

# FREEMAN & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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To the City Council  
City of Jonesboro, Arkansas

In planning and performing our audit of the financial statements of the federal grant funds of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the federal grant funds of the City of Jonesboro, Arkansas's 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 federal grant funds of the City of Jonesboro, Arkansas's internal control.

However, during our audit we became aware of some matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated June 26, 2013, on the financial statements of the federal grant funds of the City of Jonesboro, Arkansas.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with appropriate personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

## REVIEWS

During our examination of grant activity, it was noted for three grants that a review process is not consistently followed to assure the information reported is in agreement with the accounting records, available funds are utilized most efficiently, and the correct amounts are requested from the grantor.

(ARRA-COPS) Office of Community Oriented Policing Services: The third quarter financial report to the grantor reflected no expenditures. The general ledger reflected third quarter expenditures of \$58,487. The fourth quarter financial report to the grantor reflected expenditures of \$125,049. The general ledger reflected fourth quarter expenditures of \$66,562. The amount reported to the grantor was in agreement with the accounting records in total.

Bulletproof Vest Partnership Program: Reimbursement was requested and received in the amount of \$2,357. The expense relating to this amount was recorded in the general ledger but was not recorded as a federal grant expense. Also in relation to this grant, \$7,764 in funds of the 2010 award were deobligated making them unavailable to the City. An amount of \$3,100 was claimed against funds of the ongoing 2012 award that could have been applied to the 2010 award in order to fully utilize available grant funding.

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REVIEWS (CONTINUED)

(JETS) Jonesboro Economical Transportation System: The JETS program receives a percentage match from the (JARC) Job Access Reverse Commute program which must be deducted from the JETS reimbursement. This deduction amount was miscalculated resulting in \$3,084 of JETS funds allowed for reimbursement not being requested. Upon notification, management indicated that this amount will be requested in 2013.

We recommend the review process be consistently followed and monitored to ensure proper grant administration.

This information 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.

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*Freeman & Company, Inc*

June 26, 2013