented the 2018-2019 Personnel contracts for consideration for approval at the Board of Education meeting on April 23, 2018. He reviewed the number of certified and classified employees indicating that they will be returning indicating that the numbers will change as employees choose to retire or resign.

OTHER

Board members and administration discussed the recent release of school report cards from the Arkansas Department of Education, the new FSPS website and graduation.

The meeting adjourned at 6:10.