



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, October 11, 2011

4:00 PM

Huntington Building

1. Call To Order

2. Approval of minutes

[MIN-11:084](#) Minutes from the Finance Committee meeting on September 27, 2011.

Attachments: [Minutes](#)

3. New Business

Ordinances To Be Introduced

[ORD-11:069](#) AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET AND THE CITY SALARY & ADMINISTRATION PLAN FOR THE CITY OF JONESBORO TO ADD AN OFFICE MANAGER TO THE PARKS AND RECREATION DEPARTMENT

Sponsors: Parks & Recreation and Human Resources

Attachments: [Office Manager - Parks](#)

4. Pending Items

5. Other Business

[COM-11:077](#) 2010 A-133 Federal Grants Audit Report

Sponsors: Grants

Attachments: [FY 2010 A-133 Federal Grants Audit Report](#)

6. Public Comments

7. Adjournment



Legislation Details (With Text)

File #: MIN-11:084 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 9/29/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes from the Finance Committee meeting on September 27, 2011.
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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title
Minutes from the Finance Committee meeting on September 27, 2011.



City of Jonesboro

900 West Monroe
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, September 27, 2011

4:00 PM

Huntington Building

1. Call To Order

Mayor Perrin was also in attendance.

Present 4 - Ann Williams; John Street; Darrel Dover and Charles Coleman

Absent 1 - Mikel Fears

2. Approval of minutes

MIN-11:074 Minutes for the Finance Committee meeting on August 23, 2011.

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 3 - John Street; Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears

MIN-11:078 Minutes for the special called Finance Committee meeting on September 6, 2011.

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Councilman Darrel Dover, that this matter be Passed . The motion PASSED by a unanimous vote

Aye: 3 - John Street; Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears

3. New Business

Ordinances To Be Introduced

ORD-11:068 AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET FOR THE CITY OF JONESBORO TO ADD AN ADDITIONAL GRANTS PROJECT COORDINATOR TO THE GRANTS DEPARTMENT

Sponsors: Grants and Human Resources

Attachments: [CDBG or GRANTS Project Coord](#)

Chief Financial Officer Ben Barylske explained they would like to swap employees between Grants and JETS in order to give Grants some help. He further explained they are looking at promoting a part-time person into a full-time job. The Grants Coordinator position will help Grants Administrator Heather Clements.

Councilman Dover questioned if this position is similar to the coordinator position that was approved earlier this year. Mr. Barylske answered yes, that position was made when the CDBG Department was restructured because they went from three people down to two. He added they are doing the same thing with Grants and JETS.

Mayor Perrin noted they feel they are putting people in the right place. The person who is in JETS right now is already assisting Ms. Clements, so they would like to move her to Grants.

A motion was made by Councilman Darrel Dover, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 3 - John Street;Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears

ORD-11:072 AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET AND THE CITY SALARY & ADMINISTRATION PLAN FOR THE CITY OF JONESBORO TO ADD A TRANSPORTATION OPTIONS COORDINATOR TO THE JETS DEPARTMENT

Sponsors: JETS and Human Resources

Attachments: [Transportation Options Coordinator](#)

A motion was made by Councilman Darrel Dover, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 3 - John Street;Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears

ORD-11:073 AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET TO ADD A PARATRANSIT COORDINATOR TO THE JETS DEPARTMENT

Sponsors: JETS and Human Resources

Attachments: [Paratransit Coordinator](#)

A motion was made by Councilman Darrel Dover, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 3 - John Street;Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears

Resolutions To Be Introduced

RES-11:167 RESOLUTION APPROVING AN AMENDMENT TO THE PRINCIPAL GROUP ANNUITY CONTRACT

Sponsors: Finance

Attachments: [Principal Amendment](#)

Mr. Barylske explained they periodically get attachments regarding changes from Principal concerning the money that is still there. They would like to include separate accounts that are investments that perform better during inflationary periods. Mr. Jeremiah Wood from Friday Eldredge and Clark has indicated to Mr. Barylske that the proposed changes should be approved and it will not affect or hurt the City's ability to get out of the plan. The proposed changes will put the City's money into 25 different investments as opposed to 5.

Discussion was held concerning the money that is with Principal. Mr. Barylske stated the money in the plan grew by about \$500,000 during the first four months of the year, but in the last four months assets have dropped. He spoke with Principal concerning the drop in assets and asked what they intend to do about it, which is how the proposed changes to the plan came about.

A motion was made by Councilman Darrel Dover, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED by a unanimous vote

Aye: 3 - John Street; Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears

4. Pending Items

Non-uniform pension plan

Councilman Dover questioned whether Employee Representative Chairman Larry Jackson has been able to speak with the Employee Representative Committee concerning the two proposed companies to take care of the non-uniform pension plan. Mr. Jackson stated the companies are good, but the Employee Representative Committee chose First Security Bank over Stephens. He noted the percentage of guarantee was an area of concern. Mayor Perrin explained both companies have a guaranteed account with First Security being at 2% and Stephens being at 3%. Mr. Jackson added the employees liked First Security since it is a local bank, but there was concern over the 2% and 3%.

Mayor Perrin stated they hope to have something in place by mid-October. They are still looking at how much the City can contribute to the plan. Councilman Dover then questioned whether the committee will be making the decision or if the decision should be forwarded to the full City Council. Mayor Perrin answered in the past the committee has made a recommendation to the City Council.

Discussion was held concerning a decision regarding the non-uniform pension plan. Mayor Perrin discussed educating the employees and noted there are 220 non-uniform employees that will need to be educated concerning the plan.

Councilman Street asked if newly hired employees will be educated by the company or by the City. It was explained the company will not be sending a representative to educate each new hire; rather, it will be the City's responsibility to educate newly hired employees.

Councilman Dover motioned, seconded by Councilman Coleman, to go with the recommendation of the Employee Representative Committee and choose First Security Bank for the non-uniform pension plan. All voted aye.

Councilman Dover recommended putting information together for the full Council to let them know about the process of selecting First Security.

Mr. Jackson noted not all of the employees approved the decision to go with First Security, but the Employee Representative Committee itself approved First Security.

Councilman Street asked for Mr. Barylske to contact First Security and clarify the company's role in educating new hires. Chairwoman Williams noted the Council passed a resolution allowing the Finance Committee to make the decision as to how often the investments will be reviewed and the committee chose to review the investments with the company every quarter. Mayor Perrin added the company can visit to review investments and to educate new hires at the same time.

5. Other Business

6. Public Comments

7. Adjournment

A motion was made by Councilman Darrel Dover, seconded by Councilman John Street, that this meeting be Adjourned. The motion CARRIED by a Voice Vote.

Aye: 3 - John Street; Darrel Dover and Charles Coleman

Absent: 1 - Mikel Fears



Legislation Details (With Text)

File #:	ORD-11:069	Version:	1	Name:	
Type:	Ordinance	Status:		To Be Introduced	
File created:	9/6/2011	In control:		Finance & Administration Council Committee	
On agenda:		Final action:			
Title:	AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET AND THE CITY SALARY & ADMINISTRATION PLAN FOR THE CITY OF JONESBORO TO ADD AN OFFICE MANAGER TO THE PARKS AND RECREATION DEPARTMENT				
Sponsors:	Parks & Recreation, Human Resources				
Indexes:					
Code sections:					
Attachments:	Office Manager - Parks				

Date	Ver.	Action By	Action	Result
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title
AN ORDINANCE TO AMEND THE 2011 ANNUAL BUDGET AND THE CITY SALARY & ADMINISTRATION PLAN FOR THE CITY OF JONESBORO TO ADD AN OFFICE MANAGER TO THE PARKS AND RECREATION DEPARTMENT

Body

WHEREAS, Ordinance Number 10:090 adopted the 2011 Budget; and

WHEREAS, Resolution Number 09:201 adopted the City Salary & Administration Plan; and

WHEREAS, it is recommended by the Finance Committee, to ensure sufficient staffing in the Parks and Recreation Department, that the position of Office Manager be added;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The annual 2011 budget of the City of Jonesboro is amended by the addition of a Office Manager in the Parks & Recreation Department; and

SECTION 2: The City Salary & Administration Plan is amended to include the position of Officer Manager, in the Parks and Recreation Department, at a grade 113 with a salary range of \$30,199 to \$46,367.

SECTION 3: For the operational continuity of the City of Jonesboro it is hereby found and declared that an emergency exists and that this ordinance shall take effect from and after its passage and approval.

March 2011

Office Manager - Parks

Job Description

Exempt: No
Department: Parks and Recreation Department
Reports To: Parks and Recreation Director
Location: 3009 Dan Avenue Jonesboro AR
Date Prepared: June 28, 2011

GENERAL DESCRIPTION OF POSITION

General purpose is to assist in the day to day operations of the Parks & Recreation Department.

ESSENTIAL DUTIES AND RESPONSIBILITIES

1. Acts as receptionist; answers the telephone and greets visitors, provides information, and takes messages for department staff. This duty is performed daily.
2. Utilization of recreational software that includes enrolling patrons and checking in visitors. This duty is performed daily.
3. Maintains office supply inventory; purchases office supplies as needed. This duty is performed irregularly.
4. Performs limited research concerning cemetery issues. This duty is performed irregularly.
5. Processes invoices and prepares authorization for payment forms. This duty is performed irregularly.
6. Assists with taking reservations and accepting fees for park facility rentals as needed. This duty is performed daily.
7. Work leader for part-time personnel. This duty is performed irregularly.
8. Assists with taking reservations and accepting fees for park facility rentals as needed. This duty is performed daily.
9. Composes and types routine correspondence. This duty is performed daily.
10. Work leader for part-time personnel. This duty is performed irregularly.
11. Sorts and distributes incoming and outgoing mail. This duty is performed daily.
12. Perform any other related duties as required or assigned.

QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty mentioned satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required.

EDUCATION AND EXPERIENCE

Knowledge of a specialized field (however acquired), such as basic accounting, computer, etc.
Equivalent of four years in high school, plus night, trade extension, or correspondence school specialized

training, equal to two years of college, plus 3 years related experience and/or training, and 7 to 11 months related management experience, or equivalent combination of education and experience.

RESPONSIBILITY FOR FUNDS, PROPERTY and EQUIPMENT

None.

SUPERVISORY RESPONSIBILITIES

None.

COMMUNICATION SKILLS

Ability to write reports, business correspondence, and policy/procedure manuals; Ability to effectively present information and respond to questions from groups of managers, clients, customers, and the general public.

MATHEMATICAL SKILLS

Ability to calculate figures and amounts such as discounts, interest, commissions, proportions, percentages, area, circumference, and volume. Ability to apply concepts such as fractions, ratios, and proportions to practical situations.

CRITICAL THINKING SKILLS

Ability to use common sense understanding in order to carry out detailed written or oral instructions. Ability to deal with problems involving a few known variables in situations of a routine nature.

SUPERVISION RECEIVED

Under direction where a definite objective is set up and the employee plans and arranges own work, referring only unusual cases to supervisor.

PLANNING

Considerable responsibility with regard to general assignments in planning time, method, manner, and/or sequence of performance of own work; may also occasionally assist in the planning of work assignments performed by others within a limited area of operation.

DECISION MAKING

Performs work operations which permit frequent opportunity for decision-making of minor importance and also frequent opportunity for decision-making of major importance; the latter of which would affect the work operations of other employees and/or clientele to a moderate degree.

MENTAL DEMAND

Close mental demand. Operations requiring close and continuous attention for control of operations. Operations requiring intermittent direct thinking to determine or select the most applicable way of handling situations regarding the organization's administration and operations; also to determine or select material and equipment where highly variable sequences are involved.

ANALYTICAL ABILITY / PROBLEM SOLVING

Moderately structured. Fairly broad activities using moderately structured procedures with only generally guided supervision. Interpolation of learned things in somewhat varied situations.

USE OF MACHINES, EQUIPMENT AND/OR COMPUTERS

Occasional use of complex machines and equipment (desktop/laptop computer and software, road and production machines and equipment, etc.)

ACCURACY

Probable errors would not likely be detected until they reached another department, office or patron, and would then require considerable time and effort to correct the situation. Frequently, possibility of error that would affect the organization's prestige and relationship with the public to a limited extent, but

where succeeding operations or supervision would normally preclude the possibility of a serious situation arising as a result of the error or decision.

PUBLIC CONTACT

Regular contacts with patrons, either within the office or in the field. May also involve occasional self-initiated contacts to patrons. Lack of tact and judgment may result in a limited type of problem for the organization.

EMPLOYEE CONTACT

Contacts of considerable importance within the department or office, such as those required in coordination of effort, or frequent contacts with other departments or offices, generally in normal course of performing duties. Requires tact in discussing problems and presenting data and making recommendations, but responsibility for action and decision reverts to others.

REQUIRED CERTIFICATES, LICENSES, REGISTRATIONS

Not indicated.

PREFERRED CERTIFICATES, LICENSES, REGISTRATIONS

Not indicated.

SOFTWARE SKILLS REQUIRED

Intermediate: Accounting, Database, Spreadsheet, Word Processing/Typing

Basic: 10-Key, Alphanumeric Data Entry, Payroll Systems, Presentation/PowerPoint

ADDITIONAL INFORMATION

Not indicated.

PHYSICAL ACTIVITIES

The following physical activities described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions and expectations.

While performing the functions of this job, the employee is regularly required to stand, walk, sit, use hands to finger, handle, or feel, reach with hands and arms, talk or hear; and frequently required to taste or smell; occasionally required to climb or balance, stoop, kneel, crouch, or crawl. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision; and distance vision.

ENVIRONMENTAL CONDITIONS

The following work environment characteristics described here are representative of those an employee encounters while performing essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the functions of this job, the employee is occasionally exposed to outdoor weather conditions. The noise level in the work environment is usually moderate.



City of Jonesboro

515 West Washington
Jonesboro, AR 72401

Legislation Details (With Text)

File #: COM-11:077 **Version:** 1 **Name:**
Type: Other Communications **Status:** To Be Introduced
File created: 9/29/2011 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: 2010 A-133 Federal Grants Audit Report
Sponsors: Grants
Indexes:
Code sections:
Attachments: [FY 2010 A-133 Federal Grants Audit Report](#)

Date	Ver.	Action By	Action	Result
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Title
2010 A-133 Federal Grants Audit Report

CITY OF JONESBORO, ARKANSAS

FEDERAL GRANTS

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

December 31, 2010

CITY OF JONESBORO, ARKANSAS

FEDERAL GRANTS

December 31, 2010

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FREEMAN & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

3712 E. Highland Drive, Jonesboro, Arkansas 72401 Phone: 870-932-4514

INDEPENDENT AUDITOR'S REPORT

City Council
City of Jonesboro, Arkansas
P. O. Box 1845
Jonesboro, AR 72401

We have audited the accompanying financial statements of the federal grant funds of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Jonesboro, Arkansas's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

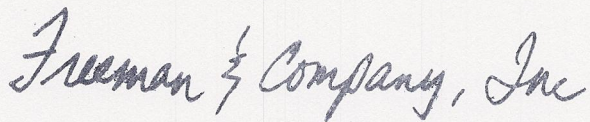
As discussed in Note 1, the financial statements present only the federal grant funds of the City of Jonesboro, Arkansas, and do not purport to, and do not, present fairly the financial position of the City of Jonesboro, Arkansas, as of December 31, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the federal grant funds of the City of Jonesboro, Arkansas, as of December 31, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2011 on our consideration of the City of Jonesboro, Arkansas, federal grant funds' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

FREEMAN & COMPANY, INC.

A handwritten signature in cursive script that reads "Freeman & Company, Inc".

Jonesboro, Arkansas
September 12, 2011

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2010

	<u>Governmental Fund Types</u>	<u>Account Group</u> General	<u>Memorandum Total Only</u>
	<u>Special Revenues</u>	<u>Fixed Assets</u>	
ASSETS			
Accounts receivable - other governments (Note 3)	\$ 262,686		\$ 262,686
Due from general fund	161,419		161,419
Property, plant and equipment (Note 4)	<u> </u>	\$ <u>1,714,381</u>	<u>1,714,381</u>
Total Assets	\$ <u>424,105</u>	\$ <u>1,714,381</u>	\$ <u>2,138,486</u>
 LIABILITIES AND FUND BALANCES			
Due to general fund	\$ 262,686		\$ 262,686
Deferred revenue	<u>161,419</u>		<u>161,419</u>
Total Liabilities	<u>424,105</u>		<u>424,105</u>
 FUND BALANCES			
Net investment in property, plant and equipment		\$ <u>1,714,381</u>	<u>1,714,381</u>
Total Liabilities and Fund Balances	\$ <u>424,105</u>	\$ <u>1,714,381</u>	\$ <u>2,138,486</u>

The accompanying notes are an integral part of the financial statements.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended December 31, 2010

	<u>Governmental Fund Types</u>	<u>Special Revenue</u>
REVENUE		
Grant revenues	\$ <u>3,209,595</u>	
Total Revenue	<u>3,209,595</u>	
EXPENDITURES		
Grant program expenditures	<u>3,209,595</u>	
Total Expenditures	<u>3,209,595</u>	
EXCESS REVENUE OVER EXPENDITURES	<u>0</u>	
FUND BALANCE, BEGINNING OF YEAR	<u>0</u>	
FUND BALANCE, END OF YEAR	\$ <u>0</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

Nature of Operations -The entities on which these financial statements report are federal grant funds of the City of Jonesboro, Arkansas. The grants are the U.S. Department of Agriculture, Cooperative Forestry Assistance Grant; the U.S. Department of Housing and Urban Renewal, Community Development Block Grant; the U.S. Department of Justice, Bulletproof Vest Partnership Program, Office of Community Oriented Policing Services (COPS), Edward Byrne Justice Assistance Grant, Internet Crimes Against Children, Enforcing Underage Drinking Laws; the U.S. Department of Transportation, ARRA - Federal Transit - Capital Investment Grant, Federal Transit Administration-Federal Transit Formula Grant, Federal Highway Administration - Safe Routes to Schools and Recreational Trails Program, Federal Transit - Metropolitan Planning Grant, Federal Transit Administration - Job Access Reverse Commute, Selective Traffic Enforcement Project (STEP); U.S. Department of Energy, ARRA - Energy Efficiency and Conservation Block Grant Program; and the Department of Homeland Security, Assistance to Firefighters Grant and Disaster Grant - Public Assistance.

The U.S. Department of Agriculture Cooperative Forestry Assistance grant provided funds and services for tree planting and arboriculture services.

Under the U.S. Department of Housing and Urban Renewal Community Development Block Grant the City was provided funds for community development activities.

The Bulletproof Vest Partnership Program funding is provided to purchase bulletproof vests for law enforcement officers. The U.S. Department of Justice COPS funding is to advance the practice of community policing as an effective strategy in communities' efforts to improve public safety. The Justice Assistance Grant provides funding for additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice. The Internet Crimes Against Children Grant provides funding for services with the Internet Crimes Against Children Task Force. The Enforcing Underage Drinking Laws Program supports and enhances efforts to prohibit the sale of alcoholic beverages to minors and the purchase and consumption of alcoholic beverages by minors.

Federal Transit Formula Grants provide funding for support of public transportation services in urbanized areas (cities with a population over 50,000). Funds may be used for capital projects to finance the planning, acquisition, construction, cost-effective lease, improvement, and maintenance of equipment and facilities for use in transit. These funds were used for the Jonesboro Economical Transit System (JETS) Program.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)

The Safe Routes to School Program provided funds for the flashing beacons and turtle creek bridge projects. The Recreational Trails Program provided funds for the Turtle Creek Greenway project.

The Metropolitan Planning Grant provides funding for activities which may include preparation of transportation plans including transportation improvement programs and management systems; studies related to transportation management, operations, capital requirements, and economic feasibility; evaluation of previously funded capital projects; and other related activities in preparation for the construction, acquisition, or improved operation of transportation systems, facilities, and equipment.

The Job Access and Reverse Commute Program provides funds to connect welfare recipients and low-income persons to employment and support services. The grant assists, through the JETs program, in funding the costs associated with adding reverse commute service from urban, rural, and other suburban locations to suburban work places.

The Selective Traffic Enforcement Program provides funding for overtime personnel involved in a national traffic safety campaign to increase seat belt use and to decrease alcohol related fatalities nationwide.

The U.S. Department of Energy, ARRA - Energy Efficiency and Conservation Block Grant Program assists in creating and implementing a variety of energy efficiency and conservation projects.

The U.S. Department of Homeland Security, Assistance to Firefighters Grant purpose is to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards. This program supplied funds for the purchase of equipment for the fire department. The Disaster Grant – Public Assistance assists State and local governments in recovering from devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)

Financial reporting - The financial reporting policies of the entities conform to generally accepted accounting principles.

Financial reporting entities - The entities are federal grant funds of the City of Jonesboro, a primary government. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the federal grant funds included herewith. This report does not include all funds, account groups, and programs, which are controlled by the entity's governing body. Other activities, funds, account groups, and programs are included in a government wide audit conducted by the Arkansas Department of Legislative Audit.

Fund Accounting - The accounts of the entities are organized on the basis of funds or account groups, each of which are considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the funds are grouped, in the financial statements in this report, into one generic fund type (governmental) and the following broad fund categories:

GOVERNMENTAL FUND TYPES

Special Revenues Fund - The special revenues fund is used to account for grant funds expended by the City of Jonesboro, Arkansas.

Memorandum Totals Only - The total column on the combined financial statements are provided to aggregate the statement amounts by fund type and account group. The "memorandum only" total is not comparable to a consolidation and does not present consolidated financial information.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review of Subsequent Events - Management has evaluated subsequent events through September 12, 2011, the date which the financial statements were available to be issued.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE 2 - BASIS OF ACCOUNTING

All governmental fund types are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. All major revenues are susceptible to accrual. Expenditures are generally recognized when the related fund liability is incurred.

NOTE 3 - ACCOUNTS RECEIVABLE-OTHER GOVERNMENTS

At December 31, 2010, accounts receivable-other governments consisted of the following:

U.S. Department of Housing and Urban Renewal—Arkansas State Office Community Planning and Development	\$ 32,579
U.S. Department of Justice	13,515
U.S. Department of Transportation	73,275
U.S. Department of Transportation—Arkansas State Highway and Transportation Department	141,042
U.S. Department of Energy	<u>2,275</u>
	\$ <u>262,686</u>

NOTE 4 - FIXED ASSETS

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation expense has been provided. All property, plant and equipment are valued at historical costs. The General Fixed Assets Account Group is not a fund. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2010

NOTE 4 - FIXED ASSETS (CONTINUED)

A schedule of changes in fixed assets is as follows:

	Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2010</u>
Autos	\$ 316,604	\$ 297,137		\$ 613,741
Office furniture and equipment	674,238		\$ 272,665	401,573
Fuel depot	19,589		19,589	
Modular sub-station	12,531		12,531	
Buildings	<u> </u>	<u>699,067</u>	<u> </u>	<u>699,067</u>
	\$ <u>1,022,962</u>	\$ <u>996,204</u>	\$ <u>304,785</u>	\$ <u>1,714,381</u>

NOTE 5 - CONTINGENCIES

The City is subject to possible examinations with respect to these grants made by regulators who determine compliance with terms, conditions, laws and regulations governing the grants. Any examinations made may result in required refunds by the City to grantor.

SUPPLEMENTARY INFORMATION

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2010

Federal Expenditures	Pass-through City I.D. number	Federal CEA Number	Federal Grant/Pass-through Grant Program or Cluster Title
			U.S. Department of Agriculture Pass-through Programs
			Cooperative Forestry Assistance (Nor. F. 10-581)
2 161,333	US-7-12-09-01		Pass-through program from Arkansas Forestry Commission
			U. S. Department of Housing and Urban Development Pass-through Program
		14514	Community Development Block Grant
339,373	B-10-510-05-0011		Pass-through program from Arkansas State Office Community Planning and Development
		14331	ARRA - Community Development Block Grant
138,071	B-09-617-05-0011		Pass-through program from Arkansas State Office Community Planning and Development
687,448			Total U.S. Department of Housing and Urban Development

See accompanying notes to schedule of expenditures of federal awards

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity I. D. number</u>	<u>Federal Expenditures</u>
U. S. Department of Justice			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607		19,487
ARRA - Office of Community Oriented Policing Services	16.710		208,020
Edward Byrne Justice Assistance Grant	16.738		87,765
ARRA - Edward Byrne Justice Assistance Grant	16.804		89,302
Pass-through Programs:			
Internet Crimes Against Children	16.543		
Pass-through program from Arkansas State Police		ICAC07-021	20,000
Enforcing the Underage Drinking Laws	16.727		
Pass-through program from Arkansas Department of Finance and Administration	#2007-AH-FX-0030-DZ07-07-13		2,225
ARRA Internet Crimes Against Children	16.800		
Pass-through program from Arkansas State Police		ICAC-ARRA	<u>42,114</u>
Total U.S. Department of Justice			468,913

CITY OF KANSAS CITY, MISSOURI
 FEDERAL GRANTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year ended December 31, 2011

Federal Expenditures	Fed-through entity A.I.D. number	Federal CFDA Number	Federal Grant/Pass-through Grant Program or Cluster Title
701,032		20.300	ARRA - Federal Transit Capital Investment Grants
422,477		20.307	Federal Transit Administration Federal Transit Formula Grants
			Pass-through Programs
		20.302	Federal Highway Administration State Routes to Safety Program
242,292	Job # 100081100006		Pass-through program from Arkansas State Highway and Transportation Department
		20.319	Recreational Trails Program
78,354	Job 100053		Pass-through program from Arkansas State Highway and Transportation Department
		20.303	Federal Transit Administration Metropolitan Planning Grant
102,982	AK 81-2012		Pass-through program from Arkansas State Highway and Transportation Department

The accompanying notes to schedules of expenditures of federal awards.

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity I. D. number</u>	<u>Federal Expenditures</u>
U. S. Department of Transportation (Continued)			
Pass-through Programs:			
Federal Transit Administration Job Access Reverse Commute	20.516		
Pass-through program from Arkansas State Highway and Transportation Department		H661	29,142
Selective Traffic Enforcement Project	20.600		
Pass-through program from Arkansas State Highway and Transportation Department		OP-2010-03-02-21/OP-2011-03-02-18	<u>53,104</u>
Total U.S. Department of Transportation			1,729,093
U. S. Department of Energy			
Direct Program:			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128		42,580
U.S. Department of Homeland Security			
Direct Program:			
Assistance to Firefighters Grant	97.044		112,149
Pass-through Program:			
Disaster Grants – Public Assistance	97.036		
Pass-through program from Arkansas Department of Emergency Management		FEMA 1872-DR-AR	<u>7,882</u>
Total U.S. Department of Homeland Security			<u>120,031</u>
Total expenditures of federal awards			<u>\$ 3,209,595</u>

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2010

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Jonesboro, Arkansas, under programs of the federal government for the year ended December 31, 2010. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the City of Jonesboro, Arkansas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Jonesboro, Arkansas.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

NOTE 3: NONMONETARY ASSISTANCE

The U.S. Department of Agriculture, Cooperative Forestry Assistance grant passed through the Arkansas Forestry Commission reflected federal expenditures of \$161,532. Of this total \$41,200 was received in the form of funds. The remaining \$120,332 valued by the Arkansas Forestry Commission was received in the form of arboriculture services contracted and funded through the Arkansas Forestry Commission.

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

City Council
City of Jonesboro, Arkansas
P. O. Box 1845
Jonesboro, AR 72403

We have audited the financial statements of the federal grant funds of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2010, and have issued our report thereon dated September 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Jonesboro, Arkansas federal grant funds' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jonesboro, Arkansas federal grant funds' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Jonesboro, Arkansas federal grant funds' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

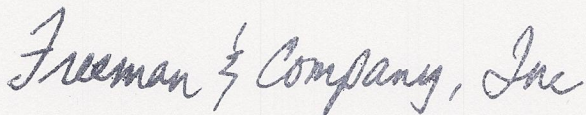
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Jonesboro, Arkansas, federal grant funds' financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Jonesboro, Arkansas, in a separate letter dated September 12, 2011.

This report is intended solely for the information and use of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FREEMAN & COMPANY, INC.

A handwritten signature in cursive script that reads "Freeman & Company, Inc".

Jonesboro, Arkansas
September 12, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133

City Council
City of Jonesboro, Arkansas
P. O. Box 1845
Jonesboro, AR 72403

Compliance

We have audited the compliance of the City of Jonesboro, Arkansas, federal grant funds with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of their major federal programs for the year ended December 31, 2010. The City of Jonesboro, Arkansas, federal grant funds' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of their major federal programs is the responsibility of the City of Jonesboro, Arkansas, federal grant funds' management. Our responsibility is to express an opinion on the City of Jonesboro, Arkansas, federal grant funds' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Jonesboro, Arkansas, federal grant funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Jonesboro, Arkansas, federal grant funds' compliance with those requirements.

In our opinion, the City of Jonesboro, Arkansas, federal grant funds complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

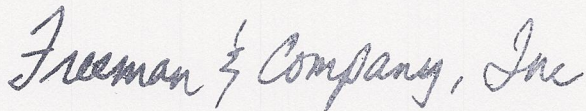
The management of the City of Jonesboro, Arkansas, federal grant funds is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Jonesboro, Arkansas, federal grant funds' internal control over compliance with the 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Jonesboro, Arkansas, federal grant funds' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FREEMAN & COMPANY, INC.



Jonesboro, Arkansas
September 12, 2011

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weakness identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major program:

- Material weakness identified _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Type of auditor's report issued on compliance for major programs: *unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
14.218, 14.253	U. S. Department of Housing and Urban Development Entitlement Grants Cluster
20.500, 20.507	U.S. Department of Transportation Federal Transit Cluster
20.205	U.S. Department of Transportation Highway Planning and Construction Cluster

Dollar threshold used to distinguish between type A
and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 Yes X No

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2010

U. S. DEPARTMENT OF HOMELAND SECURITY

2009-1 Disaster Grants – Public Assistance - 97.036; Grant No. FEMA 1804/1819-DR-AR;
Grant period – Year ended December 31, 2009.

Statement of Condition: Charges totaling \$375,515 were requested for reimbursement in the amount of \$281,636 for expenditures that the supporting documentation could not be provided by management.

Criteria: Expenditures requested for reimbursement should be adequately documented.

Effect of Condition: Future grant awards could be denied.

Cause of Condition: Retention of required documents was not monitored by management.

Recommendation: Management should supervise the employee responsible for retaining documentation pertinent to grant management. Management should continue to monitor this process to ensure retention of documents required for proper grant management.

View of Responsible Officials: The City of Jonesboro has reorganized staff to provide management overview of all grant related activity. On November 17, 2009, the council approved our new financial policies, which included specific grants policies and procedure, which all department heads will be required to learn and comply with. The retention of grants related documents is currently the sole responsibility of the Grants Department.

Furthermore, the Grants Administrator will also work closely with FEMA Project Specialist in the future to gain a full understanding of supported charges as presented on Project Worksheets. Whereas work on many of the projects claimed by the City of Jonesboro has been complete upon submission to FEMA, personnel did not fully understand how the calculations were derived. Working with the Project Specialist at the time of submission to retain all supporting documents will be the responsibility of the Grants Administrator.

Please contact Harold Perrin, Mayor of the City of Jonesboro, at 870-932-1052 should you have any questions concerning this response.

Current Status: No findings were noted in the 2010 audit related to this program.