



Board of Education
Thursday, September 28, 2006, 5:00 PM
Adams Leadership Center, Winborn Conference Room

<i>Agenda Item</i>	<i>Page #</i>
I. Call to Order, Steve Percival, President	I-1
II. National Anthem, Fayetteville High School Choir	II-1
III. Roll Call of Members	III-1
IV. Recognition of People, Events, & Programs	IV-1
V. Citizen Participation	V-1
VI. Consent Agenda	
A. Reading of the Minutes	VI-A1
B. Certified Staff Changes	VI-B1
C. Support Staff Changes	VI-C1
D. Student Transfers	VI-D1
E. Financial Report	VI-E1
F. Special Education Contracts & Agreements	VI-F1
<i>*Any item shall be removed from the consent items section at the request of one board member.</i>	
VII. Action Items	
A. Jefferson Building Use – <i>Randy Willison</i>	VII-A1
B. Special Education Budget – <i>Debra Wilson</i>	VII-B1
C. Audit Contract – <i>Lisa Morstad</i>	VII-C1
D. Notice of Intention to Issue Second Lien Bonds & Reimbursement Resolution – <i>Lisa Morstad</i>	VII-D1
E. Hissom Contract – <i>Randy Willison</i>	VII-E1
VIII. Information Items	
A. Capital Improvement Package – <i>Lisa Morstad & Randy Willison</i>	VIII-A1
B. Food Service Annual Report – <i>Lisa Jenkins</i>	VIII-B1
IX. Adjournment	IX-1



September 28, 2006

Roll Call

Steve Percival, President
Howard Hamilton, Vice President
Christine Bell, Secretary
Susan Heil, Member
Tim Hudson, Member
Tim Kring, Member
Laura Underwood, Member



September 28, 2006

Consent Agenda

- A. Reading of the Minutes
- B. Certified Staff Changes
- C. Support Staff Changes
- D. Student Transfers
- E. Financial Report
- F. Special Education Contracts & Agreements



Minutes of the August 24, 2006 Regular Meeting of the
Fayetteville Board of Education

The meeting convened at 5:00PM in the Adams Leadership Center with President Steve Percival presiding. The Pledge of Allegiance was led by Holt Middle School.

Roll Call

The roll was called and board members Tim Kring, Laura Underwood, Howard Hamilton, Steve Percival, Susan Heil, Christine Bell and Tim Hudson were present.

Recognition

Lynn Konz, special education designee at McNair Middle School, and Bill Laney, agriculture teacher at Fayetteville High School, received "Above & Beyond" awards from the Fayetteville Chamber of Commerce for their work with students.

Susan Norton, technology director, discussed the video production studio at Fayetteville High School and the fayar.tv network that is run by students. A live forum for school board candidates will be held on September 14th from 5:00PM – 7:00PM with Don Elkins as moderator. In addition, the network will present a monthly TV show with Dr. Bobby New, superintendent, called "In Focus." The show will feature guests discussing pertinent education topics regarding the Fayetteville School District.

Alan Wilbourn, director of community relations, announced that Fayetteville School District has sixteen National Merit Semifinalists.

Consent Agenda

Howard Hamilton made a motion to accept the consent agenda. Tim Kring seconded the motion, which passed by a 7-0 vote.

High School Construction Process

Dr. Randy Willison, associate superintendent, discussed the high school project schedule, which includes a Fall 2011 opening date. Board of Education member Susan Heil agreed to serve on the Oversight Advisory Committee. Tim Hudson made a motion to accept the proposed planning process schedule for planning and construction for the new high school. Christine Bell seconded the motion.

Board president Steve Percival requested that the committee present progress reports to the board on a regular basis.

Butterfield Elementary Renovation

Dr. Willison presented information regarding the proposed renovation of Butterfield Elementary School. The project would include an alignment with the 600-student model school, enclosing the classrooms, and upgrading the common areas. Wes Burgess from Crafton & Till, Inc. noted that 2200 square feet would be added to the building. The work project would be on a fourteen month construction schedule with a projected completion date of Fall 2008. Dr. Willison noted that the high school and Butterfield construction projects tie back to Strategic Goal #3 "Improve efficiency and quality of district facilities...."



August 24, 2006 Board Minutes

Page 2

2005-06 Budget

Dr. Lisa Morstad, chief financial officer, discussed the variances in the revenues and expenditures in the actual 2006 budget. Included in the budget is a one-time, unanticipated revenue of \$3,500,595 from excess commissions, growth funding, homestead credit, and the personal property collection rate. An additional \$4,187,785 in revenue was the result of efficiencies in salaries, fringe benefits and budget cuts. Administration recommended that the \$3.5 million one-time excess revenue be used for capital improvements in the district and that the \$4.2 million in revenue from efficiencies be used for a staff bonus. These recommendations support several of the district's strategic goals. Dr. Morstad will present information regarding the capital funding plan at the September board meeting. In addition, she will present a staff bonus package at the October board meeting after meeting with the district personnel policy committee.

School Improvement Information

Dr. Willison presented information regarding the district's plans to address the test scores of a sub-population at Ramay Junior High on the Benchmark Exam. He noted that both the district vision and Strategic Goal #2 place a high premium on learning and student performance. Matt Saferite, principal at Ramay Junior High, reported that overall test scores have shown steady improvement over the last four-years.

Adjournment

The meeting was adjourned at 6:22PM.

Stephen M. Percival, President

Christine Bell, Secretary



September 28, 2006

Consent Agenda

B. Certified Personnel

TO: Board of Education

FROM: Bobby New, Superintendent

I recommend approval of the following personnel actions:

Contract Renewal
Lynne Reeves Gilbow

Extended Leave

<i>Name</i>	<i>Position & Assignment</i>	<i>Effective Date</i>
Jennifer Dunn ⁷	Elementary Teacher, Leverett	Spring 2007

¹Pending completion of a criminal background check and receipt of eligibility information from the Department of Education

²For one year only

³Year 1 of 1 year new hire probationary Period

⁴Year 2 of 3 year new hire probationary period

⁵Year 1 of 3 year new hire probationary period

⁶Year 3 of 3 year new hire probationary period

⁷Per policy 4150

⁸Contingent upon receipt of Arkansas Teaching Licensure

⁹One year contract contingent on grant funding



September 28, 2006

Consent Agenda

C. Support Staff Changes

TO: Board of Education

FROM: Bobby C. New

I recommend approval of the following changes in support staff:

Employment

<i>Name</i>	<i>Position & Assignment</i>	<i>Pay Grade/ Rate</i>	<i>Replacement/ New Position</i>	<i>Period</i>
Shirley Stropes	Guid Lit/Kind/Lchrm Aide Butterfield	15	Rehired	06-07

Provisional Employment¹

<i>Name</i>	<i>Position & Assignment</i>	<i>Pay Grade/ Rate</i>	<i>Replacement/ New Position</i>	<i>Period</i>
Dana Ingram	ISS Supervisor, Woodland	15	Replacement	06-07
Michael Chad Wilson	Grounds Keeper, Maintenance	19	Replacement	06-07
Emily Baldwin	Sp Ed/Lunchroom Aide, Vandergriff	18/15	Replacement	06-07
Libby Ferguson	Kindergarten Aide, Butterfield	15	Replacement	06-07
Bryce Hansen	Bus Driver, Transportation	26	Replacement	06-07
Debra Morse	Bus Driver, Transportation	26	New	06-07
Shawn Cook	Food Service Server, FHS	1	Replacement	06-07
Summer Shankle	Guided Literacy Aide, Owl Creek	15	Replacement	06-07
Kathy Patrick	Pre-K Aide, Owl Creek	18	New	06-07

Resignations

<i>Name</i>	<i>Position & Assignment</i>	<i>Effective Date</i>
Grant Stewart	Lunchroom Aide, Leverett	8/22/06
Haley Nicodemus	Special Ed Aide, Vandergriff	9/1/06
Bob Jones	Bus Driver, Transportation	8/31/06
Lisa Ezell	Crossing Guard, Butterfield	8/21/06
Gayle Sue Stocker	Special Ed Aide, FHS	9/1/06
Anita Bukey	Guided Literacy Aide, Butterfield	9/1/06
Leah Beth Sutton	Clerical Assistant, Holt	6/15/06



Fernando Garcia	Night Office Paraprofessional, Adult Ed	5/3/06
Sheila Thompson	Custodian, Holcomb	5/23/06
Kristi Crawford	Kindergarten Aide, Happy Hollow	9/7/06

¹Pending completion of a criminal background check and receipt of eligibility information from the Department of Education



September 28, 2006

Consent Agenda

D. Student Transfers

TO: Board of Education

FROM: Bobby C. New

I recommend approval of the following student transfer requests:

Incoming:

Glen Kever requests that his child, Lexxa Kever, age 16, be transferred from the Springdale School District to the Fayetteville School District.

Bobbie Frost requests that her child, Bridget Frost, age 10, be transferred from the Jasper School District to the Fayetteville School District.

William Booher requests that his child, Jessika Booher, age 13, be transferred from the Farmington School District to the Fayetteville School District.

Stephanie Hopps requests that her child, Sigi Ji, age 18, be transferred from the Lincoln School District to the Fayetteville School District.

Outgoing:

Joana Garrison requests that her children, Leanna Heimel, age 15, and Jennifer Hoover, age 18, be transferred from the Fayetteville School District to the Gentry School District.

Angie Orta requests that her child, Julia Orta, age 5, be transferred from the Fayetteville School District to the Greenland School District.

Katrinka June requests that her child, Audrey Wood age 15, be transferred from the Fayetteville School District to the Greenland School District.

Aleshia Potts requests that her child, Katrina Suhan, 1st grade, be transferred from the Fayetteville School District to the Greenland School District.

Rebecca Mitchell requests that her child, Chris Mitchell, age 18, be transferred from the Fayetteville School District to the Greenland School District.

Cheryl Navarro requests that her children, Jesse Navarro, age 9, and Casandra Navarro, age 7, be transferred from the Fayetteville School District to the Greenland School District.



Sheryl Gordan requests that her child, Cameron Jordan, age 17, be transferred from the Fayetteville School District to the Greenland School District.

Patricia Odom requests that her children, Cody Egan, age 11, and Corey Egan, age 9, be transferred from the Fayetteville School District to the Elkins School District.

Michelle Hayward requests that her child, Jordyn Storts, age 16, be transferred from the Fayetteville School District to the Prairie Grove School District.

Renee Bradford requests that her child, Thomas Hale, age 14, be transferred from the Fayetteville School District to the Springdale School District.

Malisa Bivens requests that her child, Logan Bivens, age 6, be transferred from the Fayetteville School District to the Greenland School District.

Ramiro Dominguez requests that his child, Neyko Dominguez, age 11, be transferred from the Fayetteville School District to the Elkins School District.

Anna Argoeta requests that her child, Rebecca Argoeta, age 6, be transferred from the Fayetteville School District to the Greenland School District.

Sharon Lawrence requests that her children, Keith Lawrence, age 16, and Elizabeth Lawrence age 15, be transferred from the Fayetteville School District to the Greenland School District.

Velda Sturdivant requests that her child, Bethany Sturdivant, age 14, be transferred from the Fayetteville School District to the Elkins School District.

Leann Williams requests that her child, Brian Longdon, age 12, be transferred from the Fayetteville School District to the Elkins School District.

Claudia Reynolds requests that her child, William Hollingsworth, grade 11, be transferred from the Fayetteville School District to the Elkins School District.

Sandra Smith requests that her child, Abigail Smith, age 8, be transferred from the Fayetteville School District to the Prairie Grove School District.

Jean-Francois Marc Puckett requests that his child, Jan-Phillip Wolter, age 17, be transferred from the Fayetteville School District to the Elkins School District.

Jennifer Taylor requests that her child, Madison Taylor, age 7, be transferred from the Fayetteville School District to the Greenland School District.

Barbara Franklin requests that her child, Brian Foster, age 17, be transferred from the Fayetteville School District to the Elkins School District.

**Executive Summary Financial Report
Fayetteville Public Schools
FY2006-07**

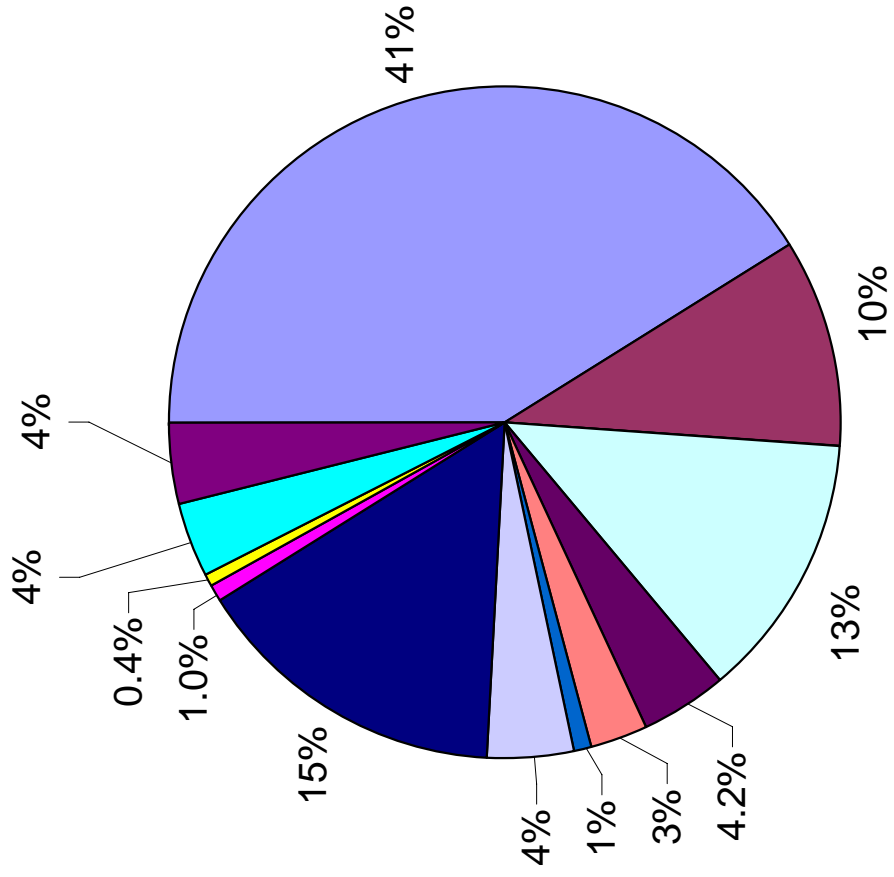
9/22/2006

	Actuals FY06 Budget	FY07 Budget	Year To Date 8/31/2006 <small>2 months of 12 = 17%</small>		% of Budget	Year To Date 8/31/2005
Revenues:						**No report for similar time period First FY06 report was YTD 9/30/05**
Uncommitted Cfwd	\$ 2,220,199.28	\$ 500,000.00	\$ 7,931,843.15			
Restricted Carryforwards	\$ 2,898,475.49	\$ 1,500,000.00	\$ 2,898,475.49			
State Funds	\$ 26,739,464.00	\$ 25,565,622.58	\$ 2,151,391.00	a	8%	
Local Funds	\$ 40,031,693.16	\$ 39,958,967.21	\$ 4,876,185.54	a	12%	
Interest on checking account	\$ 996,563.47	\$ 463,985.46	\$ 206,645.46	a	45%	
Fed Funds/Grants/Restricted	\$ 8,113,638.73	\$ 7,083,658.00	\$ 185,212.17	a	3%	
Vocational Education	\$ 329,604.00	\$ 329,604.00	\$ -	a	0%	
Pepsi Contract	\$ 207,418.00	\$ 207,418.00	\$ -	a	0%	
Athletic Gate Receipts	\$ 126,131.60	\$ 118,000.00	\$ 33,364.00	b	28%	
E-rate	\$ -	\$ 50,000.00	\$ -	a	0%	
Miscellaneous	\$ 158,273.14	\$ 150,000.00	\$ 34,830.01	a	23%	
Food Service sales	\$ 1,264,287.84	\$ 1,245,000.00	\$ 162,478.01		13%	
Reserve	\$ 4,287,214.24	\$ 5,281,200.00	\$ 5,281,200.00		100%	
Total Revenues & Reserve:	\$ 87,372,962.95	\$ 82,453,455.25	\$ 23,761,624.83		29%	\$ -
Expenditures:						
Salaries	\$ 45,848,541.03	\$ 47,789,990.97	\$ 2,098,210.60	c	4%	
Fringe Benefits	\$ 10,939,750.24	\$ 12,425,397.65	\$ 503,070.19	c	4%	
Debt Service Payments	\$ 4,780,607.55	\$ 4,850,000.00	\$ 59,000.24	d	1%	
Maintenance & Operations:						
Maintenance	\$ 1,136,351.04	\$ 1,123,743.10	\$ 659,289.83		59%	
Utilities	\$ 1,441,125.46	\$ 1,720,173.65	\$ 212,482.33		12%	
Transportation	\$ 567,081.45	\$ 682,213.30	\$ 134,072.82	a	20%	
Food Service	\$ 1,110,996.09	\$ 843,557.10	\$ 45,553.96	a	5%	
Technology	\$ 507,500.99	\$ 491,864.00	\$ 215,862.80	e	44%	
Curriculum & Instruction	\$ 1,463,316.83	\$ 1,494,251.66	\$ 770,905.96	f	52%	
School Improv/Prog. Devlp.	\$ 171,476.43	\$ 170,721.69	\$ 53,440.05	f	31%	
Athletics/Physical Education	\$ 209,110.93	\$ 207,804.91	\$ 19,699.85	a	9%	
Grant Expenditures (not personnel)	\$ 2,521,134.99	\$ 1,820,000.00	\$ 184,357.62	a	10%	
Miscellaneous	\$ 394,512.17	\$ 393,519.72	\$ 202,689.99	a	52%	
Tuition	\$ 169,939.11	\$ 360,000.00	\$ -	a	0%	
Reserve	\$ 5,281,200.00	\$ 5,281,200.00	\$ 5,281,200.00		100%	
FY 2005 Restricted Carryforward	\$ 2,898,475.49	\$ 1,500,000.00	\$ 2,898,475.49			
FY 2005 Unrestricted Carryfwd	\$ 7,931,843.15	\$ 500,000.00	\$ 7,931,843.15			
	\$ 87,372,962.95	\$ 81,654,437.76	\$ 21,270,154.88		26%	\$ -

Executive Summary
Fayetteville Public Schools
FY2006-2007
Notes to Financial Report

- a. Funding/Expenditures not incurred equally throughout the year.
- b. Higher due to preseason ticket sales and hosting the Springdale football game.
- c. Lower because first teacher payroll did not occur until September
- d. Debt service payments due on December 1st and June 1st.
- e. Technology expenditures include major computer purchases and payment of annual contractual agreements for internet and other district-wide services.
- f. Includes purchases of textbooks and supplies purchased before beginning of school year.

FY07 Expenditures thru 8/31/06



Salaries

Fringe Benefits

Debt Service Payments

Maintenance

Utilities

Transportation

Food Service

Technology

Curriculum & Instruction

School Improv/Prog. Devlp.

Athletics/Physical Education

Grant Expenditures (not personnel)

Miscellaneous



CELEBRATING THE PAST WHILE EMBRACING THE FUTURE
WWW.FAYAR.NET

To: Dr. New and The Fayetteville Board of Education
From: Debra Wilson, Director of Special Services
Re: Annual contracts and agreements for Special Education
Date: September 28, 2006

Please consider the following contracts and agreements for the 2006-2007 school year for related services for Special Education. The majority of contracts are unchanged from the 2005-2006 school year with minor exceptions. The most significant change is to the contracts with Billy Jones, PH.D. Licensed Psychologist and Mary Ann McIntyre, M.A., CCC-SLP, Autism Consultant, who have agreed to set aside specific amounts of their time to provide services to our school district.
We appreciate your consideration.

FAYETTEVILLE PUBLIC SCHOOLS

Fayetteville, Arkansas
Professional Services Contract
2006-2007

I. Date, Parties

This agreement is entered into for the 2006-2007 school year between Fayetteville School District, No. 1, Fayetteville, Arkansas, and Behavior Therapy and Counseling Clinic.

II. Description of Services to be Provided and Compensation

A. Psychoeducational Assessments

1. As psychoeducational assessments conferences related to psychoeducational assessments are not a reimbursable expense under Medicaid, this section applies to all student psychoeducational assessments regardless of Medicaid eligibility.
2. Psychoeducational assessments and related conference attendance will be provided by Behavior Therapy and Counseling Clinic at a cost of \$67.00 per hour.

B. Consultations

1. Medicaid Eligible Students

- a). It is understood between the parties that this section will be null and void should Medicaid rules and regulations change sufficiently to preclude direct on-site services delivered by psychologists.
- b). On-site consultations will be provided for Medicaid eligible students as long as each criteria listed below is met:
 - 1). The school requesting the consultation is a valid Medicaid provider;
 - 2). The consulting psychologist is a valid Medicaid provider;
 - 3). The student is identified under the IDEA and has a current IEP;
 - 4). The student's Interdisciplinary Team has identified psychological services as a related service in the student's IEP.
- c). Costs for on-site consultations will be billed to Medicaid by Behavior Therapy and Counseling Clinic following current Medicaid guidelines.

2. On-site consultations for students who are not eligible for Medicaid or do not meet the requirement under Section B.1.b), above will be provided by Behavior Therapy and Counseling Clinic at a cost of \$67.00 per hour.

III. **Implementation of Services**

The specific determination of how the contract will be filled is dependent upon the needs of the Fayetteville School District.

Fayetteville Public Schools

Jack Marr, Ph.D., Director
Behavior Therapy and Counseling Clinic

Date

Date

FAYETTEVILLE PUBLIC SCHOOLS
Fayetteville, Arkansas
Professional Services Contract
2006-2007

1. **Date, Parties**

This agreement is entered into between **Fayetteville School District, No.1** hereinafter, referred to as the **Agency**, and **TheraPlay, Inc.** hereinafter, referred to as the **Consultant**.

2. **Objectives and Scope**

The **Agency** and **Consultant** agree that the objectives and scope of the agreement are as described herein or by attachments if so noted.

- A. Evaluate students at a minimum of every three years to determine eligibility for physical therapy services.
- B. Develop goals and objectives for physical therapy that are educational based.
- C. The Physical and Occupational Therapy staff will work with each student as necessary and report changes to the Therapy Program Director.
- D. Consult with teachers concerning the progress and/or problems of the children.
- E. Assess the development and progress of the children every six or twelve months.
- F. Prepare individual progress charts of the children for parents to be used in home therapy.
- G. Parent conferences concerning progress and/or problems of the children as needed.
- H. Provide consultative services regarding equipment needed for students with physical disabilities.
- I. The **Consultant** will invoice the **Agency** for the services rendered.

3. **Terms**

The term of this agreement shall extend to the end of the 2006-2007 normal school year and/or as agreed to separately in writing by both parties. A letter to the **Consultant** from the **Agency** extending or

shortening the term of the agreement will be considered binding when endorsed by the **Consultant** and returned to the **Agency**.

4. **Compensation**

For work to be accomplished under this agreement, the **Consultant** agrees to provide the personnel as listed below at a total contracted amount of \$16.25 per treatment unit (15 minute unit) or a total of \$65. per hour for a licensed physical therapist for direct therapy services.

5. **Expense Reimbursement**

The **Consultant** will be reimbursed for out of pocket expenses as outlined below or in accordance with the accepted standard rates for professional consulting personnel which is attached hereto and made a part of this contract.

6. **Agency Responsibilities**

- A. The **Agency** agrees to make available advice, counsel, data, personnel and office supplies as necessary.
- B. The **Agency** representative who will act for the **Agency** in coordinating the work of the **Consultant** will be Supervisor of Special Education.
- C. The **Agency** will be responsible for any physical therapy treatments carried out by their employees, while the **Consultant** will be responsible for the establishment of physical therapy treatment programs and the implementation of the actual treatment carried out by their employees.

7. **Authority**

- A. This contract shall be governed by the laws of the State of Arkansas.
- B. Any legislation that may be enacted subsequent to the date of this agreement, which may cause all or any part of this agreement to be in conflict with the laws of the State of Arkansas will be given proper consideration if and when this contract is renewed or extended and the contract will be altered to comply with the then

applicable laws.

8. Consultant will maintain professional liability insurance.
9. Consultant will comply with the State Practice Standards and Code of Ethics for the Arkansas Physical Therapy Association.
10. Neither the **Consultant** or therapists employed by them shall assume or be held liable for physical therapy services carried out by anyone but themselves.
11. The above said **Agency** agrees that during the term of this agreement and for a one year period thereafter, it will not employ anyone who is or had been employed by the **Consultant** firm without first securing the consent of the **Consultant** firm.

Fayetteville Public Schools

TheraPlay, Inc.

Date

Date

FAYETTEVILLE PUBLIC SCHOOLS

Fayetteville, Arkansas
Professional Services Contract
2006-2007

I. Date, Parties

This agreement is entered into for the 2006-2007 school year between Fayetteville School District, No. 1, Fayetteville, Arkansas, and **Mary Ann McIntyre, M.A., CCC-SLP.**

II. Description of Services to be Provided and Compensation

1. Speech Language evaluations for students with Autism Spectrum Disorders at \$75.00 per hour.
2. Case consultation and supervision will be provided as necessary, at a cost of \$75.00 per hour. (If travel involves more than a 90 minute round trip, rates will be increased to cover the additional cost.)
3. In-service presentations will be provided at a cost of \$150. per hour.
4. Expert witness/legal fees will be negotiated on a case by case basis.

III. Implementation of Services

Services will be rendered 4 days per month and as needed during the school year. The specific determination of how the contract will be filled is dependent upon the needs of the Fayetteville School District.

Fayetteville Public Schools

Mary Ann McIntyre, M.A, CCC-SLP

Date

Date

FAYETTEVILLE PUBLIC SCHOOLS
FAYETTEVILLE, ARKANSAS
PROFESSIONAL SERVICES AGREEMENT
2006-2007

- I. This agreement is entered into for the 2006-2007 school year between Fayetteville Public Schools, Fayetteville, Arkansas and **Computer Automation Systems, Inc.**
- II. Description of Services to be provided and Financial Arrangement: Computer Automation Systems, Inc. will provide for an annual maintenance fee of \$8.00 per student on the latest December 1 Count of 1017, the SEASWEB program for use by the Special Education Department. It will provide technical assistance and periodic training for the District teachers and be responsible for maintaining the program to meet State Department of Education regulations.
- III. Implementation of Agreement
This contract will be for July 1, 2006 through June 30, 2007 with the annual maintenance fee being due in July each year.

Fayetteville School Board President

Computer Automation Systems, Director

Fayetteville Superintendent of Schools

Date

FAYETTEVILLE PUBLIC SCHOOLS

Fayetteville, Arkansas

Professional Services Contract

2006-2007

I. Date, Parties

This agreement is entered into for the 2006-2007 school year between Fayetteville School District, No. 1, Fayetteville, Arkansas, and **Sound Solutions, Inc.**, Fayetteville, Arkansas.

II. Description of Services to be Provided and Compensation

Audiological Services will be provided by Sound Solutions, Inc. Procedures and their costs are listed below.

(92557) Audio Comprehensive - \$91.00

(92567) Tympanometry - \$33.00

(92589) Central Auditory Processing - \$90.00

Hearing Aid Check - \$15.00

Real Ear Measurement - \$35.00

(92568) Acoustic reflexes - \$25.00

III. Implementation of Services

The specific determination of how the contract will be filled is dependent upon the needs of the Fayetteville School District.

Fayetteville Public Schools

Sound Solutions, Inc.

Date

Date

FAYETTEVILLE PUBLIC SCHOOLS

Fayetteville, Arkansas
Professional Services Contract
2006-2007

I. Date, Parties

This agreement is entered into for the 2006-2007 school year between Fayetteville School District, No. 1, Fayetteville, Arkansas, and **Billy Jones, Ph.D., Licensed Psychologist.**

II. Description of Services to be Provided and Compensation

1. Psychoeducational Evaluations will be provided by Billy Jones, Ph.D., acting as an agent of the Fayetteville School District, at a cost of \$90.00 per hour for 18 hours per month and more as needed.
2. Case consultation and evaluation conferencing will be provided as necessary.

III. Implementation of Services

The specific determination of how the contract will be filled is dependent upon the needs of the Fayetteville School District.

Fayetteville Public Schools

Billy Jones, Ph.D.

Date

Date

FAYETTEVILLE PUBLIC SCHOOL DISTRICT NO. 1

Fayetteville, Arkansas

Professional Services Contract

2006-2007

I. DATE, PARTIES

This agreement is entered into on August 2006, between the Board of Trustees of the University of Arkansas acting for and on behalf of the University of Arkansas for Medical Sciences/Department of Pediatrics (The Department), and the Fayetteville Public Schools.

II. STATEMENT OF WORK

Dr. Mary Ann Scott

The department herein agrees to provide and the Fayetteville Public Schools District, NO 1. Agrees to purchase psychoneurological evaluations by Dr. Mary Ann Scott at a cost of \$120.00 per hour and shall pay the department according to the notes described herein upon receipt of an invoice.

1. Dr. Mary Ann Scott will provide psychoneurological evaluations of which specifics of these services will be dependent upon the needs of the Fayetteville School District. Fayetteville School District will reimburse Dr. Mary Ann Scott \$120.00 per hour upon receipt of an invoice.

Dr. Linda Young-Shumate

The department herein agrees to provide and the Fayetteville Public Schools District, NO 1. Agrees to purchase psychiatric and developmental evaluations by Dr. Linda Young-Shumate the charges listed below will be paid to the department according to the notes described herein upon receipt of an invoice.

1. Dr. Linda Young Shumate will provide psychiatric developmental assessments of which specifics of these services will be dependent upon the needs of the Fayetteville School District. Fayetteville School District will reimburse Dr. Linda Young Shumate the charges listed below upon receipt of an invoice.

III. COMPENSATION

Dr. Mary Ann Scott

1. Compensation will be calculated according to the following fee schedule:

Report Writing	\$120./hr.
Interpretation	\$120./hr.
Testing	\$120./hr.
Staffing/Information	\$120./hr.

Dr. Linda Young Shumate

2. Compensation will be calculated according to the following fee schedule:

New Patient - (seen within 45 days of request) \$180.00

Off Site Consult - \$180.00/Hour

(These will be billed in 30 minute of hour increments. Driving time will be included in the calculation.)

Follow up Visits - Low Complex	-	15 minutes	\$52.00	
		Moderate Complex -	25 minutes	\$81.60
		High Complex -	40 minutes	\$136.80
Phone Calls - (under 5 minutes)		No charge		
		(5 - 10 minutes)	\$20.00	
		(10 - 20 minutes)	\$30.00	
		(20 - 30 minutes)	\$40.00	
		(30 - 45 minutes)	\$75.00	
		(Anything over 45 minutes)	\$100.00	

TUITION AGREEMENT

The Fayetteville School District, No. 1 of Washington County hereby agrees to pay to Life Styles, Inc. of Washington County tuition in the amount of \$54.90 per 1/2 day per pupil for providing vocational training as outlined in individual student IEPs to its students in secondary grades during 2006-2007.

Conditions:

Tuition amount will be paid on a monthly basis upon receipt of a statement containing student name, grade, and total days of attendance for each month. The total days per student will not exceed 178. Transportation will be provided by the district. The vocational component of the Individualized Education Plan (IEP) will be the responsibility of a qualified agency staff member. Both parties will conform to state and federal regulations regarding special education. All student referrals will be processed through the Director of Special Services.

Cost of Service:

Student cost per day: \$5.35 (average wage) x 3 hours per day = \$16.05

Trainer cost per day: \$9.90 (hourly wage/benefits) x 3 hours per day = \$29.70

Administrative/mileage cost is 20% of above=\$9.15

Total cost per day per student: \$54.90

FAYETTEVILLE SCHOOL DISTRICT

LIFESTYLES, INC.

President of Board

President of Board

Superintendent

Director

Approved: _____

Date: _____

File in quadruplicate. Send all copies to the Office of Local Fiscal Services, Department of Education, #4 Capitol Mall, Room 202-A, Little Rock, Arkansas 72201-1071.

TUITION AGREEMENT

The **Fayetteville School District, No. 1** of **Washington County** hereby agrees to pay to **Vista Health** tuition in the amount of **\$30.00** per pupil for providing educational services to its students in **Therapeutic Day Treatment** during **2006-2007**.

Conditions:

Tuition amount will be paid on a monthly basis upon receipt of a statement containing student names, admit date, school, grade and total days of attendance for the month. The total days per student will not exceed 178. **Vista Health** will request school records, in writing, from the **Director of Special Education**. All parties will conform to state and federal regulations regarding special education. This contract will be void if at any time this facility does not meet Arkansas Department of Education approval. **Vista Health** staff will work in conjunction with the **Director of Special Education** in coordinating educational planning for each student. All other services will be the responsibility of **Vista Health** and the parent.

FAYETTEVILLE SCHOOL DISTRICT

VISTA HEALTH

President of Board

President of Board

Superintendent

Superintendent

Approved: _____

Date: _____

File in quadruplicate. Send all copies to the Office of Local Fiscal Services, Department of Education, #4 Capitol Mall, Room 202-A, Little Rock, Arkansas 72201-1071.

TUITION AGREEMENT

The **Fayetteville School District, of Washington County** hereby agrees to pay to **Vista Health** of Northwest Arkansas tuition in the amount approved by the Arkansas Department of Education per pupil for providing educational services to its school age students during the **2006-2007 school year. This is pursuant to Arkansas Code Annotated 6-18-202, Arkansas Code Annotated 6-20-104 and Act 1361 of 1997.**

Conditions:

Tuition amount will be paid on a quarterly basis upon receipt of a statement containing student name, admit date, discharge date (if applicable), school, grade and total days of attendance for the month. The total days per student will not exceed one-hundred and seventy-eight (178) days. **Vista Health** will notify the **Fayetteville School District** at the time of admission and will request copies of school records, in writing, from the **Director of Special Education**. All parties will conform to state and federal regulations regarding special education and guidelines set forth by Arkansas Act 591 of 1987. This contract will be void if at any time this facility does not meet Arkansas Department of Education approval. If applicable, the **Fayetteville School District** will notify the **Springdale School District's** Special Education Supervisor on or before the student's 61st day of treatment. In accordance with Arkansas Act 591, the **Springdale School District** will then become responsible for the student's educational services from the 61st day on. **Vista Health** personnel will aid in the formulation of an individual education plan for each student who is non-disabled and with due process procedures for those students who are disabled.

FAYETTEVILLE SCHOOL DISTRICT

VISTA HEALTH

President of Board

Hospital Administrator

Superintendent

Director of Education

Approved: _____

Date: _____

State Department of Education

File in quadruplicate. Send all copies to the Office of Local Fiscal Services, Department of Education, #4 Capitol Mall, Room 202-A, Little Rock, Arkansas 72201-1071.

TUITION AGREEMENT

The **Fayetteville School District, No. 1 of Washington County** hereby agrees to pay to **Ozark Guidance Center, Inc. of Washington County** tuition in the amount of **\$30.00** per pupil for providing educational services to its students in **Therapeutic Day Treatment** during **2006-2007**.

Conditions:

Tuition amount will be paid on a monthly basis upon receipt of a statement containing student names, admit date, school, grade and total days of attendance for the month. The total days per student will not exceed 178. **Ozark Guidance Center, Inc.** will request school records, in writing, from the **Director of Special Education**. All parties will conform to state and federal regulations regarding special education. This contract will be void if at any time this facility does not meet Arkansas Department of Education approval. **Ozark Guidance Center** staff will work in conjunction with the **Director of Special Education** in coordinating educational planning for each student. All other services will be the responsibility of **Ozark Guidance Center** and the parent.

FAYETTEVILLE SCHOOL DISTRICT

OZARK GUIDANCE CENTER, INC.

President of Board

President of Board

Superintendent

Superintendent

Approved: _____

Date: _____

File in quadruplicate. Send all copies to the Office of Local Fiscal Services, Department of Education, #4 Capitol Mall, Room 202-A, Little Rock, Arkansas 72201-1071.

SERVICES AGREEMENT

THIS AGREEMENT, made and entered into this 11th day of July 2006, by and between Ozark Guidance Center, Inc., a corporation organized and existing under the laws of the State of Arkansas, with its principal place of business in Springdale, Washington County, Arkansas, hereinafter referred to as "Ozark Guidance," and Fayetteville Public Schools located in Fayetteville, Washington County, Arkansas hereinafter referred to as "Organization."

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES, AND AGREEMENTS CONTAINED HEREIN, the parties hereto agree as follows, to-wit:

1. SERVICES PROVIDED ORGANIZATION.

Ozark Guidance has and will provide some or all of the following services to Organization, as well as other requested and necessary services not enumerated, to-wit:

CHECK ALL SERVICES AND CONDITIONS THAT APPLY:

X	Clinical services provided on-site
X	Individual, Group, and Family Counseling
X	Paraprofessional Services
X	Case Management
	Psychiatric Consultation and Medication Management
	Psychological Testing
X	Crisis Intervention
	Clinical Consultation
X	Ancillary Clinical Services
	Other (specify):

Such services will be provided to students, residents or other persons over whom Organization has an obligation or desire to provide such services.

2. ACCESS GIVEN BY ORGANIZATION.

Organization shall provide Ozark Guidance office space and telephone access on Organization's premises for the rendition of such services, together with access to the following (if no additional access is to be included, insert <u>none</u>):
--

3. PAYMENT FOR SERVICES.

Payment for services rendered by Ozark Guidance shall be by a third-party reimbursement, either private insurance or state or federal program reimbursement. Organization shall not be obligated to pay for the provision of such services, but shall take all action reasonable and necessary, including providing the necessary information to allow Ozark Guidance to make third-party claims for such services.

4. IMPLEMENTATION OF SERVICES.

This Agreement shall be implemented in accordance with the attached program description marked Attachment "A" and incorporated by reference herein.

5. TERM OF AGREEMENT.

This Agreement shall be effective on the date first written above and shall extend through the 2006-2007 school year. If no date is inserted, this Agreement shall continue until terminated or cancelled by either party upon the giving of thirty (30) days written notification to the other party.

6. CONFIDENTIALITY.

During the rendition of services by Ozark Guidance and thereafter, Organization will hold in strictest confidence and not use or disclose to any person, firm or organization any information, work in progress, business, trade secret or any other secret, proprietary or confidential matter relating to Ozark Guidance or clients of Ozark Guidance which are not generally known to the public, except insofar as such disclosures or use may be required in the course of rendering services as requested by Ozark Guidance.

Permitted Uses and Disclosures of Individually Identifiable Health Information by Organization: Ozark Guidance agrees to provide the services identified above under this Agreement that may require Organization to access health information that directly identifies or could be used (in combination with other available information) to identify clients, past or present, of Ozark Guidance. Organization understands and agrees that the only permissible uses and disclosures of individually identifiable health information are those necessary under the terms and conditions of this Agreement.

Individually Identifiable Health Information is Protected Health Information: Individually identifiable Health Information is legally protected from unauthorized disclosure, whether by Ozark Guidance or by Organization. Such information, by law, is called Protected Health Information and if hereinafter referred to as PHI." PHI is any information about a client or a client's treatment, including, but not limited to, information found in his or her medical records, insurance/payer information, verbal representations, Ozark Guidance's electronic information or any other written documentation compiled or maintained by Ozark Guidance that pertains to and identifies the client. For the purposes of this Agreement, any individually identifiable health information compiled or maintained by Organization is also considered PHI and subject to privacy laws as if it were under the possession and control of Ozark Guidance.

The Organization's Privacy Obligations to Safeguard PHI: The Organization shall safeguard all PHI in a manner that meets legal and ethical privacy standards applicable to Ozark Guidance. Safeguarding shall include, but not be limited to: (1) maintaining and using PHI in a secure, confidential manner that prevents unauthorized access by third parties; (2) using a "need-to-know" standard to limit access to PHI among Organization's employees or other authorized third-parties; (3) documenting by *client account number* and appropriate *date* specific PHI accessed; (4) reporting any inadvertent or unauthorized disclosure of PHI by Organization; (5) protecting from disclosure under subpoena or judicial process unlawful disclosure of PHI under Organization's control; (6) notifying Ozark Guidance's Privacy Officer within one working day of any attempt by a third party to use a subpoena or judicial process to access records of Organization that could include PHI; (7) remedying immediately any known breaches in this Agreement regarding PHI confidentiality by Organization; (8) removing, returning to Ozark Guidance, or otherwise destroying all hardcopy PHI and all electronically stored PHI from hard drives or storage media upon termination of this Agreement or upon sale, disposal or transfer of control to another party not associated with this Agreement, if such event occurs before this Agreement terminates.

Additional Privacy Obligations of Organization: Organization is obligated, upon request of Ozark Guidance, to amend records or make them available for review by Ozark Guidance or its clients. Organization must also mitigate and remedy, at its own expense, any unauthorized use or disclosure, including those of a prospective or contingent nature. In addition, Organization agrees to fully comply with any audit or investigation by the Secretary of the Department of Health and Human Services or any of the Secretary's assignees.

Questions about Organization's Safeguarding Responsibilities: When necessary, it shall be the Organization's responsibility to seek clarification from Ozark Guidance's Privacy Officer regarding Organization's safeguarding and privacy obligations.

Right to Use Subcontractors or Assign the Agreement: Organization has no right to use subcontractors or assign any rights, privileges or responsibilities under this Agreement to any third-party, without the explicit written prior authorization of Ozark Guidance. Any agreement between Organization and an authorized subcontractor or assignee shall include the privacy provisions and obligations of this Agreement. It is understood that Organization may not limit or shift its privacy obligations or liability for breach of said obligations by use of subcontractors or assignees. For the purposes of this Agreement, any reference herein to Organization shall be construed to be equally applicable to and enforceable against any authorized subcontractor or assignee. A breach by a third-party acting in Organization's behalf shall be deemed a breach by Organization who, thereby, shall be jointly and severally liable for contract breaches with and by subcontractors and assignees.

Liability for Breach of Privacy Obligations: Unauthorized use and disclosure of PHI, or failure to submit in an audit or investigation by the Secretary of Health and Human Services, shall be a material breach of the terms and conditions of this Agreement, and shall subject Organization to the liability for damages or any other remedy provided by law.

Perpetual Duration of this Agreement: The privacy and confidentiality obligations required herein shall remain fully binding on Organization hereafter and shall not be subject to a term of years, nor be diminished in any manner whatsoever at, or following the date, Organization ceases providing services to Ozark Guidance.

7. MERGER AND GOVERNING LAW.

This Services Agreement contains the entire understanding of the parties, supercedes all previous agreements, and may not be modified except in a writing signed by the parties. The law of the State of Arkansas shall govern this Agreement.

Witness Whereof, the parties have executed this Services Agreement the day and year reflected below.

OZARK GUIDANCE CENTER, INC.

By _____

By _____

Title _____

Title _____

Date _____

Date _____

AND

“Ozark Guidance”

By _____

By _____

Title _____

Title _____

Date _____

Date _____

“organization”

“Ozark Guidance”

**Professional Services Contract
2006-2007**

This agreement, made and entered into for the 2006-2007 school year between Ozark Guidance Center, Inc., a corporation organized and existing under the laws of the State of Arkansas, with its principal place of business in Springdale, Washington County, Arkansas, hereinafter referred to as "Ozark Guidance," and Fayetteville Public Schools, located in Fayetteville, Washington County, Arkansas, hereinafter referred to as "Organization."

For and in consideration of the mutual covenants, promises, and agreements contained herein, the parties hereto agree as follows, to-wit:

1. SERVICES PROVIDED ORGANIZATION.

Ozark Guidance has and will provide some or all of the following services to Organization, as well as other requested and necessary services not enumerated, to-wit:

CHECK ALL SERVICES AND CONDITIONS THAT APPLY:

X	Clinical services provided at Ozark Guidance Center
X	Individual, Group, and Family Counseling
X	Paraprofessional Services
X	Case Management
X	Psychiatric Consultation and Medication Management
X	Psychological testing
X	Crisis Intervention
	Clinical Consultation
	Ancillary Clinical Services
	Other (specify):

Such services will be provided to students, residents or other persons over whom Organization has an obligation or desire to provide such services.

2. ACCESS GIVEN BY ORGANIZATION.

Organization shall provide OG office space and telephone access on organization premises for the rendition of such services, together with access to the following (if no additional access is to be included insert none):

3. PAYMENT FOR SERVICES.

Payment for services rendered by Ozark Guidance shall be at a rate payable by Fayetteville Public Schools as follows:

- Psychological Supervision - \$80.00 per hour
- Psychiatric consultation - \$120.00 per hour
- Projective Testing (Psychological) - \$110.00 per hour
- Individual/Family Counseling - \$80.00 per hour
- Group Therapy - \$40.00 per hour
- Case Management - \$55.00 per hour

4 IMPLEMENTATION OF SEVICES.

This Agreement shall be implemented in accordance with the attached program description marked Attachment "A" and incorporated by reference herein.

5. TERMS OF AGREEMENT.

This Agreement shall be effective on the date first written above and shall extend through August 2006-August 2007. If no date is inserted, this Agreement shall continue until terminated or cancelled by either party upon the giving of thirty (30) days written notification to the other party.

7. MERGER AND GOVERNING LAW.

This Services Agreement contains the entire understanding of the parties, supercedes all previous agreements, and may not be modified except in a writing signed by the parties. The law of the State of Arkansas shall govern this Agreement.

IN WITNESS WHEREOF, the parties have executed this Services Agreement the day and year reflected below.
OZARK GUIDANCE CENTER, INC.

By: _____

By: _____

Title: Superintendent

Title: _____

Date: _____

Date: _____

AND

By: _____

Title: School Board President

Date: _____

"Organization"



September 28, 2006

Jefferson Building Use

TO: Board of Education

FROM: Randy Willison

I will present an update on the communication between the administration and the two groups who have shown an interest in leasing the Jefferson Building.

MEMO

September 20, 2006

To: Dr. Randy Willison, Associate Superintendent for Operations, Fayetteville Public Schools

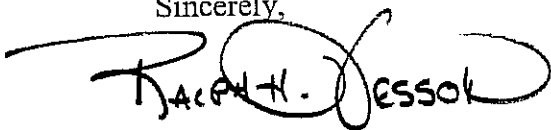
From: Ralph H. Nesson, Jefferson Working Group and
Doug Walsh, Jefferson Arts Center Working Group

Subject: Response to Request for Financial Viability Statement

We have been presented with "Tentative Lease Terms" for the Jefferson School Building, along with a request for financial viability statements. Here is our joint response:

- ❖ Our organizations have each submitted proposals and business plans with financial projections based on anticipated income streams from sub-lessees rent, grants and investors. We cannot further project reality-based financial viability until one of our groups is given the opportunity to negotiate a flexible lease and to approach prospective financial supporters with the leasing offer in hand.
- ❖ No nonprofit organization or collaboration of nonprofit organizations could possibly meet the terms of the tentative lease, as described. These terms are suitable and appropriate for a well-capitalized for-profit venture, not socially committed nonprofit organizations dependent upon philanthropic support and other limited income streams.
- ❖ If the Fayetteville School District is seriously committed to leasing the Jefferson School building to a nonprofit entity, a minimum of six months to a year is needed by the group offered a leasing opportunity to build its financial capability of meeting the tentative lease with modified dates for initial deposit. In addition, a phased-in occupation of the building, taking into account time needed for architectural design, expanding use and development of income streams, is a necessity to be negotiated in a realistic lease.
- ❖ Neither the Jefferson Working Group nor the Jefferson Arts Center Working Group is prepared to submit further financial viability statements until such time as the Fayetteville School District develops a sincere and realistic set of lease terms for a prospective nonprofit lessee. We are most willing to discuss such terms with representatives of the District at any time. Thank you.

Sincerely,



Ralph H. Nesson
Jefferson Working Group



Doug Walsh
Jefferson Arts Center Working Group



September 28, 2006

Special Education 2006-07 Budget

TO: Board of Education

FROM: Debra Wilson, Director of Special Services

I will ask for your approval of the Special Education Budget for the 2006-07 school year. The Special Education budget must be approved separately from the overall district budget.

SPECIAL EDUCATION BUDGET
2006-2007

CATEGORY	STATE/LOCAL	FEDERAL VI-B
Consulting teacher	\$31,180.00	
Speech	\$1,019,579.00	\$25,500.00
Homebound		\$21,000.00
Interpreter	\$59,540.00	
Resource	\$2,627,843.00	\$436,310.00
SC 1:15	\$537,562.00	\$357,366.00
SC 1:10	\$818,844.00	\$46,120.00
OGC TDT	\$30,000.00	\$30,000.00
Residential	\$16,000.00	
Other Private Instruction		\$25,000.00
Extended School Year	\$35,084.00	
Social Work Services		\$1,000.00
Medical Services		\$1,500.00
Psychological Services	\$20,000.00	\$473,489.00
Audiology		\$1,000.00
Occupational & Physical Therapy	\$296,936.00	\$4,500.00
School Based Mental Health	\$15,000.00	
Curriculum Supervisor	\$272,856.00	\$189,550.00
Transportation	\$235,359.00	
Medicaid Match	\$50,000.00	
SUB TOTAL SALARIES/FRINGE	\$5,733,584.00	\$1,470,335.00
SUB TOTAL OPERATING EXPENSES	\$332,200.00	\$142,000.00
TOTAL	\$6,065,784.00	\$1,612,335.00



September 28, 2006

Approval of Audit Contract

TO: Board of Education

FROM: Lisa Morstad

I will ask for your approval of the audit contract to conduct the financial audit of the district financial records for the 2005-2006 school year.

MOORE STEPHENS FROST

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Limited Company

3333 Pinnacle Hills Parkway
Penthouse Three
Rogers, Arkansas 72758
479 845 3100 ♦ Fax 479 845 3111
www.msfrst.com

August 1, 2006

Fayetteville School District #1
Post Office Box 849
Fayetteville, Arkansas 72702-0849

We are pleased to confirm our understanding of the services we are to provide Fayetteville School District #1 for the year ended June 30, 2006. We will audit the financial statements of the governmental activities, each major fund and the aggregate remaining fund information, which collectively comprise the basic financial statements of Fayetteville School District #1 (the "District") as of and for the year ended June 30, 2006. The following supplementary information accompanying the basic financial statements is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

Also, the following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statements upon which we will provide an opinion in relation to the basic financial statements:

- 1) Schedule of Expenditures of Federal Awards.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, non-compliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other

procedures we consider necessary to enable us to express such opinion and to render the required reports. If our opinion on the financial statements or the Single Audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements, in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us, including any significant vendor relationships in which the vendor has the responsibility for program compliance. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, including the schedule of expenditures of federal awards, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standards, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Audit Procedures—General

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. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of

abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and agreements.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or non-compliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the District's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other non-compliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material non-compliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any non-reportable conditions or other matters involving internal control, if any, as required by *Government Auditing Standards* and OMB Circular A-133.

Audit Procedures—Compliance

Our audit will be conducted in accordance with the standards referred to in the section titled Audit Objectives. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures

will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of those procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration, Fees and Other

We understand that your employees will:

- prepare all cash, accounts receivable, and other confirmations we request
- locate any documents we select for testing
- complete audit schedules and other information requested by us prior to the beginning of the audit

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide an original of our reports to the School District; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Moore Stephens Frost and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to U.S. Department of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moore Stephens Frost personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of three years after the date the auditors' report is issued or for any additional period requested. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 25, 2006. Our fee for these services will be \$21,000. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2003 peer review accompanies this letter.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. The additional copy is for your records.

Very truly yours,



Keith Ekenseair
Audit Partner

RESPONSE:

This letter correctly sets forth the understanding of Fayetteville School District #1.

By: _____

Title: _____

Date: _____

**BROWN,
EDWARDS &
COMPANY, L.L.P.**
Certified Public Accountants

To the Members of
Moore Stephens Frost, P.L.C.
And the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Moore Stephens Frost, P.L.C. (the firm) in effect for the year ended September 30, 2003. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the "AICPA"). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for CPA Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion the system of quality control for the accounting and auditing practice of Moore Stephens Frost, P.L.C. in effect for the year ended September 30, 2003, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm complied during that year with the membership requirements of the Section in all material respects.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

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

Roanoke, Virginia
December 11, 2003



September 28, 2006

Second Lien Bonds & Reimbursement

TO: Board of Education

FROM: Lisa Morstad

I will ask the Board to approve the Notice of Intention to Issue Second Lien Bonds and Reimbursement Resolution.



September 28, 2006

Hissom Contract

TO: Board of Education

FROM: Dr. Randy Willison

I will present a proposed agreement between the Fayetteville School District and the Hissom Family Trust to donate property to the district.

**CONTRACT FOR DONATION
OF REAL PROPERTY**

THIS AGREEMENT is made on this _____ day of _____, 2006, by and between the Ronny J. Hissom Trust dated May 9, 2000 ("Trust") and the Board of Education of Fayetteville School District No. 1 ("District"), and for their agreement by which District acknowledges receipt of a charitable donation.

1. It is the intent of Trust to donate certain real property, as a charitable contribution, to District, which is more particularly described on Exhibit "A" attached hereto.

2. By making the transfer of the referenced real property to District, Trust intends to make a "charitable contribution" to a "charitable organization" (as these phrases are generally used in the Internal Revenue Code of 1986, as amended and corresponding regulations; including, but not limited to, Section 1.170A-4, Section 501(c), Section 702(a) and Reg. Section 1.702-1(a)).

3. Trust agrees to deliver to District a warranty deed conveying the above described real estate to District with the agreement that the deed shall contain a reverter clause which shall provide that if the subject property is not used for the construction of an elementary school within ten (10) years from the date of delivery of the deed, then the property shall automatically revert to Trust.

4. Trust and District acknowledge that an independent appraisal of the property has been obtained and that this appraisal indicates the fair market value of the property, at the date hereof is \$_____.

5. Conveyance of title to District shall be made by general warranty deed, subject to recorded restrictions and easements, if any, which, in District's sole discretion, do not materially affect the merchantability of the property or District's intended use of the property. Trust shall also execute at closing an affidavit stating in substance that the property is not subject to adverse possession claims; that no third party is now in possession of said lands by written or verbal agreement; and that no work or materials have been performed on the property within 130 days of closing for which a lien has been or might be asserted.

6. Trust shall furnish District, at cost to District, an owner's policy of title insurance in the amount of the appraised value reflecting merchantable title satisfactory to District's attorney and issued by a title insurance company qualified to do business in the State of Arkansas and acceptable to District. If objections are made to Trust's title as reflected by requirements or exceptions to the commitment to furnish title insurance, Trust shall have a reasonable time, not to exceed thirty (30) days from the date of District's notification of such objections, to cure such defects to District's satisfaction.

7. General property taxes and special assessments due on or before the closing date shall be paid by Trust. General taxes and special assessments for the year in which the closing occurs shall be prorated as of the closing date based upon the previous year's tax statement unless a reassessment or millage increase or decrease has occurred for the year in which closing occurs, in which case proration shall be based upon the reassessed value including any increase or decrease in millage.

8. All closing costs, including the cost of title insurance, shall be paid by District.

9. Trust agrees to provide a current survey of the subject property, at cost to Trust.

10. The closing date shall be on or before the _____ day of _____, 2006, at a time and place established by District. District may extend the closing date beyond such time if necessary to complete title requirements, inspections or review and approval of agencies of the State of Arkansas, Washington County, or the City of District. Possession shall be delivered to District upon closing.

11. District will inspect the property prior to closing and is not relying on any warranties, representations, or statements of Trust or Trust's agent as to the age or condition of the improvements, if any, other than those specified herein. To the best of Trust's knowledge and belief, the property is free from environmental hazards, substances or conditions.

12. The risk of loss or damage to the improvements on the property by fire or other casualty occurring up to the time of closing is assumed by Trust.

13. It is specifically agreed and understood by Trust and District that in the event that an elementary school is constructed on the subject property, Trust shall have the right to designate the formal name of the elementary school.

14. Paragraph 13 shall survive the closing of this transaction.

IN WITNESS WHEREOF, the parties, by their respective representatives, affix

their signatures hereto on this _____ day of _____, 2006.

RONNY J. HISSOM TRUST
Dated May 9, 2000

By: _____

DISTRICT SCHOOL DISTRICT

By: _____
Steve Percival, President

Chris Bell, Secretary

EXHIBIT "A"

Part of the Northwest Quarter of the Southeast Quarter and part of the Northeast Quarter of the Southeast Quarter of Section 35 in Township 17 North of the Baseline and Range 29 West of the Fifth Principal Meridian in Washington County, Arkansas, and being more particularly described as follows, to-wit:

Beginning at the Northwest corner of said forty acre tract and running thence S 89° 25' 00" E 355.45 feet, thence S 00° 00' 53" W 849.63 feet, thence N 89° 28' 11" W 1029.19 feet, thence N 00° 36' 05" E 850.54 feet, thence S 89° 25' 00" E 665.04 feet to the point of beginning containing 20.00 acres more or less subject to right-of-way along Arkansas Highway #45.



September 28, 2006

Capital Improvement Package

TO: Board of Education

FROM: Lisa Morstad & Randy Willison

We will report to the Board a proposed list of capital projects for approval. This list was developed from remaining A and B priority projects on the district's 10-year capital plan, meetings with Principals, and discussions with Maintenance and Operations staff. This list includes projects that address safety issues (Strategic Goal #7), improves the quality and efficiency of school facilities (Strategic Goal #3), as well as helping to meet fiscal efficiency initiatives (Strategic Goal #4).

Funding for these projects can be provided by \$3,500,000 one-time funding realized in the FY06 budget year that was discussed at the August Board meeting and approximately \$7,000,000 in second lien bonds that will be issued to fund projects with corresponding long-term lives. This proposed list addresses priority projects at each school site as well as projects that will be beneficial to the district as a whole. It also provides for resources to proactively plan for future capital needs of the district.



September 28, 2006

Food Service Report

TO: Board of Education

FROM: Lisa Jenkins

I will present the Food Service annual report.