



City of Farmington  
354 W. Main Street  
P.O. Box 150  
Farmington, AR 72730  
479-267-3865  
479-267-3805 (fax)

**CITY COUNCIL AGENDA**  
**February 13, 2012**

A regular meeting of the Farmington City Council will be held on  
Monday, February 13, 2012 at 6:00 p.m.  
City Hall  
354 W. Main Street, Farmington, Arkansas.

1. Call to Order – Mayor Ernie Penn
2. Roll Call – City Clerk Kelly Thomas
3. Pledge of Allegiance
4. Comments from Citizens – the Council will hear brief comments at this time from citizens. No action will be taken. All comments will be taken under advisement.
5. Approval of the minutes – January 9, 2012 minutes
6. Financial Reports.
7. Entertain a motion to read all ordinances and resolutions by title only.
8. Proclamations, special announcements, committee/commission appointments.
9. Committee Reports
  - a. Street Committee
  - b. City Beautification Committee
  - c. Economic Development Committee
  - d. Park & Recreation Committee
  - e. Finance Committee
  - f. Sewer Committee

10. State of the City Address by Mayor Ernie Penn.

**UNFINISHED BUSINESS**

11. Ordinance No. 2012-02 Establish a Permitting Process and Privilege Permit for Selling or Dispensing any Controlled Beverage Within the City of Farmington, Arkansas by Businesses Licensed by the State to Sell Alcoholic Beverages; Levying Permit Fees and a City Supplemental Tax of Five Percent Upon the Annual Gross Receipts Which are Derived Therefrom; Repealing any Ordinance in Conflict Therewith; Establishing Penalties for the Violation of these Provisions; Establishing Effective Dates; and Other Purposes. (Second Reading)

**NEW BUSINESS**

12. Request approval to remove 3 radios (tag# 1023, 929 & 953) and a light bar (tag# 0044) from Fire Dept. inventory.

13. Request approval for a new position and salary for a firefighter.

14. Resolution No. 2012-01 Confirming Continued Use Agreement Between the City Of Farmington and Farmington School District for a Softball Filed Located at 234 Rheas Mill.

15. Request approval of continued agreement with the City of Fayetteville regarding animal services.

16. Recommendation for audit services.

17. Report on the Strategic Planning process.

**INFORMATIONAL ITEMS:**

A. City Business Manager Report

B. Fire Department Report

C. Police Department Report

D. Building/Public Works Report

E. Library Report

F. Planning Commission Minutes – no meeting in Dec. 2011

## **Minutes of the Regular Farmington City Council Meeting on January 9, 2012**

The regular meeting of the Farmington City Council scheduled for Monday, January 9, 2012 was called to order at 6:00 p.m. by Mayor Ernie Penn. City Clerk Kelly Thomas called the roll and the following Aldermen answered to their names: Patsy Pike, Sherry Mathews, Keith Lipford, Janie Steele, Brenda Cunningham, Shelly Parsley, Bobby Morgan and Terry Yopp. A quorum was declared (8). Also present were Financial Officer Jimmy Story and City Business Manager McCarville. City Attorney Tennant was absent. After Mayor Penn led the pledge of allegiance, he then opened the public comment portion of the meeting for citizens. There were no speakers

**Approval of the minutes for December 12, 2011 Meeting** - On the motion of Alderwoman Steele and seconded by Alderman Lipford and by the consent of all members present, the minutes were approved, accepted and filed as amended by the City Clerk (8/0).

**Financial Reports** – Defer to Agenda Item.

**Entertain a motion to read all Ordinances and Resolutions by title only** – On the motion of Alderman Yopp and seconded by Alderwoman Cunningham and by the consent of all members present (8/0), it was approved to read all Ordinances and Resolutions by title only at this meeting.

### **Proclamations, Special Announcements, Committee/Commission Appointments Reappointment of Planning Commissioners**

Mayor Penn recommended the council reappoint the following planning commissioners: Gerry Harris until 2017 and Sean Schader until 2014. Alderman Lipford made a motion to approve and it was seconded by Alderwoman Mathews. It passed 7-0 with Alderman Morgan abstaining.

### **Committee Reports – No Committee Reports**

#### **New Business**

##### **Request approval of deposit amount for rental rates for Sports Complex**

A motion was made by Alderwoman Steele and seconded by Alderman Lipford to approve \$125.00 deposit upfront and non refundable for use of the Sports Complex for Tournaments. The motion passed 8/0.

##### **Request approval of Sports Complex Rules and Fan Code of Conduct.**

A motion was made by Alderman Lipford and seconded by Alderwoman Steele to approve the suggested rules and code of conduct. The motion passed 8/0.

## **New Business**

### **Request approval of deposit amount for rental rates for Sports Complex**

A motion was made by Alderwoman Steele and seconded by Alderman Lipford to approve \$125.00 deposit upfront and non refundable for use of the Sports Complex for Tournaments. The motion passed 8/0.

### **Request approval of Sports Complex Rules and Fan Code of Conduct.**

A motion was made by Alderman Lipford and seconded by Alderwoman Steele to approve the suggested rules and code of conduct. The motion passed 8/0.

### **Request approval to accept bid on dugout construction for Sports Complex**

A motion was made by Alderman Yopp and seconded by Alderwoman Mathews to approve Global Painting and Construction in the amount of \$62,964.00 for dugout construction. The motion passed 8/0.

### **Request approval to bid East Creek Lane Project**

A motion was made by Alderman Morgan and seconded by Alderman Lipford to approve bidding the East Creek Lane Project. The motion passed 8/0.

### **Request approval to bid Meadowsweet subdivision drainage project**

A motion was made by Alderwoman Steele and seconded by Alderwoman Mathews to approve have Geoff Bates design and estimate the cost of the entire project , not to exceed a fee of \$5000.00, before the council bids the project. The motion passed 8/0.

### **Ordinance No 2012-1 Reconcile Various Expenditures and Revenues in the 2011 Farmington Municipal Budget by Amending the 2011 Municipal Budget Ordinance, Repealing Conflicting Ordinances for other purposes.**

On the motion of Alderman Yopp and Alderwoman Parsley a motion was made to suspend the rule requiring the reading of an ordinance in full on 3 different dates be suspended and that ordinance 2012-12 be read one time by title only. The motion passed 8/0. City Clerk Thomas read the Ordinance by title only. Mayor Penn asked "Shall the Ordinance Pass?" The Ordinance passed 8/0.

On the motion of Alderman Yopp and seconded by Alderman Morgan a motion was made to pass Ordinance 2012-1 with an emergency clause dated 01/09/2012.. The motion passed 8/0.

### **Ordinance No 2012-02 Establish a Permitting Process and Privilege Permit for Selling or Dispensing any Controlled Beverage Within the City of Farmington, Arkansas by Businesses Licensed by the State of Arkansas to sell Alcoholic Beverages; Levying Permit Fees and a City Supplemental Tax of Five Percent Upon the Annual Gross Receipts Which are Derived Therefrom; Repealing any Ordinance in conflict Therewith; Establishing Penalties for the Violation of these provisions; Establishing Effective Dates; and Other Purposes.**

A motion was made by Alderwoman Pike and seconded by Alderwoman Parsley to place Ordinance 2012-02 on its first reading by title only. The motion passed 8/0.

There being no further business to come before the Council, and on the motion of Alderwoman Steele and Seconded by Alderman Lipford and by the consent of all members present, the meeting adjourned at 6:48 p.m., until the next regularly scheduled meeting to be held on Monday, February 13, 2012 at six o'clock p.m. in the City Council Chambers in City Hall, located at 354 West Main Street, Farmington, Arkansas.

Approved;

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Mayor Ernie Penn

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City Clerk Kelly Thomas

**GENERAL FUND**  
**Balance Sheet**  
**01/31/12**

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	<b>Book Value</b>	<b>Book Value</b>
	<b>Jan 2012</b>	<b>Jan 2011</b>
	<b>Actual</b>	<b>Actual</b>

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**Assets**

**Current Assets**

**Cash**

CATASTROPHIC MONEY MARKET	87,899.83	87,859.64
CITY OF FARM - PARK FUND	434,656.82	81,685.05
FARMINGTON SENIOR CENTER BL	(1,525.00)	15.25
GEN. C.D.(COL.FIRE LOAN)	189,415.44	187,439.56
GENERAL FUND CHECKING ACCT	404,524.92	205,276.63
GENERAL FUND MONEY MARKET	1,001,272.54	1,760,479.19
<b>Total Current Assets</b>	<b>\$2,116,244.55</b>	<b>\$2,322,755.32</b>
<b>Total Assets</b>	<b>\$2,116,244.55</b>	<b>\$2,322,755.32</b>

**Fund Balance**

**Suplus Carryover**

CY SURPLUS (DEFICIT)	196,858.21	403,368.98
FUND BALANCE	1,919,386.34	1,919,386.34
<b>Total Fund Balance</b>	<b>\$2,116,244.55</b>	<b>\$2,322,755.32</b>
<b>Total Liabilities and Equity</b>	<b>\$2,116,244.55</b>	<b>\$2,322,755.32</b>

**GENERAL FUND**  
**Statement of Revenue and Expenditures**

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Variance	Jan 2012	Dec 2012	Variance	Variance
<b>Revenue &amp; Expenditures</b>								
<b>GENERAL REVENUES</b>								
Revenue								
ACCIDENT REPORT REVENUES	40.00	100.00	(60.00)		1,200.00			(1,160.00)
ACT 833	0.00	1,166.67	(1,166.67)		14,000.00			(14,000.00)
ANIMAL CONTROL REVENUES	90.00	208.33	(118.33)		2,500.00			(2,410.00)
BUILDING INSPECTION FEES	418.00	1,250.00	(832.00)		15,000.00			(14,582.00)
BUSINESS LICENSES	2,850.00	416.67	2,433.33		5,000.00			(2,150.00)
CITY COURT FINES	6,578.70	6,666.67	(87.97)		80,000.00			(73,421.30)
CITY SALES TAX REVENUES	23,537.74	24,166.67	(628.93)		290,000.00			(266,462.26)
COUNTY TURNBACK	9,970.35	31,083.33	(21,112.98)		373,000.00			(363,029.65)
DEVELOPMENT FEES	0.00	83.33	(83.33)		1,000.00			(1,000.00)
FRANCHISE FEES	59,418.56	22,794.13	36,624.43		273,530.00			(214,111.44)
GARAGE SALE PERMITS	10.00	291.67	(281.67)		3,500.00			(3,490.00)
INTEREST REVENUES	0.00	250.00	(250.00)		3,000.00			(3,000.00)
MISCELLANEOUS REVENUES	554.00	100.00	454.00		1,200.00			(646.00)
NEW PARK DONATIONS	8,285.00	0.00	8,285.00		0.00			8,285.00
PARK RENTAL/DONATIONS	0.00	100.00	(100.00)		1,200.00			(1,200.00)
SALES TAX - OTHER	71,433.49	67,440.33	3,993.16		809,284.00			(737,850.51)
SPORTS COMPLEX FEES	5,640.00	2,500.00	3,140.00		30,000.00			(24,360.00)
SRO REIMBURSEMENT REVENUES	4,771.82	2,583.33	2,188.49		31,000.00			(26,228.18)
STATE TURNBACK	18,723.14	7,916.63	10,806.51		95,000.00			(76,276.86)
<b>Revenue</b>	<b>\$212,320.80</b>	<b>\$169,117.76</b>	<b>\$43,203.04</b>		<b>\$2,029,414.00</b>			<b>(1,817,093.20)</b>
<b>Revenue Less Expenditures</b>	<b>\$212,320.80</b>	<b>\$169,117.76</b>			<b>\$2,029,414.00</b>			
<b>Net Change in Fund Balance</b>	<b>\$212,320.80</b>	<b>\$169,117.76</b>			<b>\$2,029,414.00</b>			

## GENERAL FUND Statement of Revenue and Expenditures

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Variance	Dec 2012	Variance		
<b>ADMINISTRATIVE DEPT</b>								
<b>Expenses</b>								
ADDITIONAL SERVICES EXPENSE	13,303.86	7,083.33	6,220.53	(71,696.14)	85,000.00	(71,696.14)		
ADVERTISING EXPENSE	28.84	208.33	(179.49)	(2,471.16)	2,500.00	(2,471.16)		
Baseball Construction Expense	154,554.93	0.00	154,554.93	154,554.93	0.00	154,554.93		
BUILDING MAINT & CLEANING	1,091.36	4,166.67	(3,075.31)	(48,908.64)	50,000.00	(48,908.64)		
CAPITAL IMPROVEMENT	113,550.11	0.00	113,550.11	113,550.11	0.00	113,550.11		
INSURANCES EXPENSE	50.00	1,666.67	(1,616.67)	(19,950.00)	20,000.00	(19,950.00)		
LEGAL FEES	0.00	833.33	(833.33)	(10,000.00)	10,000.00	(10,000.00)		
MATERIALS & SUPPLIES EXPENSE	4,171.19	1,666.67	2,504.52	(15,828.81)	20,000.00	(15,828.81)		
MISCELLANEOUS EXPENSE	735.58	166.67	568.91	(1,264.42)	2,000.00	(1,264.42)		
NEW EQUIPMENT PURCHASE	0.00	833.33	(833.33)	(10,000.00)	10,000.00	(10,000.00)		
PAYROLL EXP - CITY ATTRNY	0.00	2,274.58	(2,274.58)	(27,295.00)	27,295.00	(27,295.00)		
PAYROLL EXP - ELECTED OFFICIA	4,236.33	4,708.37	(472.04)	(52,263.67)	56,500.00	(52,263.67)		
PAYROLL EXP - REGULAR	10,573.05	15,500.00	(4,926.95)	(175,426.95)	186,000.00	(175,426.95)		
PLANNING COMMISSION	645.90	1,000.00	(354.10)	(11,354.10)	12,000.00	(11,354.10)		
POSTAGE EXPENSE	7.23	250.00	(242.77)	(2,992.77)	3,000.00	(2,992.77)		
PROFESSIONAL SERVICES	3,044.50	3,333.33	(288.83)	(36,955.50)	40,000.00	(36,955.50)		
REPAIR & MAINT - OFFICE EQUIP	437.93	416.67	21.26	(4,562.07)	5,000.00	(4,562.07)		
TECHNICAL SUPPORT	0.00	416.67	(416.67)	(5,000.00)	5,000.00	(5,000.00)		
TRAVEL, TRAINING & MEETINGS	481.38	1,250.00	(768.62)	(14,518.62)	15,000.00	(14,518.62)		
UTILITIES EXPENSES	2,710.56	3,333.33	(622.77)	(37,289.44)	40,000.00	(37,289.44)		
<b>Expenses</b>	<b>\$309,622.75</b>	<b>\$49,107.95</b>	<b>\$260,514.80</b>	<b>(279,672.25)</b>	<b>\$589,295.00</b>	<b>(279,672.25)</b>		
<b>Revenue Less Expenditures</b>	<b>(\$309,622.75)</b>	<b>(\$49,107.95)</b>			<b>(\$589,295.00)</b>			
<b>Net Change in Fund Balance</b>	<b>(\$309,622.75)</b>	<b>(\$49,107.95)</b>			<b>(\$589,295.00)</b>			



**GENERAL FUND**  
**Statement of Revenue and Expenditures**

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Budget	Variance	Dec 2012	Variance	
<b>ANIMAL CONTROL DEPT</b>								
<b>Expenses</b>								
FUEL EXPENSES	87.29	133.33	(46.04)	1,600.00	(1,512.71)	1,600.00	(1,512.71)	
MATERIALS & SUPPLIES EXPENSE	0.00	50.00	(50.00)	600.00	(600.00)	600.00	(600.00)	
NEW EQUIPMENT PURCHASE	0.00	66.67	(66.67)	800.00	(800.00)	800.00	(800.00)	
PAYROLL EXP - REGULAR	3,153.69	3,625.00	(471.31)	43,500.00	(40,346.31)	43,500.00	(40,346.31)	
PROFESSIONAL SERVICES	203.00	1,341.67	(1,138.67)	16,100.00	(15,897.00)	16,100.00	(15,897.00)	
REPAIR & MAINT - EQUIPMENT	47.15	41.67	5.48	500.00	(452.85)	500.00	(452.85)	
TELECOMMUNICATION EXPENSES	114.92	83.33	31.59	1,000.00	(885.08)	1,000.00	(885.08)	
TRAVEL, TRAINING & MEETINGS	0.00	41.67	(41.67)	500.00	(500.00)	500.00	(500.00)	
UNIFORMS/GEAR EXPENSE	0.00	44.00	(44.00)	528.00	(528.00)	528.00	(528.00)	
<b>Expenses</b>	<b>\$3,606.05</b>	<b>\$5,427.34</b>	<b>(\$1,821.29)</b>	<b>\$65,128.00</b>	<b>(61,521.95)</b>	<b>\$65,128.00</b>	<b>(61,521.95)</b>	
<b>Revenue Less Expenditures</b>	<b>(\$3,606.05)</b>	<b>(\$5,427.34)</b>		<b>(\$65,128.00)</b>		<b>(\$65,128.00)</b>		
<b>Net Change in Fund Balance</b>	<b>(\$3,606.05)</b>	<b>(\$5,427.34)</b>		<b>(\$65,128.00)</b>		<b>(\$65,128.00)</b>		

Statement of Revenue and Expenditures

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Variance	Jan 2012	Dec 2012	Variance	Variance
<b>BUILDING PERMIT DEPT</b>								
<b>Expenses</b>								
FUEL EXPENSES	175.67	208.33	(32.66)		2,500.00		(2,324.33)	
MATERIALS & SUPPLIES EXPENSE	0.00	41.67	(41.67)		500.00		(500.00)	
PAYROLL EXP - REGULAR	6,092.42	6,916.67	(824.25)		83,000.00		(76,907.58)	
REPAIR & MAINT - EQUIPMENT	0.00	18.42	(18.42)		221.00		(221.00)	
TELECOMMUNICATION EXPENSES	114.92	116.67	(1.75)		1,400.00		(1,285.08)	
TRAVEL, TRAINING & MEETINGS	0.00	166.67	(166.67)		2,000.00		(2,000.00)	
UNIFORMS/GEAR EXPENSE	0.00	83.33	(83.33)		1,000.00		(1,000.00)	
<b>Expenses</b>	<b>\$6,383.01</b>	<b>\$7,551.76</b>	<b>(\$1,168.75)</b>		<b>\$90,621.00</b>		<b>(\$4,237.99)</b>	
<b>Revenue Less Expenditures</b>	<b>(\$6,383.01)</b>	<b>(\$7,551.76)</b>			<b>(\$90,621.00)</b>			
<b>Net Change in Fund Balance</b>	<b>(\$6,383.01)</b>	<b>(\$7,551.76)</b>			<b>(\$90,621.00)</b>			

## GENERAL FUND Statement of Revenue and Expenditures

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Variance	Jan 2012	Dec 2012	Variance	Variance
<b>FIRE DEPT</b>								
<b>Expenses</b>								
FUEL EXPENSES	391.25	541.67	(150.42)		6,500.00		(6,108.75)	
HAZMAT EXPENSES	0.00	116.67	(116.67)		1,400.00		(1,400.00)	
MATERIALS & SUPPLIES EXPENSE	79.30	583.33	(504.03)		7,000.00		(6,920.70)	
MISCELLANEOUS EXPENSE	0.00	41.67	(41.67)		500.00		(500.00)	
NEW EQUIPMENT PURCHASE	0.00	333.33	(333.33)		4,000.00		(4,000.00)	
PAYROLL EXP - REGULAR	8,326.49	17,125.00	(8,798.51)		205,500.00		(197,173.51)	
REPAIR & MAINT - EQUIPMENT	198.00	250.00	(52.00)		3,000.00		(2,802.00)	
REPAIR & MAINT - TRUCK	99.75	375.00	(275.25)		4,500.00		(4,400.25)	
TELECOMMUNICATION EXPENSES	173.59	250.00	(76.41)		3,000.00		(2,826.41)	
TRAVEL, TRAINING & MEETINGS	0.00	333.33	(333.33)		4,000.00		(4,000.00)	
UNIFORMS/GEAR EXPENSE	0.00	657.08	(657.08)		7,885.00		(7,885.00)	
<b>Expenses</b>	<b>\$9,268.38</b>	<b>\$20,607.08</b>	<b>(\$11,338.70)</b>		<b>\$247,285.00</b>		<b>(238,016.62)</b>	
<b>Revenue Less Expenditures</b>	<b>(\$9,268.38)</b>	<b>(\$20,607.08)</b>			<b>(\$247,285.00)</b>			
<b>Net Change in Fund Balance</b>	<b>(\$9,268.38)</b>	<b>(\$20,607.08)</b>			<b>(\$247,285.00)</b>			

**GENERAL FUND**  
**Statement of Revenue and Expenditures**

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Variance	Dec 2012	Dec 2012	Variance	Variance
<b>LAW ENFORCE - COURT</b>								
<b>Expenses</b>								
MATERIALS & SUPPLIES EXPENSE	100.99	125.00	(24.01)		1,500.00		(1,399.01)	
MISCELLANEOUS EXPENSE	0.00	50.00	(50.00)		600.00		(600.00)	
NEW EQUIPMENT PURCHASE	0.00	166.67	(166.67)		2,000.00		(2,000.00)	
PAYROLL EXP - REGULAR	11,919.36	7,333.33	4,586.03		88,000.00		(76,080.64)	
PRINTING EXPENSE	0.00	33.33	(33.33)		400.00		(400.00)	
SPECIAL COURT COSTS	0.00	522.17	(522.17)		6,266.00		(6,266.00)	
<b>Expenses</b>	<b>\$12,020.35</b>	<b>\$8,230.50</b>	<b>\$3,789.85</b>		<b>\$98,766.00</b>		<b>(\$6,745.65)</b>	
<b>Revenue Less Expenditures</b>	<b>(\$12,020.35)</b>	<b>(\$8,230.50)</b>			<b>(\$98,766.00)</b>			
<b>Net Change in Fund Balance</b>	<b>(\$12,020.35)</b>	<b>(\$8,230.50)</b>			<b>(\$98,766.00)</b>			

## GENERAL FUND Statement of Revenue and Expenditures

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Dec 2012
	Actual	Budget	Variance	Variance	Jan 2012	Dec 2012	Variance	Variance
<b>LAW ENFORCE - POLICE</b>								
<b>Expenses</b>								
BREATHALYZER EXPENSES	33.24	83.33	(50.09)		1,000.00		(966.76)	
DRUG TASK FORCE	0.00	83.33	(83.33)		1,000.00		(1,000.00)	
FUEL EXPENSES	2,465.75	3,125.00	(659.25)		37,500.00		(35,034.25)	
MATERIALS & SUPPLIES EXPENSE	855.29	2,083.33	(1,228.04)		25,000.00		(24,144.71)	
MISCELLANEOUS EXPENSE	12.25	83.33	(71.08)		1,000.00		(987.75)	
NEW EQUIPMENT PURCHASE	0.00	2,250.00	(2,250.00)		27,000.00		(27,000.00)	
PAYROLL EXP - REGULAR	38,383.40	46,666.67	(8,283.27)		560,000.00		(521,616.60)	
PAYROLL EXP - SRO	3,561.28	5,263.67	(1,702.39)		63,164.00		(59,602.72)	
REPAIR & MAINT - AUTOMOBILES	541.24	1,250.00	(708.76)		15,000.00		(14,458.76)	
REPAIR & MAINT - EQUIPMENT	32.02	125.00	(92.98)		1,500.00		(1,467.98)	
TELECOMMUNICATION EXPENSES	179.29	250.00	(70.71)		3,000.00		(2,820.71)	
TRAVEL, TRAINING & MEETINGS	50.00	290.08	(240.08)		3,481.00		(3,431.00)	
UNIFORMS/GEAR EXPENSE	750.22	291.67	458.55		3,500.00		(2,749.78)	
<b>Expenses</b>	<b>\$46,863.98</b>	<b>\$61,845.41</b>	<b>(\$14,981.43)</b>		<b>\$742,145.00</b>		<b>(695,281.02)</b>	
<b>Revenue Less Expenditures</b>	<b>(\$46,863.98)</b>	<b>(\$61,845.41)</b>			<b>(\$742,145.00)</b>			
<b>Net Change in Fund Balance</b>	<b>(\$46,863.98)</b>	<b>(\$61,845.41)</b>			<b>(\$742,145.00)</b>			

**GENERAL FUND**

**Statement of Revenue and Expenditures**

	Year-To-Date		Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Actual	Jan 2012	Budget	Jan 2012	Variance	Jan 2012	Dec 2012
<b>LIBRARY</b>								
<b>Expenses</b>								
LIBRARY TRANSFER	19,612.00		1,634.33		17,977.67		19,612.00	0.00
<b>Expenses</b>	<b>\$19,612.00</b>		<b>\$1,634.33</b>		<b>\$17,977.67</b>		<b>\$19,612.00</b>	<b>0.00</b>
Revenue Less Expenditures	(\$19,612.00)		(\$1,634.33)				(\$19,612.00)	
Net Change in Fund Balance	(\$19,612.00)		(\$1,634.33)				(\$19,612.00)	

**GENERAL FUND**  
**Statement of Revenue and Expenditures**

	Year-To-Date		Year-To-Date		Annual Budget		Annual Budget		
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012	Jan 2012	Dec 2012	
	Actual	Budget	Variance	Variance	Dec 2012	Variance	Dec 2012	Variance	
<b>PARKS DEPT</b>									
<b>Expenses</b>									
FUEL EXPENSES	168.90	126.75	42.15		1,521.00		(1,352.10)		
MATERIALS & SUPPLIES EXPENSE	0.00	416.63	(416.63)		5,000.00		(5,000.00)		
MISCELLANEOUS EXPENSE	0.00	125.00	(125.00)		1,500.00		(1,500.00)		
NEW EQUIPMENT PURCHASE	0.00	2,500.00	(2,500.00)		30,000.00		(30,000.00)		
PAYROLL EXP - REGULAR	3,713.43	3,791.67	(78.24)		45,500.00		(41,786.57)		
PAYROLL EXP - SPORTS COMPLEX	3,466.34	4,208.33	(741.99)		50,500.00		(47,033.66)		
PROFESSIONAL SERVICES	0.00	83.33	(83.33)		1,000.00		(1,000.00)		
REPAIR & MAINT - EQUIPMENT	0.00	166.67	(166.67)		2,000.00		(2,000.00)		
SPORTS COMPLEX EXPENSE	1,713.69	3,128.38	(1,414.69)		37,541.00		(35,827.31)		
UTILITIES EXPENSES	220.28	166.67	53.61		2,000.00		(1,779.72)		
	<b>\$9,282.64</b>	<b>\$14,713.43</b>	<b>(\$5,430.79)</b>		<b>\$176,562.00</b>		<b>(167,279.36)</b>		
Revenue Less Expenditures	<b>(\$9,282.64)</b>	<b>(\$14,713.43)</b>			<b>(\$176,562.00)</b>				
Net Change in Fund Balance	<b>(\$9,282.64)</b>	<b>(\$14,713.43)</b>			<b>(\$176,562.00)</b>				

**GENERAL FUND**  
**Statement of Revenue and Expenditures**

	Year-To-Date		Year-To-Date		Annual Budget	
	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Jan 2012	Dec 2012
	Actual	Budget	Variance	Variance		
<b>TRANSFERS BETWEEN FUNDS</b>						
<b>Revenue</b>						
STREET CITY SALES TAX	7,845.91	0.00	7,845.91	0.00	7,845.91	7,845.91
STREET COUNTY TURNBACK	1,096.71	0.00	1,096.71	0.00	1,096.71	1,096.71
<b>Revenue</b>	<b>\$8,942.62</b>	<b>\$0.00</b>	<b>\$8,942.62</b>	<b>\$0.00</b>	<b>8,942.62</b>	<b>8,942.62</b>
<b>Expenses</b>						
STREET CITY SALE TAX	7,845.91	0.00	7,845.91	0.00	7,845.91	7,845.91
STREET COUNTY TURNBACK	1,096.71	0.00	1,096.71	0.00	1,096.71	1,096.71
<b>Expenses</b>	<b>\$8,942.62</b>	<b>\$0.00</b>	<b>\$8,942.62</b>	<b>\$0.00</b>	<b>8,942.62</b>	<b>8,942.62</b>



**GENERAL FUND**  
**General Ledger**  
**05/01/09 to 01/31/12**

Transaction Date	Transaction Number	Name / Description	Debits	Credits
<b>NEW PARK DONATIONS</b>				
05/12/09	016298	ERNEST L PENN		1,000.00
05/14/09	016301	ROY AND BETTY HUMMELL		1,000.00
07/23/09	016347	CHAMBER OF COMMERCE		1,000.00
08/08/09	016367	LADY CARDINALS		2,104.30
11/17/09	016437	TOSS REGISTRATION		125.00
11/17/09	016438	MEMORIAL FOR C.D. PIKE		50.00
11/18/09	016439	TOSS REGISTRATION		25.00
11/20/09	016440	WALTON FAMILY FOUNDATION INC		20,000.00
11/23/09	016441	MEMORIAL FOR C.D. PIKE		25.00
11/24/09	016442	TOSS REGISTRATION		75.00
12/08/09	016455	MEMORIAL FOR C.D. PIKE		250.00
12/13/09	016460	MEMORIAL FOR C.D. PIKE		160.00
01/03/10	016481	LOUIS' GARAGE		30.00
01/05/10	016483	LOUIS' GARAGE		25.00
01/06/10	016484	LOUIS' GARAGE		25.00
01/10/10	016487	LOUIS' GARAGE		50.00
01/11/10	016488	LOUIS' GARAGE		15.00
01/17/10	016489	LOUIS' GARAGE		140.00
03/09/10	016539	BRENDA CUNNINGHAM		75.00
03/09/10	016538	PATSY PIKE		75.00
03/09/10	016537	PAM DELANEY		75.00
03/09/10	016536	JANIE R STEELE		75.00
03/09/10	016535	BOBBY/BETTY MORGAN AND FAMILY		75.00
05/11/10	016588	SUMMER BALL PROGRAM		384.74
01/06/11	016741	tyson foods		5,000.00
05/03/11	016817	Memory of Jim Devault		345.00
05/05/11	016819	Memory of Jim Devault		515.00
05/11/11	016823	Memory of Jim Devault		205.00
05/13/11	016827	Memory of Jim Devault		30.00
05/13/11	016826	Memory of Jim Devault		170.00
05/18/11	016830	Memory of Jim Devault		25.00
05/26/11	016833	WAL MART		500.00
06/01/11	016840	Memory of Jim Devault		45.00
06/09/11	016844	Memory of Jim Devault		25.00
06/21/11	016849	Memory of Jim Devault		20.00
07/11/11	016845	Memory of Jim Devault		50.00
08/30/11	016896	walton foundation		10,000.00
10/17/11	016926	rosatis pizza		100.00
10/17/11	016925	green oak		200.00
10/20/11	016931	NORTHWEST ARKANSAS NEWSPAPERS		250.00
10/31/11	016940	wal mart		600.00
11/02/11	016946	ARVEST BANK		4,250.00
11/09/11	016953	eye center		100.00
11/13/11	016955	BANK OF FAYETTEVILLE		2,500.00
11/28/11	016962	PRAIRIE GROVE TELEPHONE		5,000.00
11/28/11	016961	gibson real estate		325.00
11/29/11	016964	DARRIN TAYLOR INSURANCE		325.00
12/06/11	016973	FRANKLIN AND SON		200.00
12/11/11	016977	REFUND OF CITY SALES TAX		15,533.75
12/30/11	016988	in memory of C.D Pike		855.00
01/01/12	016993	IN MEMORY OF C.D. PIKE		125.00
01/06/12	016995	RAZORBACK PIZZA		335.00

**GENERAL FUND**  
**General Ledger**  
**05/01/09 to 01/31/12**

<b>Transaction Date</b>	<b>Transaction Number</b>	<b>Name / Description</b>	<b>Debits</b>	<b>Credits</b>
01/13/12	016999	FIRST FEDERAL		325.00
01/16/12	017002	BANK OF FAYETTEVILLE		2,500.00
01/26/12	017012	HILL ELECTRIC		5,000.00
<b>Net Activity for: NEW PARK DONATIONS</b>				<b>\$82,312.79</b>
<b>Ending Balance</b>				<b>\$82,312.79</b>

*Report Options*

Display Individual Items:  
Period: 05/01/09 to 01/31/12  
Account: NEW PARK DONATIONS  
Fund: GENERAL FUND  
Display Notation: No

**GENERAL FUND**  
**SALES TAX REPORT**  
**01/01/12 to 01/31/12**

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	Jan 2012	Jan 2011
	Jan 2012	Jan 2011
	Actual	Actual
<b>Revenue</b>		
CITY SALES TAX REVENUES	23,537.74	21,212.23
SALES TAX - OTHER	71,433.49	51,247.71
STREET CITY SALES TAX	7,845.91	7,070.75
<b>Total Revenue</b>	<b>\$102,817.14</b>	<b>\$79,530.69</b>
<b>Total Net Income (Loss) From Operations</b>	<b>\$102,817.14</b>	<b>\$79,530.69</b>
<b>Total Net Income (Loss)</b>	<b>\$102,817.14</b>	<b>\$79,530.69</b>

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**STREET FUND**  
**Balance Sheet**  
**01/31/12**

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	Book Value Jan 2012 Actual	Book Value Jan 2011 Actual
<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash</b>		
STREET FUND CHECKING ACCT	252,101.49	135,794.54
STREET FUND MONEY MARKET	2,504.37	257,314.04
<b>Total Current Assets</b>	<b>\$254,605.86</b>	<b>\$393,108.58</b>
<b>Total Assets</b>	<b>\$254,605.86</b>	<b>\$393,108.58</b>
<b>Fund Balance</b>		
<b>Suplus Carryover</b>		
CY SURPLUS (DEFICIT)	(432,044.68)	(293,541.96)
FUND BALANCE	686,650.54	686,650.54
<b>Total Fund Balance</b>	<b>\$254,605.86</b>	<b>\$393,108.58</b>
<b>Total Liabilities and Equity</b>	<b>\$254,605.86</b>	<b>\$393,108.58</b>

## STREET FUND

### Statement of Revenue and Expenditures

	Year-To-Date Jan 2012 Jan 2012 Actual	Year-To-Date Jan 2012 Jan 2012 Budget	Year-To-Date Jan 2012 Jan 2012 Variance	Annual Budget Jan 2012 Dec 2012	Annual Budget Jan 2012 Dec 2012 Variance
<b>Revenue &amp; Expenditures</b>					
<b>Revenue</b>					
INTEREST REVENUES		16.67	(16.67)	200.00	(200.00)
MISCELLANEOUS REVENUES	1,253.19	8.33	1,244.86	100.00	1,153.19
STREET CITY SALES TAX	7,845.91	7,500.00	345.91	90,000.00	(82,154.09)
STREET COUNTY TURNBACK	1,096.71	2,500.00	(1,403.29)	30,000.00	(28,903.29)
STREET STATE TURNBACK	22,491.28	19,632.33	2,858.95	235,588.00	(213,096.72)
<b>Revenue</b>	<b>\$32,687.09</b>	<b>\$29,657.33</b>	<b>\$3,029.76</b>	<b>\$355,888.00</b>	<b>(323,200.91)</b>
<b>Expenses</b>					
FUEL EXPENSES	732.12	833.33	(101.21)	10,000.00	(9,267.88)
INSURANCES EXPENSE		191.67	(191.67)	2,300.00	(2,300.00)
MATERIALS & SUPPLIES EXPENSE	440.22	1,250.00	(809.78)	15,000.00	(14,559.78)
MISCELLANEOUS EXPENSE		82.33	(82.33)	988.00	(988.00)
NEW EQUIPMENT PURCHASE		2,500.00	(2,500.00)	30,000.00	(30,000.00)
PAYROLL EXP - REGULAR	6,155.34	10,833.33	(4,677.99)	130,000.00	(123,844.66)
PROFESSIONAL SERVICES	245.85	833.33	(587.48)	10,000.00	(9,754.15)
REPAIR & MAINT - EQUIPMENT	92.89	833.33	(740.44)	10,000.00	(9,907.11)
STREET LIGHTS	2,715.17	3,750.00	(1,034.83)	45,000.00	(42,284.83)
STREET/ROAD REPAIRS	58,340.00	7,750.00	50,590.00	93,000.00	(34,660.00)
TELECOMMUNICATION EXPENSES	184.39	150.00	34.39	1,800.00	(1,615.61)
TRAVEL, TRAINING & MEETINGS		83.33	(83.33)	1,000.00	(1,000.00)
UNIFORMS/GEAR EXPENSE		150.00	(150.00)	1,800.00	(1,800.00)
UTILITIES EXPENSES	490.92	416.67	74.25	5,000.00	(4,509.08)
<b>Expenses</b>	<b>\$69,396.90</b>	<b>\$29,657.32</b>	<b>\$39,739.58</b>	<b>\$355,888.00</b>	<b>(286,491.10)</b>
<b>Revenue Less Expenditures</b>	<b>(\$36,709.81)</b>	<b>\$0.01</b>		<b>\$0.00</b>	
<b>Net Change in Fund Balance</b>	<b>(\$36,709.81)</b>	<b>\$0.01</b>		<b>\$0.00</b>	

### Fund Balances

Beginning Fund Balance	291,315.67		
Net Change in Fund Balance	(36,709.81)	0.01	0.00
Ending Fund Balance	254,605.86		

#### Report Options

Fund: STREET FUND  
 Period: 01/01/12 to 01/31/12  
 Detail Level: Level 1 Accounts  
 Display Account Categories: No  
 Display Subtotals: No  
 Revenue Reporting Method: Actual - Budget  
 Expense Reporting Method: Actual - Budget

**LIBRARY FUND**  
**Balance Sheet**  
**01/31/12**

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	Book Value Jan 2012 Actual	Book Value Jan 2011 Actual
<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash</b>		
LIBRARY CHECKING ACCT	42,253.30	28,293.54
LIBRARY MONEY MARKET	50,191.05	30,176.75
<b>Total Current Assets</b>	<b>\$92,444.35</b>	<b>\$58,470.29</b>
<b>Total Assets</b>	<b>\$92,444.35</b>	<b>\$58,470.29</b>
<b>Fund Balance</b>		
<b>Suplus Carryover</b>		
CY SURPLUS (DEFICIT)	47,883.63	13,909.57
FUND BALANCE	44,560.72	44,560.72
<b>Total Fund Balance</b>	<b>\$92,444.35</b>	<b>\$58,470.29</b>
<b>Total Liabilities and Equity</b>	<b>\$92,444.35</b>	<b>\$58,470.29</b>

## LIBRARY FUND

### Statement of Revenue and Expenditures

	Year-To-Date Jan 2012 Jan 2012 Actual	Year-To-Date Jan 2012 Jan 2012 Budget	Year-To-Date Jan 2012 Jan 2012 Variance	Annual Budget Jan 2012 Dec 2012	Annual Budget Jan 2012 Dec 2012 Variance
<b>Revenue &amp; Expenditures</b>					
<b>Revenue</b>					
FINES/LOST ITEMS	224.58	250.00	25.42	3,000.00	2,775.42
TRANS FROM GENERAL FUND	19,612.00	1,634.33	(17,977.67)	19,612.00	0.00
WASHINGTON CO LIBRARY REVE	11,315.08	11,315.08	0.00	135,781.00	124,465.92
<b>Revenue</b>	<b>\$31,151.66</b>	<b>\$13,199.41</b>	<b>(\$17,952.25)</b>	<b>\$158,393.00</b>	<b>127,241.34</b>
<b>Expenses</b>					
BOOKS AND MEDIA	1,530.45	3,566.67	(2,036.22)	42,800.00	(41,269.55)
INSURANCES EXPENSE		83.33	(83.33)	1,000.00	(1,000.00)
LIBRARY RESERVE		7.75	(7.75)	93.00	(93.00)
MATERIALS & SUPPLIES EXPENSE	197.61	625.00	(427.39)	7,500.00	(7,302.39)
MISCELLANEOUS EXPENSE		41.67	(41.67)	500.00	(500.00)
NEW EQUIPMENT PURCHASE		583.33	(583.33)	7,000.00	(7,000.00)
PAYROLL EXP - REGULAR	5,465.14	6,958.33	(1,493.19)	83,500.00	(78,034.86)
POSTAGE EXPENSE	35.20	41.67	(6.47)	500.00	(464.80)
PROGRAMS EXPENSE	46.79	41.67	5.12	500.00	(453.21)
TECHNICAL SUPPORT		333.33	(333.33)	4,000.00	(4,000.00)
TRAVEL, TRAINING & MEETINGS		83.33	(83.33)	1,000.00	(1,000.00)
UTILITIES EXPENSES	614.22	833.33	(219.11)	10,000.00	(9,385.78)
<b>Expenses</b>	<b>\$7,889.41</b>	<b>\$13,199.41</b>	<b>(\$5,310.00)</b>	<b>\$158,393.00</b>	<b>(150,503.59)</b>
<b>Revenue Less Expenditures</b>	<b>\$23,262.25</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Net Change in Fund Balance</b>	<b>\$23,262.25</b>	<b>\$0.00</b>		<b>\$0.00</b>	

### Fund Balances

Beginning Fund Balance	69,182.10		
Net Change in Fund Balance	23,262.25	0.00	0.00
Ending Fund Balance	92,444.35		

#### Report Options

Fund: LIBRARY FUND  
 Period: 01/01/12 to 01/31/12  
 Detail Level: Level 1 Accounts  
 Display Account Categories: No  
 Display Subtotals: No  
 Revenue Reporting Method: Budget - Actual  
 Expense Reporting Method: Actual - Budget

## **Parks and Recreation Meeting**

**Chairperson: Sherry Mathews**

**Meeting: January 9, 2012**

**Members present, Janie Steele, Patsy Pike, Pam Delaney, Sherry Mathews, Jenna Innis**

**Guests: Melissa McCarville**

### **Points of Discussion:**

- 1) The committee discussed selling engraved bricks as a fund raiser for the new Sports Complex. The color brick was selected and the font for the print on the bricks. The cost is appx. 15.00 to 16.00**
- 2) The price to purchase a brick will be a \$50.00 donation. We will print brochures to inform citizens and will have information available at the concession stand.**
- 3) We may use July 1<sup>st</sup> as a target date to have a lot of the bricks engraved before placing them in a designated area.**
- 4) Twenty Two people have donated money to date.**
- 5) Patsy Pike donated money for the flagpole.**
- 6) It was briefly discussed that we need to have a grand opening. No date was set.**



ORDINANCE NO. 2012-02

AN ORDINANCE ESTABLISHING A PERMITTING PROCESS AND PRIVILEGE PERMIT FOR SELLING OR DISPENSING ANY CONTROLLED BEVERAGE WITHIN THE CITY OF FARMINGTON, ARKANSAS BY BUSINESSES LICENSED BY THE STATE TO SELL ALCOHOLIC BEVERAGES; LEVYING PERMIT FEES AND A CITY SUPPLEMENTAL TAX OF FIVE PERCENT (5.0%) UPON THE ANNUAL GROSS RECEIPTS WHICH ARE DERIVED THEREFROM; REPEALING ANY ORDINANCE IN CONFLICT THEREWITH; ESTABLISHING PENALTIES FOR THE VIOLATION OF THESE PROVISIONS; ESTABLISHING EFFECTIVE DATES; AND FOR OTHER PURPOSES

WHEREAS, Title 3 of the Arkansas Code relating to alcoholic beverages recognizes the power of local governmental bodies to regulate the operation of establishments under that Title as may be necessary for the protection of public health, welfare, safety, and morals; and

WHEREAS, in accordance with the Local Option Election statutes, Ark. Code Ann. §3-8-101, et seq., and the biennial general election of 2004, the citizens of Farmington voted against the manufacture or sale of Intoxicating Liquors, which made the City of Farmington a "dry" town; and

WHEREAS, the City of Farmington annexed certain territory pursuant to an election on or about January 1, 2008, which included the Golf Club at Valley View, which became effective on or about March 15, 2008; and

WHEREAS, the Golf Club at Valley View acquired a permit for on-premise consumption of alcoholic beverages prior to being annexed into the City of Farmington, and notwithstanding the election of 2004, the prohibition on the manufacture and sale of Intoxicating Liquors does not apply to the newly annexed territory; and

WHEREAS, notwithstanding the election of 2004, applications for a permit to operate as a Private Club may be made to the Director of the Alcoholic Beverage Control Division in accordance with Ark. Code Ann. §3-9-222; and

WHEREAS, Arkansas Code Annotated § 3-9-223 authorizes a supplemental tax or fee on sales upon any Permittee by a city or incorporated town in which the licensed premises are located; and

WHEREAS, the City Council of the City of Farmington, Arkansas wishes to establish a permitting process and privilege permit for selling or dispensing controlled beverages as well as levy a five

percent (5%) supplemental tax on the gross receipts of such sales.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FARMINGTON, ARKANSAS:

Section 1: Applicability.

A. It is hereby declared that the business of distributing, selling, or dispensing, any controlled beverage within the City of Farmington, is a privilege and for the exercise of such privilege there are hereby imposed the regulations, requirements, restrictions, fees, and taxes as set forth in this ordinance.

B. These general provisions shall apply to all Permittees in addition to any specific provisions under individual headings for each type of permit.

Section 2: Definitions. For the purposes of this ordinance, the following definitions shall apply unless the context clearly indicates or requires a different meaning. Words and phrases not specifically defined in this chapter shall have the meanings assigned by Title Three of the Arkansas Code Annotated and/or the Arkansas Alcoholic Beverage Control Division Regulations.

Alcoholic Beverages - means all intoxicating liquors of any sort, including beer and wine.

City - means the City of Farmington, Arkansas.

Controlled Beverages - means all beverages and any kind subject to regulation under any alcoholic beverage control laws of the State of Arkansas and this ordinance.

On-premises consumption - means the sale or dispensing of alcoholic beverages by the drink or in broken or unsealed containers for consumption on the premises where sold or dispensed.

Permit - means any authorization issued by the Alcoholic Beverage Control Division of the State of Arkansas and/or by the City pursuant to any Arkansas Alcoholic Beverage Control Division regulation and/or this ordinance whether described as a permit, license or otherwise.

Permittee - means the person to whom a permit or license to sell, dispense, or distribute alcohol has been granted.

Person - means any natural person, partnership, association, corporation, syndicate, or company.

Police Chief - means the Chief of Police of the Farmington

Police Department or his/her designee.

Private Club - means a nonprofit corporation organized and existing under the laws of this state authorized to serve alcohol by the State of Arkansas and the Alcoholic Beverage Control Division.

State - means the State of Arkansas.

Supplemental Privilege Permit - means a Permit issued by the City of Farmington for the privilege of operating a Private Club within the City; a Supplemental Privilege Permit is required and shall be in addition to any regular business privilege license.

Supplemental Privilege Permit Fee - means a fee established by the City of Farmington, for the privilege of operating a Private Club within the City.

### Section 3: Permits Required.

A. It shall be unlawful for any person to engage in he business of distributing, selling, or dispensing within any Private Club, any controlled beverage, within the City without a permit issued by the City, or with an expired Permit.

B. The provisions of this section shall not apply to the manufacture, sale, and distribution of spirituous liquor, wines or vinous liquors, beer or malt liquors manufactured, sold, and distributed by a manufacturer or wholesaler of these products to a licensed Permittee.

### Section 4: Application for Permits.

A. Application for a Permit required by this section shall be in writing on a form prescribed by the City and shall be accompanied by the required fee and a copy of the applicant's state permit. No City Permit will be issued until applicant has received a state permit and can provide verifiable proof of same.

B. It shall be unlawful for any person to make any false statement or representation in any application required by this section or to give any false answer to any question contained therein.

C. Permits required by this section shall run for a calendar year. Annual permit renewal fees shall be due and payable on December 1<sup>st</sup> of each year for the succeeding year beginning January 1<sup>st</sup>.

D. The City will not issue or renew any permits pursuant to this section until all outstanding supplemental beverage taxes, if applicable, are paid.

E. All Permits issued by the City pursuant to this section shall be prominently displayed on the permitted premises by the Permittee in the same manner as required by the State for state permits.

F. When any state permit is revoked by the State or required to be returned to the State for any reason, the city permit shall also be returned to the City. The City will restore the permit upon proof that the state permit has been restored to the applicant, provided that no reclaimed permit will be restored to an applicant until all outstanding supplemental taxes, if applicable, are paid.

G. Any administration cost associated with insuring compliance with this ordinance or for the accounting of the revenue thereof shall not exceed 10% of the annual fees, taxes, and penalties collected by the City. All revenue fees, taxes, and penalties received by the City pursuant to this chapter shall be used for general purposes within the City of Farmington pursuant to Ark. Code Ann. § 3-9-223(f) (2).

H. Permits shall not be transferable or assignable unless and until permit approval is granted by the Alcoholic Beverage Control Division and notice is provided to the City and all other requirements of this ordinance are met.

Section 5: Right of City to Inspect Records. The City Business Manager or the Chief of Police or their designees for the City of Farmington shall have the right to inspect and examine the records of any Permittee subject to any tax or permit fee based on gross sales or receipts pursuant to Ark. Code Ann. § 3-2-213 and any other employee information required pursuant to the regulations of the Alcoholic Beverage Control Division, Title 1, Subtitle G, Section 1.79(37).

Section 6: Qualification of Applicants. Persons to whom a State Alcohol Permit has been issued are presumed qualified to hold a City Alcoholic Beverage Permit.

Section 7: Fraud and Misrepresentation by Applicant.

A. Any person who acquires a permit or a renewal of same in violation of this section by any misrepresentation or fraudulent statement shall be deemed guilty of an offense and upon conviction thereof shall be punished in accordance with the penalties outlined in this section.

B. Any untrue or misleading information contained in, or material omission left out of, an original, renewal or transfer application for a Permit shall be cause for the denial thereof and, if any Permit has been granted under these circumstances,

there shall be cause for the revocation of the same.

Section 8: Issuance of Permit; Payment of Fee.

A. All Permits must be obtained and fees paid no later than two weeks from the date of the delivery of the application to the City and, if not so obtained, the issuance granted by the City shall lapse.

B. When a State Permit has been issued and the qualified applicant has deposited with the City the required fee, the fee shall be paid to the City Business Manager who shall then issue a City Permit pursuant to this ordinance.

Section 9: Business Opening within Six Months from Permit; Issuance Required. All holders of Permits shall within six months after the issuance of the Permit, open for business the establishment referred to in the Permit and begin dispensing the products authorized by the Permit. Failure to open the establishment and begin business as referred to above within the six-month period shall serve as automatic forfeiture and cancellation of the unused Permit, and no refund of Permit fees shall be made to the Permit holder.

Section 10: Effect of Failure to Operate Business for Six Consecutive Months. Any holder of a Permit who shall begin the operation of the business and dispensing the products as authorized in the Permit, but who shall, for a period of six (6) consecutive months thereafter, cease to operate the business or dispensing the products authorized in the Permit, shall upon completion of the six (6) month period automatically forfeit the Permit, which Permit shall, by virtue of that failure to operate, be canceled without the necessity of any further action of the City.

Section 11: Dispensing Alcoholic Beverages Outside of Permitted Premises. It shall be unlawful for any alcoholic beverage to be dispensed, or otherwise provided outside of the enclosed building, premise or place of business permitted for such, except as permitted by the State.

Section 12: Payment Dates; Proration.

All Permit fees shall be paid between December 1<sup>st</sup> and December 31<sup>st</sup> of each year. Permits obtained after July 1<sup>st</sup> of each year shall pay one half of the annual fee. Delinquent Permit fees shall be subject to a delinquent penalty of twenty-five percent (25%) of the Permit fee for each thirty (30) day period the fee remains unpaid.

Section 13: Term of Permit. No Permit shall issue for more than the remainder of the calendar year, and all shall expire at

midnight, December 31 of each year. In case of the revocation or surrender of such Permit before the expiration of such calendar year period, the holder thereof shall not be entitled to receive any refund whatsoever.

Section 14: Transferability of Permits.

A. Permits shall not be transferable, except as otherwise provided herein.

B. All Applications for transfer of locations shall comply with the provisions herein set forth governing new Permits.

Section 15: Notice of Transfer of Business. Should any Alcoholic Beverage Permit holder make a request to the Alcoholic Beverage Control Division to transfer their permit to another location, individual or organization, the Police Chief shall be notified in writing of such request within seven (7) calendar days.

Section 16: Display of Permit. Every person or organization issued a Permit pursuant to this section shall be required to display the Permit in the same location as is displayed the State Controlled Beverage Permit.

Section 17: Suspension or Revocation of Permit.

A. Whenever the State shall revoke any Alcohol Beverage Permit, the City Permit to deal in such products shall thereupon be automatically revoked without any action by the City or any municipal officer.

B. Should any person, firm or corporation that operates a business which is subject to the requirements of the City Business License fail to obtain any permits required for that type of business, then the City Alcohol Beverage Permit shall thereupon be automatically revoked.

Section 18: Types of Permits; Fees; Specific Provisions; Hours of Operation.

A. Private Club Permits; Supplemental Privilege Permit

1. Private Club Permit. Authorizes the purchase of any controlled beverages from persons holding an off-premises retail liquor or beer permit who have been designated by the Director of the State Alcoholic Beverage Control Board as a private club distributor, and authorizes the dispensing of such beverages for consumption on the premises of the private club to members and guests only of the private club.

2. Supplemental Privilege Permit. For the privilege

of operating a private club within the City, a Supplemental Privilege Permit is required which shall be in addition to the City Business License.

3. Supplemental Privilege Permit fee. For the privilege of operating a Private Club within the City, there is hereby levied an annual Supplemental Privilege Permit fee of \$50.

4. Supplemental Beverage Tax. In addition to the Supplemental Privilege Permit fee, there is hereby imposed and levied a City Supplemental Tax of five percent (5%) upon the annual gross receipts which are derived by such Private Club from charges to the members and/or their guests for the following services:

- a. For the preparation and serving of mixed drinks, and
- b. For the cooling and serving of beer, light wine and wine.
- c. The City's Supplemental Beverage Tax is in addition to the State supplemental tax on Private Clubs and shall be paid to the City Business Manager, shall be due monthly at the same time that the State supplemental tax is due, and shall be accompanied by one copy of the State supplemental tax return. If any Permittee shall fail to remit the supplemental tax within the time period that the state tax is due, a penalty of ten percent (10%) of the tax due shall be due and payable in addition to the tax.

5. Hours of operation. Hours of operation shall be in conformance with state statute, including Title 3 of the Arkansas Code relating to Alcoholic Beverages.

Section 19: Penalty. Any person violating the provisions of this ordinance or any person who makes a false affidavit or statement or report or application to the City as part of the procedures of this ordinance shall be deemed guilty of a misdemeanor and upon conviction be fined in an amount not more than \$500. If a violation is found to continuing in nature, then the fine shall be not more than \$250 for each day the violation is found to have occurred.

Section 20: Severability. In the event any title, subtitle, section, subsection, subdivision, paragraph, subparagraph, item, sentence, clause, phrase or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this

ordinance.

PASSED AND APPROVED this 12th day of March, 2012.

APPROVED:

By: \_\_\_\_\_  
Ernie Penn, Mayor

ATTEST:

By: \_\_\_\_\_  
Kelly Thomas, City Clerk/Recorder





City of Farmington  
354 W. Main Street  
P.O. Box 150  
Farmington, AR 72730  
479-267-3865  
479-267-3805 (fax)

## MEMO

To: Farmington City Council  
Ernie Penn, Mayor  
Kelly Thomas, City Clerk

From: Mark Cunningham  
Re: Remove radios and broken light bar  
Date: 1/11/2012

### **Recommendation**

Requesting that we remove 3 radios with city tag # 1023,929,953 and a light bar with city tag # 0044 also an old hose coupling machine # 494

### **Background**

These radios are broken and have been out of service for some time and need to be taken off the inventory list, also a broken light bar that we cannot even use for parts and it also need to be taken off the same list. The old hose coupling machine is broke and needs to be removed form inventory.

### **Budget Impact**

None



City of Farmington  
354 W. Main Street  
P.O. Box 150  
Farmington, AR 72730  
479-267-3865  
479-267-3805 (fax)

## MEMO

To: Farmington City Council  
Ernie Penn, Mayor  
Kelly Thomas, City Clerk

From: Mark Cunningham  
Re: New firefighter position  
Date: 2/13/2012

### **Recommendation**

Requesting that the council approve the new firefighter position and advertise for a new firefighter:

### **Background**

During the budget meeting I proposed to the City Council and Mayor that we add an additional firefighter during the daytime hours and this was approved. I would like to advertise for this position at this time. The word got out and we have had a lot of people that would like to apply.

### **Budget Impact**

This is a budgeted proposal

RESOLUTION NO. 2012-01

A RESOLUTION CONFIRMING A CONTINUED USE AGREEMENT BETWEEN THE CITY OF FARMINGTON AND FARMINGTON SCHOOL DISTRICT FOR A SOFTBALL FIELD LOCATED AT 234 RHEAS MILL ROAD, FARMINGTON, AR.

WHEREAS, the City Council of the City of Farmington, AR at their April 2010 meeting agreed to sell property to the Farmington School District for renovation of their high school baseball field, and;

WHEREAS, this sale was based on the agreement that the summer ball program could continue to use one (1) field on that property for a period of ten (10) years.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMINGTON, ARKANSAS:

Section 1: The Farmington School District will make available one (1) softball field, at 234 Rheas Mill Road (as designated on the attached map) and restroom facilities to utilize during the use of that field for a period of ten (10) years, beginning February 1, 2012 and continuing through July 1, 2022.

Section 2: The City of Farmington agrees to mow, pick up litter, prepare the field for play and pay for the use of lights for the agreement period.

Section 3: If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

PASSED AND APPROVED this 13th day of February, 2012 by the Farmington City Council.

APPROVED:

By: \_\_\_\_\_  
Ernie Penn, Mayor

ATTEST:

By: \_\_\_\_\_  
Kelly Thomas, City Clerk

PASSED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2012 by the Farmington School Board.

APPROVED:

By: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_



High School Softball Field

234 Rheas Mill Road

City Shop

Co Rd 96

Co Rd 96

Rheas Mill Rd

Rheas Mill Rd

Imagery ©2012 Google, Map data ©2012 Google -



[www.accessfayetteville.org](http://www.accessfayetteville.org)

THE CITY OF FAYETTEVILLE, ARKANSAS



ANIMAL SERVICES PROGRAM  
1640 S Armstrong Avenue  
Fayetteville, AR 72701  
Phone (479) 444-3456

January 13, 2012

City of Farmington  
P.O. Box 150  
Farmington, AR 72730

Farmington City Clerk:

As you know, Washington County is building its own animal shelter with an estimated completion date of summer 2012. In order to provide flexibility to all parties involved, the City of Fayetteville will continue to provide sheltering services to all municipalities that had contracts in 2011. The contracts providing sheltering services will be on a month-to-month basis. Fayetteville will provide Farmington with a bill at the beginning of each month for the number of animals brought to the shelter in the previous month.

I have enclosed the original contract and another copy to serve as the second original. Mayor Penn and the Farmington City Clerk, must sign both of these sheltering agreements before the Fayetteville City Council can approve the agreement, and then be signed by Mayor Jordan and the Fayetteville City Clerk.

Please return both signed copies of the agreement and the approved resolution by your City Council, if needed, to Fayetteville Animal Services, 1640 South Armstrong Avenue, Fayetteville, AR 72701. Once City of Fayetteville officials sign both agreements, one original agreement will be sent back to you for your records. If you have any questions, please call me at 444-3455. Thank you for your assistance in this process.

Sincerely,

Justine Middleton  
Animal Services Superintendent  
City of Fayetteville  
[jmiddleton@ci.fayetteville.ar.us](mailto:jmiddleton@ci.fayetteville.ar.us)

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF FAYETTEVILLE,  
ARKANSAS AND CITY OF FARMINGTON, ARKANSAS**

**THIS AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the **CITY OF FAYETTEVILLE**, and the **CITY OF FARMINGTON, ARKANSAS**, concerning the provision of animal sheltering services;

**WHEREAS**, A.C.A. § 25-20-108, Interlocal Cooperation Act, authorizes public entities to enter into agreements to provide governmental services to the mutual benefit of each entity; and

**WHEREAS**, effective animal control is of mutual interest to the City of Fayetteville and City of Farmington; and

**WHEREAS**, the City of Fayetteville possesses the necessary facilities to provide animal sheltering services to City of Farmington.

**NOW, THEREFORE, IN CONSIDERATION** of mutual promises of the parties contained herein and other good and valuable consideration, the parties agree as follows:

**Article I**

The City of Fayetteville agrees to provide sheltering services for animals delivered to its shelter, located at 1640 Armstrong Avenue, in the City of Fayetteville, by Farmington citizens and designated animal control officers.

**Article II**

The City of Farmington agrees to comply with the Fayetteville Animal Shelter's Operating Policy during the term of this Agreement, and understands that the City of Fayetteville may terminate this agreement for noncompliance with its policy by providing a written 30 day notice of cancellation to the Mayor of the City of Farmington. If within the 30 day period, the City of Farmington fails to be in compliance with the operating policy, this agreement is terminated, the City of Fayetteville is no longer obligated under the terms of this agreement, and the City of Farmington is not obligated for the remaining monies owed under this agreement.

### **Article III**

The City of Farmington shall pay the City of Fayetteville \$75.00 per animal delivered for sheltering services. The City of Fayetteville shall invoice The City of Farmington monthly by the 15th of the month following the provision of said services. Payments shall be due on or before the first day of each month following receipt of the City of Fayetteville's invoice.

### **Article IV**

For recordation purposes, the City of Farmington's account will be charged or debited at the rate of \$75 as an impound fee for each animal delivered to the animal shelter by Farmington officials during the term of this agreement. In the event an animal is reclaimed by its owner within 24 hours of being delivered to the animal shelter by Farmington officials, the City of Fayetteville will credit the Farmington account for the \$75 impound fee. An additional sum of \$5 per day will be charged to the owners of animals that are impounded for over 5 days at the animal shelter. The City of Farmington is responsible for collecting impound fees from Farmington citizens. The City of Fayetteville is responsible for the collecting of the per diem fee of \$5 for each day an animal is impounded beyond the 5-day period.

The parties acknowledge that the City of Farmington is not responsible and its account will not be charged or debited for impound fees for animals delivered to the animal shelter by citizens who do not present a receipt for the payment of impound fees to the City of Farmington. Further, Farmington citizens may not reclaim an animal for the animal shelter without first presenting a receipt for the impound fee and any other fees that may be incurred and charged by the City of Farmington.

Farmington officials will be provided a key with access to the temporary holding kennels and cages at the animal shelter 24 hours a day, seven days a week. Farmington citizens wishing to surrender an animal to the shelter will be provided, upon request, an appointment to deliver the animal with proof of payment of the impound fee.

When an animal is brought to the animal shelter that does not have a collar bearing the owner's name and address, a metal tag evidencing payment of Farmington's annual license fee, proof of payment such as a receipt, or a metal rabies tag issued by a licensed veterinarian, the animal will be held for a period of five (5) days. At the expiration of five days, the animal becomes the property of the City of Fayetteville. At the expiration of five days, the animal will be temperament tested for aggression and made available for adoption if it passes. If the animal fails the temperament test, it will be euthanized. When an animal is brought to the animal



shelter with a collar bearing the owner's name and address, a metal tag or other proof that Farmington's annual license has been paid, or a metal rabies tag issued by a licensed veterinarian, the animal will be held for a period of ten (10) days. At the expiration of ten days the animal will be temperament tested for aggression and made available for adoption if it passes. If the animal fails the temperament test, it will be euthanized.

Citizens that reclaim their animal must present proof of payment of the impound fee and any additional costs imposed by the City of Farmington. Citizens that reclaim their animal after five (5) days must present proof of payment of the impound fee and any additional costs imposed by the City of Farmington and in addition, are required to pay the animal shelter the sum of five (\$5) per day for each additional day the animal is housed at the animal shelter.

#### **Article V**

The City of Fayetteville agrees to provide medical treatment for minor injuries to animals, but will not be responsible for serious injuries to animals delivered to the animal shelter. The City of Fayetteville will provide assistance in drafting animal control ordinances, educational programming, professional consultation regarding animal control matters, and in all other areas necessary and proper to effectuate the highest level of cooperation between the cities of Farmington and Fayetteville.

#### **Article VI**

Both parties acknowledge a contract for animal sheltering services between the City of Fayetteville and Washington County, Arkansas. The agreement does not provide for services within the corporate boundaries of any incorporated city in Washington County. The parties further agree that this agreement will terminate in the event the City of Farmington enters into an animal sheltering services agreement with Washington County, Arkansas. In any event, the City of Farmington and the City of Fayetteville shall have the right to terminate this agreement upon providing a thirty (30) day written notice.

#### **Article VII**

Neither party may assign any of its rights or obligations under this Agreement, without the express written consent of the other.

## **Article VIII**

This Agreement shall be interpreted according to and enforced under the laws of the State of Arkansas.

## **Article IX**

Each paragraph of this Agreement is severable from all other paragraphs. In the event any court of competent jurisdiction determines that any paragraph or subparagraph is invalid or unenforceable for any reason, all remaining paragraphs and subparagraphs shall remain in full force and effect.

## **Article X**

The City of Farmington shall indemnify and hold harmless the City of Fayetteville from any and all claims or liabilities arising from the performance of this Agreement, provided however, nothing in this Agreement shall be construed to alter, limit or otherwise compromise that immunity afforded the City of Fayetteville or the City of Farmington under the Constitution and Statutes of the State of Arkansas.

## **Article XI**

It is agreed that the failure of any party to invoke any of the available remedies under this Agreement for one or more breaches or defaults shall not be construed as a waiver of such provisions and conditions and shall not prevent the parties from invoking such remedies in the event of any future breach or default.

## **Article XII**

This Agreement constitutes the entire understanding of the parties, and no modification or variation of the terms of this Agreement shall be valid unless made in writing and executed by the duly authorized agents of the parties, after an affirmative vote of a majority of each city's governing body.

IN WITNESS WHEREOF, the City of Fayetteville and the City of Farmington have executed this Agreement on or as of the date first written above.

**CITY OF FAYETTEVILLE, ARKANSAS**

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Lioneld Jordan, Mayor

**ATTEST:**

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Sondra Smith, City Clerk

**CITY OF FARMINGTON,  
ARKANSAS**

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Ernie L. Penn, Mayor

**ATTEST:**

---

Kelly Thomas, City Clerk



354 W. Main Street  
P.O. Box 150  
Farmington, AR 72730  
479-267-3865  
479-267-3805 (fax)

## MEMO

To: Farmington City Council  
Ernie Penn, Mayor  
Kelly Thomas, City Clerk  
From: Terry Yopp via Melissa McCarville  
Re: Recommendation for Audit Services  
Date: February 1, 2012

### **Recommendation**

Audit services review committee (Kelly Thomas, Terry Yopp, Jimmy Story and Melissa McCarville) recommend awarding a 5 year contract to Przybysz & Associates.

### **Background**

5 years ago we hired Przybysz & Associates to perform our auditing services for the City of Farmington. Since our current contract only includes the 2011 audit, in December the council approved requesting proposals for a new 5 year contract. We received two proposals for these services.

### **Discussion**

After a review of both proposals the committee unanimously recommends renewing our contract with Przybysz & Associates. There are several reasons for choosing Przybysz & Associates: past historical data with the city of Farmington in performing the annual audits, the level of professionalism that they have displayed during the previous contract period, the timely completion of the annual audits and the fact that all issues have been addressed. Attached are the proposals from Przybysz & Associates and Hinkle and Associates for your review.

### **Budget Impact**

This is a budgeted item.

PRZYBYSZ & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
4200 JENNY LIND ROAD, STE. B  
FORT SMITH, ARKANSAS 72901

Phone: (479) 649-0888

Fax: (888) 343-5852

Email: [marcl@selectcpa.com](mailto:marcl@selectcpa.com)

Contact Person: Marc Lux, CPA

Submission Date: January 12, 2012

January 12, 2012

**Independent Financial Auditing Services  
City of Farmington  
354 West Main Street  
Farmington, AR 72730**

**RE: Statement of Qualifications and Bid for Annual Audit Services**

Dear Ms. McCarville and City Council Members,

Thank you for the opportunity to submit our firm's qualifications to provide auditing services to the **City of Farmington, Arkansas** and to bid for the auditing services for the years ending **December 31, 2012 to 2016**. Pursuant to your proposal requirements, please accept the following.

**SECTION I – MANDATORY REQUIREMENTS**

1. Przybysz & Associates, CPAs, P.C. (the firm) is a Certified Public Accounting firm properly licensed to practice in the States of Arkansas and Oklahoma.
2. The firm meets the independence standards of the US General Accounting Office's Government Auditing Standards.
3. The firm maintains a professional liability insurance policy in the amount of \$1,000,000.

**SECTION II – AUDIT OBJECTIVES AND SCOPE OF SERVICES**

1. The firm will express an opinion on the fair presentation of the **City of Farmington, Arkansas'** basic financial statements in conformity with generally accepted accounting principles.
2. The firm will issue a report on the **City of Farmington's** compliance with grant requirements.
3. The audits will be conducted in accordance with the following standards:
  - a. Generally Accepted Auditing Standards
  - b. AICPA Industry Audit and Accounting Guide – Audits of State and Local Governmental Units
  - c. US General Accounting Office's Government Auditing Standards
  - d. Audits of State and Local Governments and Non-Profit Organizations-OMB Circular A-133
  - e. Grants and Cooperative Agreements with State and Local Governments-OMB Circular A-102
  - f. OMB Compliance Supplement for Single Audits of State and Local Governments
  - g. Applicable laws of the State of Arkansas
4. The periods to be covered by the audits are as of and for the years ending December 31, 2012, 2013, 2014, 2015 and 2016. Each year of the contract shall be contingent upon satisfactory performance and funds being appropriated.
5. The firm will provide assistance in interpreting financial reporting requirements.

6. The auditor in charge shall conduct an entrance and an exit conference with the **City of Farmington, Arkansas** finance committee. Year-end audit work will be completed by May 31. Upon completion of the audit, a letter titled "communications with those charged with governance" will be issued.
7. The firm covenants that neither it nor any of its members has any interest and shall not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any manner or degree with performance of service hereunder. Auditor certifies that no one in the firm has or will have, during the course of the firm's audit contract, any financial interest under this agreement as an officer or employee of the **City of Farmington, Arkansas**.
8. The firm recognizes that this proposal cannot be transferred, assigned, or sublet by either party without the prior written consent of the other.
9. The firm covenants that it has in place workmen's compensation insurance in accordance with A.C.A. Section 11-9-401.
10. The firm typically does not progress bill. We feel that we should not get paid until the engagement is completed. This philosophy keeps us on track and allows us to deliver a product in a timely manner.
11. The firm will keep the City advised of pending and actual changes in financial disclosures, accounting practices, and reporting guidelines which would impact the City and its financial records, and will be available for consultation and clarification of such matters.

### **SECTION III – TECHNICAL QUALIFICATIONS AND APPROACH**

#### **PART A**

1. Przybysz & Associates, CPAs is a local Certified Public Accounting firm located in Fort Smith, Arkansas. Our firm has a professional staff of ten, a paraprofessional staff of two, and a support staff of two. Being a one office firm, all work to be done on your audit will be conducted from our office in Fort Smith, Arkansas. We are licensed to practice in Arkansas and Oklahoma. Our firm specializes in government and non-profit auditing. Our firm has conducted over 1,500 audits of governmental and non-profit organizations. These organizations range in size from the very large (in excess of \$100 million in annual revenues) to the very small (less than \$100 thousand in annual revenues). The organizations we have provided auditing services to include cities, municipalities, county agencies, school districts, private schools, local and regional municipal water departments and districts, agencies on aging, child care agencies, Department of Housing & Urban Development funded agencies, United Way agencies, Red Cross agencies, and many other types of organizations. These organizations ranged from privately funded to fully government funded. The government funded organizations receive their funding from Department of Human Services, Department of Housing and Urban Development, Department of Commerce, Department of Education, Department of Agriculture (USDA), various state agencies, and various other federal agencies.
2. At Przybysz & Associates, CPAs, P.C., we believe that we achieve the best outcomes for clients and communities when we have a diverse and culturally competent workforce. Our goal is to develop a workforce that reflects the diversity of our state. The diversity can be represented by ethnicity, gender, age, disability status, and a host of other experiences.

3. The firm has no lawsuits in progress, nor has it had any lawsuits in the past, regarding indictments, criminal penalties, sanctions, or any other type.

#### PART B

- Qualifications of the Coordinating Office:
  - a. The firm is a one-office local accounting firm located in Fort Smith, Arkansas.
  - b. The firm has one Managing Partner, one Audit Partner, one Assurance Services Manager, one Tax Manager, four Senior Accountants, one Staff Accountant, and one Junior Accountant.
  - c. The address of the firm is 4200 Jenny Lind Road, Ste. B, Fort Smith, AR 72901.
  - d. Przybysz & Associates, CPAs utilizes the most current and innovative auditing procedures available. We recognize the importance and benefits of computer technology on the accounting and auditing field. As a result, our auditors are equipped with up to date laptops, portable printers and scanners. The laptops contain software exclusively designed for audit firms such as Caseware Working Papers, Thomson Reuters Checkpoint research software, PPC's Audit Guides, Audit Planning & Testing, Asset Keeper fixed asset management software, and many others. Our firm utilizes an auditing procedure which first determines materiality. We then examine 100% of the transactions over the materiality limit. The remaining transactions are then subjected to potential examination through statistical sampling selection. We use a confidence level of 90% with a margin of error of + or - 5% when sampling. Additionally, our firm pays tremendous attention to analytical procedures, ratios, and comparisons with other entities of the same type. Additionally, our firm is a paperless office. We utilize scanners and digital recording techniques in order to increase audit efficiency and provide for safer data retention policies.
  - e. The audit staff is organized based on experience.
- Availability And Qualifications Of The Assigned Individuals
  - a. Individuals assigned to your audit will include:
    - Marc Lux – Marc is a licensed CPA in Arkansas and Oklahoma. Marc graduated from the University of Arkansas with a Bachelor of Science of Business Administration with a major in accounting. Marc has been practicing accounting since 1993. He has assisted with, conducted, and/or managed over 1,000 audits of governmental and non-profit organizations. Additionally, Marc is an instructor for CPE courses for the Arkansas Society of CPA's in the areas of government and non-profit accounting and auditing. Marc will serve as audit partner in charge of the audit.
    - Debbie Geer – Debbie is a licensed CPA in Arkansas. Debbie graduated from the University of Arkansas – Fort Smith Cum Laude with a Bachelor of Science in both Accounting and Business Administration in 2007. Prior to joining our firm, Debbie was employed with Ernst & Young, LLC, where her experience includes for-profit financial statement and single employer benefit



plans audits. Since joining our firm, Debbie's audit experience has expanded to include audits of non-profit and governmental entities with a focus on Governmental Auditing Standards and Single audit compliance testing.

- Dominic Accurso – Dominic is a graduate of the University of Arkansas at Fort Smith with a Bachelor of Science in Accounting. Dom has experience in both for profit and nonprofit audits. Since joining the firm, his concentration has been governmental and nonprofit audits, including single audits.
  - Nick Blackard – Nick is a licensed CPA in Arkansas. Nick graduated from the University of the Ozarks with a Bachelor of Science in Accounting. Nick has been practicing accounting since 1997. Prior to joining our firm, Nick's experience included for-profit financial statement audits, for-profit accounting management and extensive internal control experience, specifically in regards to compliance with the Sarbanes-Oxley Act. Since joining our firm, Nick's audit experience has been limited exclusively to audits of non-profit and governmental entities.
- b. The audit team assigned to the **City of Farmington, Arkansas** audit is a highly experienced team which specializes in audits of government and non-profit entities. Cumulatively, the audit team has conducted in excess of 1,500 government and non-profit audits.
  - c. Our staff will be available year round to assist the **City of Farmington, Arkansas'** accounting and management team with any accounting and tax related matters. Our staff is scheduled each January. The scheduling process ensures that our firm delivers all its projects on the agreed upon delivery date.
- Description of the firm's internal quality control procedures:
    - a. Our audit workpapers are reviewed by the Audit Partner. Additionally, once every 3 years our firm undergoes a Peer Review whereby our workpapers are subject to a review by a third party CPA. The third party CPA performs a critical analysis of the files selected for testing to ensure that the firm is adhering to professional standards.
    - b. The firm has never been disciplined by the AICPA or any State Society of CPAs.
    - c. Our most recent peer review was an unqualified opinion with no letter of comments. This is the highest rating possible.
  - Proposed Method of Performing the Audit
    - a. We will request certain year-end reports to be printed from your accounting software. These reports will allow us to key in account balance that will generate a preliminary trial balance. This trial balance will allow us to begin the audit process by utilizing third-party confirmations for bank account balances, debt balances, and various revenue balances. We will trace to supporting documentation 100% of expenditures over a certain dollar limit, the limit which is based on a calculated materiality level. Remaining expenditures will be tested on

via sampling. Areas of the audit that will require particular emphasis would consist of construction projects, whether in the preliminary stage or ongoing. Advance bond refunding or issuances. Construction projects funded through government grants or financed by federal and state agencies. All of which we have substantial prior experience.

- b. The firm, having conducted in excess of 750 audits of cities, municipalities and other directly related governmental entities, has a rock solid understanding of the concepts and requirements of governmental audits.
  - c. Our audit will require direct assistance from City personnel. The planning phase of the audit will require approximately 5 hours of assistance from the City's Business Manager. The confirmation phase of the audit will require approximately 2 hours of the Business Manager's time. The inquiry and observation (including internal control testing) portion of the audit will entail audit team members making direct inquiries of various City personnel potentially including Council Members. This phase of the audit will require cumulative 10 hours of City personnel time. The substantive testing phase of the audit will require the assistance of City personnel which will total approximately 5 hours. The reporting and presentation phase of the audit will require approximately 5 hours of City personnel time.
  - d. During our testing and documenting of internal controls, we will consult with City employees who have direct responsibility over various aspects of the City's computerized accounting operation. The individuals with whom we consult should have a working knowledge of the software including how to process transactions (accounts payable, accounts receivable, bank reconciliations, etc.), how to close out months, how to close out years and how to print various reports.
- Past Performance of the Firm and Its Coordinating Office in Governmental Audits
    - a. Relevant clients include:
      - City of Horseshoe Bend, Arkansas  
Contact: Michelle Grabowski  
Phone 479.670.5113
      - City of Lavaca, Arkansas  
Contact: Susan Weaver  
Phone 479.674.5616
      - City of Gore, Oklahoma  
Contact: Horace Lindley  
Phone: 918-489-2636
      - Fort Smith Public School District  
Contact: Charles Warren  
Phone: (479) 785-2501
      - Van Buren School District  
Contact: Dr. Merle Dickerson  
Phone: (479) 474-7942
      - Paris School District  
Contact: Jim Loyd  
Phone: (479) 963-3243

- Price Proposal
  - a. Our proposed fee for the audits are as follows:
    1. Year Ending December 31, 2012 - \$10,250
    2. Year Ending December 31, 2013 - \$10,500
    3. Year Ending December 31, 2014 - \$10,500
    4. Year Ending December 31, 2015 - \$10,500
    5. Year Ending December 31, 2016 - \$10,750
  - b. Billing Rate per class of employee:
    1. Audit Partner - \$145 per hour
    2. Senior Accountant(s) - \$100-\$80 per hour
    3. Staff Accountant - \$80 per hour
  - c. Estimate number of hours per class of employee
    1. Audit Partner – 20 hours
    2. Senior Accountant(s) – 60 hours
    3. Staff Accountant – 30 hours
  - d. The costs quoted in 6(a) above are the maximum cost on the audit, however, travel to and from your location will be charged separately at standard mileage rates.
  - e. Costs of a financial audit that incorporates a Single Audit – additional \$1,750
  - f. Cost of a Single Audit only for grant purposes - \$4,500

Again, I wish to thank you for the opportunity to submit this proposal. Should you have any questions or require any clarification, please do not hesitate to contact me at (479) 649-0888 or [marcl@selectcpa.com](mailto:marcl@selectcpa.com).

Sincerely,  
PRZYBYSZ & ASSOCIATES, CPAs, P.C.



Marc Lux, CPA

**Proposal for Audit and  
Compliance Services for**

**City of Farmington**

**January 25, 2012**

**Hinkle & Company, PC  
Tulsa, Oklahoma**





**HINKLE &  
COMPANY**  
PC  
*Strategic  
Business Advisors*

January 25, 2012

Ms. Melissa McCarville  
City of Farmington, Business Manager  
P. O. Box 150  
354 W. Main Street  
Farmington, AR 72730

REF: Independent Financial Auditing Services  
December 31, 2012 through December 31, 2016

Dear Ms. McCarville:

We would like to thank the City of Farmington for the opportunity to submit our proposal for audit and compliance services for the City of Farmington. We have reviewed the requirements of the RFP and are confident our firm will bring a unique combination of experience, knowledge, and service.

Hinkle & Company, PC is an established Oklahoma firm that provides the following advantages:

- **Development of a close personal relationship that allows us to become an additional resource to the City's administration team.**
- **Current and prior experience working with and on behalf of Oklahoma local governments.**
- **A commitment to provide substantial partner time on the engagement, specifically during fieldwork.**
- **Engagement experience with *Government Auditing Standards* that satisfies all audit requirements.**
- **Timely completion of audit.**
- **Promoting public trust and financial integrity enhancing.**

Hinkle and Company has a significant amount of auditing work from June through December as we provide accounting and auditing services for a large number of College's and Universities and City/Governmental entities with a June 30 year end. We anticipate our firm to be on the lower end of the range you will receive as we are actively looking for engagements with a December 31 year end.

4500 S. Garnett, Ste. 800

Tulsa, OK 74146

918.492.3388

FAX: 918.492.4443

[www.SBAdvisors.com](http://www.SBAdvisors.com)

## **Benefits of Engaging Hinkle & Company, PC**

We believe there are several reasons why Hinkle & Company, PC should be engaged as the external auditors of the City of Farmington. We have highlighted these reasons below.

### ***Current Experience with Government Auditing Standards***

Hinkle & Company, PC, currently audits recipients of federal funds in several different industries, including education, housing, non-profits and small governmental entities. This is a substantial amount of experience that is directly related to you and the services you need.

Hinkle & Company, PC, has passed two different Quality Control Reviews (QCRs) by the Office of Inspector General (OIG) in the past four years, with no reporting or performance errors. In addition, we have passed four consecutive peer reviews, reflecting the highest level of quality in our audits.

### ***Benefit to You***

We have familiarity with many of the components of your organization. We understand your needs and concerns regarding financial reporting and compliance testing. As a result, you will get an audit approach more tailored to your needs and that gives you the most out of this process.

### ***Commitment to Partner Hours***

Hinkle & Company, PC, is making the commitment for Jim Hinkle to be the manager and in-charge in the field during the entire audit process of our engagement term. Jim Hinkle has the experience, knowledge, and training to provide an efficient and smooth audit.

### ***Benefit to You***

We propose our audit engagement based upon the experience and knowledge of the partners. You will get our best experience and knowledge in the field everyday during fieldwork and after. This translates directly into a smoother and more efficient audit for you and your staff.

### ***Commitment to Quality***

Hinkle & Company, PC, is committed to providing the highest quality GAS audits. This is evidenced by the commitment our Firm has towards providing continuing professional education (CPE) for all members of our Firm. As an example, we sent Jim Hinkle and our audit team to Kansas City in September 2008 for a joint AICPA – OIG conference where the senior OIG officers presented the latest information on government audits. We were one of only two firms in Oklahoma to be in attendance.

We are members of the Government Audit Quality Center of the AICPA. Membership in the group provides additional CPE directly related to *Government Auditing Standards* and A-133 audits.



### ***Benefit to You***

The City of Farmington will gain comfort in knowing that Hinkle & Company, PC, is providing a high quality audit, with up-to-date knowledge and techniques for *Government Auditing Standards*.

### ***Comparative Advantages***

Hinkle & Company, PC, believes we have an unsurpassed reputation for fulfilling our commitments and being responsive to management's needs in comparison to many of our competitors. Two recent examples emphasize our ability to fulfill our commitments. For the year ended June 30, 2008, we were engaged as auditors for Rose State College. Our audit was completed within the State Regents for Higher Education deadline. The prior year was audited by one of the competing firms and the audit was completed and released almost two months after the State Regents deadline. We encourage you to talk with Keith Ogans, Vice President of Business Affairs, regarding our ability to complete audits within the time we have committed.

### ***Benefit to You***

We have a commitment to fulfilling our commitments to clients and being responsive to the needs of management. You can rest assured that when we are retained, your decision will be affirmed by our commitment to the City of Farmington.

### ***Overall***

Hinkle & Company, PC, has developed a group of high profile clients for which we provide audit services. For most of these clients, a financial loss from an 'audit failure,' while important, is not the greatest concern. For these clients, the loss of public confidence and perception would provide much greater harm over the long term. These clients look to the auditors for both the financial reporting assistance but also for ensuring the financial integrity which will maintain the public confidence and perceptions.

### ***Benefit to You***

We have a unique understanding of the importance that high quality financial reporting brings to the City that goes well beyond the annual financial report. We are providing professional services to organizations that similarly hold their high importance in their reputations.

## **About Hinkle & Company, PC**

We believe we are uniquely qualified to bring the professional services you expect, but with a degree of personal attention by our top professionals you may not have received in the past. Our primary qualifications and benefits are as follows:

### ***High Quality Clients***

Hinkle & Company, PC, was founded in 1997 in Tulsa, Oklahoma, by James D. Hinkle. Since this time, Hinkle & Company, PC has grown through word of mouth by providing quality



services. The growth has been through the addition of exceptional clients whose reputation and name recognition is very important. A representative sample of the firm's outstanding clients is as follows:

<b>City of Idabel</b>	External annual audit.
<b>City of Tulsa Industrial Authority</b>	External annual audit.
<b>Tulsa Community College</b>	External annual audit.
<b>Oklahoma City Community College</b>	External annual audit.
<b>Kiamichi Economic Development District of Oklahoma</b>	External annual audit.
<b>Cameron University and Rogers State University</b>	External annual audit.
<b>Muscogee (Creek) Nation Indian Community</b>	External annual audit.
<b>Rose State College and RSC Development Foundation</b>	External annual audit.
<b>Carl Albert State College</b>	External annual audit.
<b>Carl Albert State College Development Foundation</b>	External annual audit.
<b>Northern Oklahoma College</b>	Internal audit function.

Hinkle & Company, PC, has intentionally limited its growth to a small and manageable group of high quality clients. This allows us to commit a substantial amount of time by our top professionals, as opposed to sending staff members out with the top professionals only arriving at the end of fieldwork for workpaper review. We manage our audit work such that Mr. James Hinkle has a significant amount of time in the field performing audit procedures.

### **Experience with *Government Auditing Standards***

Hinkle & Company, PC, provides a wide range of services involving Government Auditing Standards (GAS) engagements. These engagements include:

- Government Auditing Standards in compliance with the Yellow Book regulations
- Single Audits in compliance with OMB Circular A-133
- Government Auditing Standards in compliance with SFA Audit Guide
- Government Auditing Standards in compliance with HUD Audit Guide





## **Experience with State and Local Governments**

Mr. Hinkle has substantial experience working with entities subject to *Government Auditing Standards*. In 1991, Mr. Hinkle developed an industry specialization in *Government Auditing Standards* for the Tulsa office of Baird, Kurtz & Dobson. During the next three years, the group led by Mr. Hinkle, grew to become the largest provider of professional accounting and auditing services of Oklahoma cities, colleges, universities, and other recipients of *Government Auditing Standards* audits. Here are some examples that Mr. Hinkle has experience with are as follows:

- **City of Idabel**
- **Tulsa Industrial Authority**
- **Idabel Industrial Development Authority**
- **Kiamichi Economic Development District  
of Oklahoma**
- **Eastern Oklahoma Development District**
- **Grand Gateway Economic Development  
Association**
- **Tulsa Community College  
Technical School District**
- **Rose State College  
Technical School District**

## **Our Philosophy**

Hinkle & Company, PC was founded upon the belief that people who have the industry knowledge and experience can provide a higher quality of professional services. This is the foundation of our success. All of our professionals have experience in both public accounting and in private industry. Our services are provided in a way that resembles consulting rather than auditing. As we provide our auditing services, our goal is to gain a comprehensive understanding of your systems: accounting, financial aid, and operations. This improves our ability to provide meaningful comments and suggestions aimed at improving your efficiency and controls. In order to obtain real value, the audit process must provide more than merely compliance with a regulation.

We approach the audit as an opportunity to learn a tremendous amount about an organization. We become familiar with the organization's operating policies and procedures for administration and management. We learn about the organization's financial condition, their use of operating assets, and the controls in place to ensure that the administration's directions are carried out. We believe that the cost of obtaining an audit should be balanced by providing more direct benefits to you by using the information learned during the audit and from our previous experiences with other similar audit engagements to make efficient recommendations.



### **Other Information About Hinkle & Company, PC**

We are active members in SACUBO, AICPA, OSCP, and numerous other professional organizations. As we noted above, we will also provide your staff with regular updates on professional standards as changes occur. We will provide your accounting department access to our CCH accounting research data base.

As noted below, our firm's members have a broad variety of both public accounting and private industry experience. We also have a fully developed network of resources to whom we can turn if an issue arises that is outside of our scope of technical expertise. Based upon our past and present experience, education, and training, we believe we can provide broad based technical support in any of the areas of service provided by public accounting firms. These services include, but are not limited to audit, tax, information systems, bank financing, bond financing, litigation support, and business consulting.

Each of our CPAs obtains on average 50 - 60 hours of annual continuing professional education. This is up to 50% more than Oklahoma state law requires. Included in those hours are the required hours of *Government Auditing Standards* education required by OMB Circular A-133. Finally, our entire audit supervisory team has attended a continuing professional education program taught by the U.S. Department of Education specifically for CPAs auditing federal student financial aid programs under the student financial aid Audit Guide and the OMB Circular A-133.

### **Our Approach**

We will include the staff of the city throughout all phases of the audit process, keeping the City of Farmington informed from beginning to end. We will also minimize disruption to your staff's daily routines as much as possible. Our goal will be to integrate our audit procedures into the accounting department's year-end closing procedures so that the combined year-end procedures and production of the financial statements is a seamless and coordinated process.

### **Final Fieldwork**

We would request a pre-audit planning meeting with the City's accounting department sometime during the month of February. This planning meeting would coordinate our auditing procedures with the accounting department's anticipated time table for closing the books and records. The planning meeting would also allow us to determine what concerns the City may have in given financial areas. We will coordinate with the accounting department a convenient time to schedule final fieldwork which is close to the time the accounting department completes its year-end work. We would anticipate the final fieldwork to run between April 15 and May 15. We anticipate completing the audit by June 15 for presentation to the City Council.

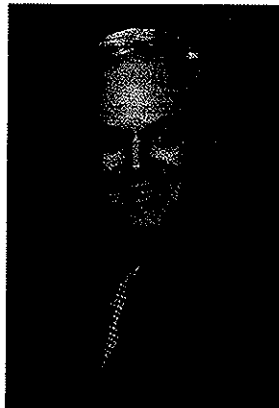


## Presentation

At the conclusion of the audit, we will be available to present to the Mayor and the Business Manager copies of the audited financial statements and management letter. We will also provide, if applicable, a detailed review and discussion of our findings or any questioned costs as a result of the compliance testing. We will then be available to formally present to the City Council the audit reports and management letters.

## Our Professionals

Our audit supervisory team is comprised of individuals who possess tremendous education and experience as well as have an extensive background dealing with governmental issues. Our expertise ranges from small for-profit trade schools to comprehensive state, local government, and public colleges and universities. Our audit supervisory team for the City consists of the following:



### James D. Hinkle, CPA

Jim Hinkle brings to you proven experience and knowledge of Oklahoma colleges and universities including:

- **Substantial experience with *Government Auditing Standards*,**
- **In-depth knowledge of the GASB 34 reporting model,**
- **Substantial experience working with Institutions of Higher Education,**
- **Substantial experience working with Health Care Institutions,**
- **Practical experience working in industry contracting with CPA firms for their services.**

Jim Hinkle has over 20 years in public accounting working with many non-profit organizations as well as a wide variety of closely held for-profit entities. Mr. Hinkle is a graduate of the University of Kansas and has worked in both Kansas City and Tulsa. Mr. Hinkle has spent his career

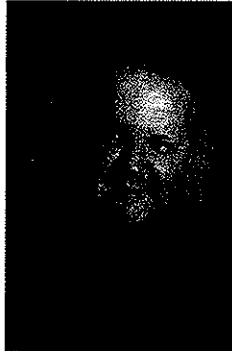


working with non-profit organizations of all types including, colleges and universities, charitable organizations, and various other recipients of Federal Financial Assistance. Additionally, Jim was one of two firm-wide instructors covering Government Auditing Standards for the regional accounting firm of Baird, Kurtz & Dobson.

Jim also brings his unique experience. Jim also served two years as president of a medium-sized business with \$20 million in annual revenues. This provided hands on experience with many of the same issues facing the administration of the Nation – issues such as personnel, budgeting and maximizing the limited resources available to your organization. Most importantly, Jim has first hand knowledge that accounting is only one aspect of an organization. This experience will directly benefit you as our comments and suggestions will have practical application.

Mr. Hinkle is an Eagle Scout who volunteers his time as Scoutmaster of a Tulsa Boy Scout troop. He is also a member of the District Committee of the Eagle District of the Indian Nations Council of the Boy Scout.





## **Wade L. Fisher, MS**

Wade Fisher brings to you substantial experience including:

- **Substantial experience as controller and accounting manager in the non-profit sector,**
- **Masters Degree in Accounting,**
- **Experience in the practical application of accounting issues,**
- **Experience with *Government Auditing Standards*.**

Wade Fisher is a graduate of Suffield University with an undergraduate degree in Business Administration and a Masters degree in Accounting. Wade has over 10 years experience in accounting as controller and accounting manager positions with not-for-profit organizations. This allows him to bring practical applications to the accounting and auditing issues as they arise throughout the audit.

Appointed two terms by the Mayor of the City of Federal Way, Washington, with a population base of over 100,000, Mr. Fisher served as one of the Commissioners that conducted in-depth studies on regulatory issues; involved with other jurisdictions to create comparative analysis, worked with city management, public officials and support staff; and voted into ordinance the salary and benefit packages for City Council Members and the Mayor.

Wade was also appointed to serve on the Stakeholders Committee for the City of Federal Way. In this capacity, our team conducted town-hall type meetings to listen to the concerns of our citizens, city officials, homeowners, and business owners and developers. We then reviewed and made recommendations on existing city codes that would attract and promote development within our local community that was consistent with the overall City's comprehensive plan. In general, Mr. Fisher has established on-hands working experience in the non-profit sector. Wade will assist Mr. Hinkle in all aspects of the audit.

For approximately 10 years now, Wade has served as an Officer of the Court, Juvenile Division in Tulsa County as a volunteer Court Appointed Special Advocate on behalf of abused and neglected children.



## Our Fees

See attached cost information sheet.

## Exhibits and Attachments

We believe the professional fees should bring no surprises. We give you the pledge that any fees billed by Hinkle & Company, PC will be arranged in advance through either a standard engagement letter for the services included in this proposal or in a letter of understanding for any additional service. We have included Attachment 1 with this proposal. All exhibits and attachments are considered an integral part of the proposal.

### Exhibits

- 1 Client References
- 2 Most Recent Peer Review Report

### Attachments

- 1 Non-Collusion Affidavit

## Summary

We would like to thank you for this opportunity to submit this proposal and to provide you information about Hinkle & Company, PC. If you have any questions, please do not hesitate to contact us. We look forward to working with the City of Farmington and providing them with professional audit, tax, and compliance services as well as much more!

Yours Truly,  
**Hinkle & Company, PC**



James D. Hinkle, CPA



**Hinkle & Company, PC**  
 Client References  
 Exhibit 1

<u>Organization Name/Audit type</u>	<u>Contact</u>	<u>Telephone</u>
<b>City of Idabel</b> GAS Audit/GASB 34 Audit	<b>Mayor Tina Foshee</b>	<b>(580) 286-7608</b>
<b>Kiamichi Economic Development District of Oklahoma</b> OMB Circular A-133 Audit/GASB 34 Audit	<b>Mr. Danny Baldwin Ms. Chris Hale</b>	<b>(918) 465-2367</b>
<b>Eastern Oklahoma Development District</b> OMB Circular A-133/GASB 34 Audit	<b>Mr. Ernie Moore</b>	<b>(918)682-7891</b>
<b>City of Tulsa Industrial Authority</b> GAS Audit	<b>Mr. Clay Bird</b>	<b>(918) 584-7880</b>
<b>Tulsa Economic Development Corp.</b> OMB Circular A-133 Audit	<b>Mrs. Rose Washington</b>	<b>(918) 585-8332</b>
<b>Tulsa Community College</b> OMB Circular A-133/GASB 34 Audit	<b>Mr. Shane Netherton</b>	<b>(918) 595-7801</b>
<b>Oklahoma City Community College</b> OMB Circular A-133/GASB 34 Audit	<b>Dr. John Boyd Ms. Brenda Carpenter</b>	<b>(405) 682-1611</b>
<b>Carl Albert State College</b> OMB Circular A-133 Audit	<b>Ms. Ramona Buckner</b>	<b>(918) 647-1320</b>
<b>Redlands Community College</b> OMB Circular A-133/GASB 34 Audit	<b>Ms. Karen Boucher</b>	<b>(405)422-1265</b>
<b>Rogers State College</b> OMB Circular A-133 Audit	<b>Mr. Tom Volturo</b>	<b>(918) 343-7860</b>
<b>Cameron University</b> OMB Circular A-133 Audit	<b>Mr. Glen Pinkston</b>	<b>(580) 581-5577</b>
<b>Standard Beauty College</b> SFA Audit Guide Audit	<b>Ms. Myra Sellers</b>	<b>(918) 245-6627</b>
<b>Carl Albert State College</b> OMB Circular A-133 Audit	<b>Mr. Gary Hageman</b>	<b>(918) 647-1320</b>
<b>PJ's Beauty College</b> SFA Audit Guide Audit	<b>Mr. Phil Stewart</b>	<b>(800) 333-3529</b>
<b>Burroughs Manor, Inc.</b> HUD Audit Guide Audit	<b>Mrs. Liz Logan</b>	<b>(918) 256-8601</b>



# City of Farmington

## Fee Information Sheet

### Our Fees

Our fees are based upon receiving a high level of assistance from the City of Farmington's accounting staff. This includes closing of the general ledgers including the posting of all closing entries, preparation of various schedules detailing activity in accounts as requested, and preparation of the initial draft of the financial statements.

Upon retention of the 2012 year-end audit, there will be no upfront fees for building files or learning internal controls for the subsequent respective year-end audits as we view this engagement as an investment for building a future relationship with the City of Farmington.

If any changes in audit requirements occur during the term of our engagement that require additional time and procedures, we will notify you prior to the beginning of that audit year. We will provide you with an estimate of the effect of those changes on the agreed upon fee. This will give you the opportunity to adequately review the change in fee and explore alternatives should you desire.

For the Year Ended December 31, 2012

<u>Personnel</u>	<u>Position</u>	<u>Estimated Hours</u>
James D. Hinkle	Partner	60
Wade L. Fisher	In-Charge Accountant	100
Staff/Clerical		<u>35</u>
Total Estimated Hours		195
Average Hourly Rate		<u>105/hr</u>
		<u>\$ 20,475</u>





Our fees for the years ending December 31, 2013, 2014, 2015 and 2016, are summarized below.

<u>Year Ending</u>	<u>Fees</u>
2013	\$20,475
2014	\$20,975
2015	\$21,475
2016	\$21,475

The fees listed above include all travel expenses related to this engagement.

## **Fees for Single Audit**

If an A-133 audit is applicable and the CPA firm is required to test Major Federal award programs, there will be an extra fee of \$5,000 (50 hours X \$100/hr).

**Hinkle & Company, PC**, affirms that it is independent of the City of Farmington, AR as defined under GAS.

**Hinkle & Company, PC**, affirms that upon award of this proposal, that it shall be licensed to practice in the state of Arkansas pursuant to the Arkansas State Board of Public Accountancy Interstate Exchange application licensing requirements.



AFFIDAVIT OF NON-COLLUSION

I state that I am James D. Hinkle, Partner of Hinkle and Company, PC and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this Offer.

I state that:

- (1) The price(s) and amount of this Offer have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- (2) That neither the price(s) nor the amount of this Offer, and neither the approximate price(s) nor approximate amount of this Offer, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed before Solicitation opening.
- (3) No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit an Offer higher than this Offer, or to submit any intentionally high or noncompetitive Offer or other form of complementary Offer.
- (4) The Offer of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive Offer.
- (5) Hinkle and Company, PC., its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted of or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as described in the attached appendix.

I state that Hinkle & Company, PC. understands and acknowledges that the above representations are material and important, and will be relied on by the City of Farmington, AR in awarding the contract(s) for which this Offer is submitted. I understand and my firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from the City of Farmington, AR of the true facts relating to the submission of Offers for this contract.

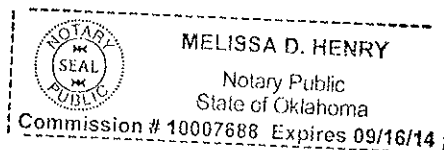
J. D. Hinkle  
(Authorized Signature)

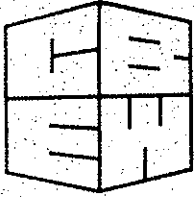
Hinkle & Company, PC  
(Name of Company/Position)

Sworn to and subscribed before me this 23 day of January, 2012

Melissa D. Henry  
Notary Public for Oklahoma

My Commission Expires: 9/16/2014





**CBEW**  
**Professional**  
**Group, LLP**  
Certified Public Accountants

DON K. ETHRIDGE, CPA  
WALTER H. WEBB, CPA  
JANE FRAZIER, CPA  
CHARLES E. CROOKS, CPA  
TRISHA J. RIEMAN, CPA

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## System Review Report

January 12, 2011

To the Members

**Hinkle & Company, PLLC**  
and the Peer Review Committee of the OSCP

We have reviewed the system of quality control for the accounting and auditing practice of **Hinkle & Company, PLLC** (the firm) in effect for the year ended September 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

We noted the following deficiency during our review:

1. Deficiency—The firm's quality control policies and procedures require documentation of various risk assessments applicable to engagements subject to the provisions of Circular A-133 and *Government Auditing Standards* and the resulting conclusions. In one of the Single Audit engagements selected for review we noted that some purchase practice aids normally documenting these risk assessments were not properly completed and alternative documentation was not present. As a result the working paper documentation was inconsistent with the procedures performed. We were able to satisfy ourselves that sufficient procedures had been performed and the firm subsequently prepared the appropriate documentation.

Recommendation—The firm should ensure that the working papers contain sufficient documentation to support all procedures performed as required by professional standards.

In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of **Hinkle & Company, PLLC** in effect for the year ended September 30, 2010 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **Hinkle & Company, PLLC** has received a peer review rating of *pass with deficiency*.

*CBEW Professional Group, LLP*  
**CBEW PROFESSIONAL GROUP, LLP**  
Certified Public Accountants



354 W. Main Street  
P.O. Box 150  
Farmington, AR 72730  
479-267-3865  
479-267-3805 (fax)

## City Business Manager Report February 2012 City Council Meeting

- Keep an eye out for changes at the sport's park. If you have questions about how things are going please ask Jenna or Dan. We have secured funding for all of the score boards, the playground structure is in place and the dugouts are being built.
- It is a good time of year to sign up for Code Red. Please remind people that the service is available and they can go online or call us to sign up.
- Please watch the web site for upcoming events: [www.cityoffarmingtonar.com](http://www.cityoffarmingtonar.com). Baseball/softball sign-up information is available now!
- Jenna and I met with John Beneke from Arkansas Parks and Tourism. We showed him the progress at both Creekside and the Sport's Complex. We also indicated that we will apply for more funding in their next grant cycle.
- I hope you all have participated in the strategic planning process! It has been beneficial for the city and it will help us to continue to grow. Hopefully in 5 years we will be able to say that we have accomplished all we set out to accomplish through this process.
- The planning commission held a public hearing about their Master Trail Plan. There was much discussion about how to actually implement the plan. John McLarty from NWARDP will attend our February meeting to discuss available funding for such projects. You are all welcome to attend.
- The City of Farmington has been informed that the Belmont Development Company has applied for an affordable housing Tax credit with the Arkansas Department of Finance for rehabilitation of Savannah Park Apartments.

*"Better to remain silent and be thought a fool than to speak out and remove all doubt."*  
~Mark Twain



**City of Farmington**  
**372 W. Main st.**  
**P.O. Box 150**  
**Farmington, AR 72730**

**Fire Department**

**Phone 479-267-3338**  
**Fax 479-267-3302**

### **January 2012 report to the Mayor and City Council**

January was a good month for the fire department because it wasn't as violent as last year's January with its tornados and snow accumulations. We had a normal amount of runs with 62 calls for service.

I have finished the job description and the new job application for the new employee position that we have been planning for if the council approves it, and I will be presenting it at this meeting tonight.

We have just finished our new S.O.P manual for the fire department and I think it is a good one. I will also present the year end statistics for the year 2011 and should have it on your desks for the February's council meeting. We had a record year for calls and unusual weather conditions and emergencies that we responded to.

Thank you for continued support

Mark Cunningham

Fire chief

**Journal from 1/1/2012 at 07:00 to 1/31/2012 at 20:00.**

00:00 \*\*\*\*\* Tuesday, January 03, 2012 \*\*\*\*\*  
 19:00 Weekly Meeting / Training:  
 19:00 1) Checked and Inventoried Engine 2  
 19:00 2) Street Memorization Test for all responders. (01 Administrator)  
 00:00 \*\*\*\*\* Tuesday, January 10, 2012 \*\*\*\*\*  
 19:00 Weekly Meeting / Training:  
 19:00 1) Officers Meeting to discuss year of 2012.  
 19:00 2) General Business Meeting.  
 19:00 3) Chili Supper Provided by Capt. Mahan. (01 Administrator)  
 00:00 \*\*\*\*\* Tuesday, January 17, 2012 \*\*\*\*\*  
 19:00 Weekly Meeting / Training:  
 19:00 1) 2 hours Relay pumping Training.  
 19:00 2) Clean up from todays structure fire. (01 Administrator)  
 00:00 \*\*\*\*\* Tuesday, January 24, 2012 \*\*\*\*\*  
 19:00 Weekly Meeting / Training:  
 19:00 1) 1 hour training on Fire tactics of Wildland Fires. (01 Administrator)  
 00:00 \*\*\*\*\* Tuesday, January 31, 2012 \*\*\*\*\*  
 19:00 Weekly Meeting / Training:  
 19:00 1) 1 hour video training on Firefighter safety.  
 19:00 2) 1 hour Training on Firefighter Rescue Drags. (01 Administrator)

**Situation Type Summary**

FFD Jan 2010 Responses

Prepared 2/1/2012

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Situation Type	Dollar Loss	# of Incid's	F.S. Injury	Civ. Injury	F.S. Death	Civ. Death
100 Fire, other		1	0	0	0	0
111 Building fire	25,300	5	0	0	0	0
113 Cooking fire, confined to container	50	1	0	0	0	0
114 Chimney or flue fire, confined to chimne		2	0	0	0	0
142 Brush, or brush and grass mixture fire		1	0	0	0	0
143 Grass fire		5	0	0	0	0
151 Outside rubbish, trash or waste fire		1	0	0	0	0
311 Medical assist, assist EMS crew		31	0	0	0	0
322 Vehicle accident with injuries		1	0	0	0	0
412 Gas leak (natural gas or LPG)		1	0	0	0	0
500 Service Call, other		3	0	0	0	0
^11 Dispatched & canceled en route		10	0	0	0	0
<b>Total for all incidents</b>	<b>25,350</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Farmington Police Dept.

Offenses for Month 1/2011 and 1/2012

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	<u>2011</u>	<u>2012</u>
AGGRAVATED ASSAULT		
5-13-204	1	1
AGGRAVATED ASSAULT ON A FAMILY OR HOUSEHOLD MEMBER		
5-26-306	0	1
ASSAULT ON FAMILY OR HOUSEHOLD MEMBER - 2ND DEGREE / RISK OF PHYSICAL INJUR		
5-26-308	0	1
BATTERY - 3RD DEGREE / RECKLESSLY CAUSES INJURY		
5-13-203A(2)	0	2
Breaking or Entering/Vehicle		
5-39-202	3	4
BURGLARY, RESIDENTIAL		
5-39-201A(1)	2	4
CARRYING A WEAPON		
5-73-120	1	0
CRIMINAL MISCHIEF - 1ST DEGREE / PROPERTY OF ANOTHER W/VALUE OF \$1,000 OR LESS		
5-38-203B(1)	0	1
CRIMINAL MISCHIEF - 1ST DEGREE / PROPERTY OF ANOTHER W/VALUE OF \$500 OR LESS		
5-38-203A(1)	1	0
CRIMINAL MISCHIEF - 1ST DEGREE / PROPERTY OF ANOTHER W/VALUE OVER \$1000 BUT \$5,000 OR LESS		
5-38-203B(2)	0	1
CRIMINAL MISCHIEF - 2ND DEGREE / RECKLESSLY DESTROYS		
5-38-204A(1)	5	1
DOMESTIC BATTERING - 3RD DEGREE / PURPOSE OF CAUSING INJURY, CAUSES INJURY		
5-26-305A(2)	3	4
DOMESTIC BATTERING - 3RD DEGREE / PURPOSE OF CAUSING INJURY, CAUSES SERIOU		
5-26-305A(1)	0	1
DRIVING ON SUSPENDED LICENSE		
27-16-303	0	1
DUI - UNDER AGE DUI LAW / MORE THAN .02% BUT LESS THAN .08%		
5-65-303B	0	1
DWI (UNLAWFUL ACT)		
5-65-103A	1	1
Excess Speed		
27-51-201	0	1
FAILURE TO APPEAR		
5-54-120	4	4
FAILURE TO PAY FINES & COSTS		
5-4-203	10	5
Failure to Register/No Vehicle License		

	<u>2011</u>	<u>2012</u>
27-14-903	1	0
Following Too Close		
27-51-305	1	0
FORGERY		
5-37-201	1	1
FRAUDULENT USE OF A CREDIT CARD / CARD OR ACCOUNT NUMBER ARE FORGED		
5-37-207A(3)	1	0
HARASSING COMMUNICATIONS / KNOWINGLY ALLOWS THEIR TELEPHONE TO BE USED TO		
5-71-209A(3)	1	0
HARASSMENT / CONDUCT THAT REPEATEDLY CAUSES ALARM OR SERIOUS ANNOYS ANOTHER		
5-71-208A(5)	1	0
Interference with Emergency Communication/1st dgree/disables communication		
5-60-124	0	1
Leaving Scene of Accident/Property Damage		
27-53-102	1	1
Left of Center		
27-51-301	1	0
MISSING PERSON		
MISSING	0	1
No Proof Insurance		
27-22-104	1	1
OBSTRUCTING GOVERNMENTAL OPERATIONS / REFUSES TO PROVIDE INFORMATION FOR A		
5-54-102A(2)	0	1
POSSESSING INSTRUMENTS OF CRIME		
5-73-102	0	1
POSSESSION OF A CONTROLLED SUBSTANCE		
5-64-401	1	0
POSSESSION OF A CONTROLLED SUBSTANCE - MARIJUANA		
5-64-401	0	2
POSSESSION OF A SCHEDULE VI CONTROLLED SUBSTANCE WITH THE PURPOSE TO DELIVER - FELONY		
5-64-436	0	1
Possession of Drug Paraphernalia		
5-64-403(c)(1)(A)(i)	0	2
POSSESSION OF DRUG PARAPHERNALIA - FELONY		
5-64-443	0	1
PUBLIC DISPLAY OF OBSCENITY		
5-68-205	1	0
PUBLIC INTOXICATION - DRINKING IN PUBLIC		
5-71-212	1	2
PURCHASE, POSSESSION OF INTOXICATING LIQUOR BY MINOR		
3-3-203	0	2
RECKLESS DRIVING		
27-50-308	0	1
RUNAWAY		
90I	0	1



	<u>2011</u>	<u>2012</u>
SUICIDE		
SUICIDE	0	1
TERRORISTIC THREATENING - 1ST DEGREE / THREATENS PHYSICAL INJURY TO SCHOOL		
5-13-301A(1B)	1	0
TERRORISTIC THREATENING - 1ST DEGREE / THREATENS PROPERTY DAMAGE		
5-13-301A(1A)	0	1
TERRORISTIC THREATENING/2nd Degree		
5-13-301(2)A	1	1
THEFT \$1,000 OR LESS - FROM BUILDING		
5-36-103(b)(4)(A)	0	3
THEFT \$1,000 OR LESS - FROM VEHICLE		
5-36-103(b)(4)(A)	0	4
THEFT \$5,000 OR LESS BUT GREATER THAN \$1000 - FROM BUILDING		
5-36-103(b)(3)(A)	0	1
THEFT BY DECEPTION		
5-36-103(a)(2)(b)	1	0
THEFT GREATER THAN \$ 2,500.FROM VEHICLE		
5-36-103B(1)	1	0
THEFT GREATER THAN \$ 500 AND LESS THAN \$2,500 ALL OTHERS		
5-36-103B(2)	1	0
THEFT LESS THAN \$ 500 FROM VEHICLE		
5-36-103B(5)	3	0
THEFT OF PROPERTY / ALL OTHER		
5-36-103A(1)	1	3
UNATTENDED DEATH/NATURAL CAUSES		
DEATH	1	1
UNAUTHORIZED USE OF A VEHICLE		
5-36-108	0	1
VIOLATION OF DRIVER'S LICENSE RESTRICTION		
27-16-804	0	1
<b>Totals:</b>	<b>53</b>	<b>70</b>

# Farmington Police Dept.

Tickets Issued by Officer and Month for 2012

2/1/2012 8:29:57 AM

Officer	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Belew, Justin	59	0	0	0	0	0	0	0	0	0	0	0	59
Bertorello, James	64	0	0	0	0	0	0	0	0	0	0	0	64
Bowen, Jerry	165	0	0	0	0	0	0	0	0	0	0	0	165
Kimball, Geoffrey	30	0	0	0	0	0	0	0	0	0	0	0	30
Luond, Clint	37	0	0	0	0	0	0	0	0	0	0	0	37
Thompson, Michael	2	0	0	0	0	0	0	0	0	0	0	0	2
Wilbanks, Johnie	1	0	0	0	0	0	0	0	0	0	0	0	1
<b>Totals:</b>	<b>358</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>358</b>

# Public Works Monthly Report For January 2012 By Man Hours

	Number of hours
Animal	35
Bld/Grounds	95
Parks	110
Street	338
Public Works	155
Miscellaneous	0
Overtime	16
Building Inspections	20
Plumbing Inspections	20
Electrical inspections	20
HVACR Inspections	20
Code Enforcement	15
Supervision/Public Relations	40
<b>Total</b>	<b>884</b>

