



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, August 26, 2014

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

3. Approval of minutes

[MIN-14:088](#) Minutes for the Finance Committee meeting on July 22, 2014

Attachments: [Minutes](#)

[MIN-14:091](#) Minutes for the special called Finance Committee meeting on August 5, 2014

Attachments: [Minutes](#)

[MIN-14:097](#) Minutes for the special called Finance Committee meeting on August 19, 2014

Attachments: [Minutes](#)

4. New Business

Ordinances To Be Introduced

[ORD-14:048](#) AN ORDINANCE AUTHORIZING A CITY COUNCIL MEMBER TO DO BUSINESS WITH THE CITY OF JONESBORO

Sponsors: Mayor's Office

Resolutions To Be Introduced

[RES-14:121](#) RESOLUTION TO AUTHORIZE A CONTRACT WITH DISABLED AMERICAN VETERANS, CHAPTER 26 FOR TRANSPORTATION OF LOCAL VETERANS

Sponsors: Mayor's Office

Attachments: [PUBLIC SERVICE CONTRACT BETWEEN THE CITY OF JONESBORO AND](#)

[RES-14:129](#) RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE DEPARTMENT OF JUSTICE AND ACCEPT THE 2014 JAG GRANT

Sponsors: Grants

Attachments: [AWARD REPORT.pdf](#)
 [MOU Signed by BOTH.pdf](#)
 [Budget Narrative.pdf](#)
 [JAG 14 SIGNED Resolution.pdf](#)

5. Pending Items

6. Other Business

COM-14:069 City of Jonesboro, Arkansas Federal Grants Independent Auditor's Report and
 Financial Statements. December 31, 2013

Sponsors: Finance

Attachments: [Jonesboro 2013 A133](#)
 [2013 Management Representation letter](#)
 [2013 Governance letter](#)

7. Public Comments

8. Adjournment



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-14:088 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 7/23/2014 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the Finance Committee meeting on July 22, 2014
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Minutes for the Finance Committee meeting on July 22, 2014



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Tuesday, July 22, 2014

4:00 PM

Municipal Center

1. Call To Order

Mayor Perrin was also in attendance.

2. Roll Call by City Clerk Donna Jackson

Present 3 - John Street; Darrel Dover and Todd Burton

Absent 2 - Ann Williams and Charles Coleman

3. Approval of minutes

MIN-14:073 Minutes for the Finance Committee meeting on June 24, 2014

Attachments: [Minutes](#)

A motion was made by Councilman John Street, seconded by Todd Burton, that this matter be Passed . The motion PASSED with the following vote.

Aye: 3 - John Street; Darrel Dover and Todd Burton

Absent: 2 - Ann Williams and Charles Coleman

4. New Business

Resolutions To Be Introduced

RES-14:096 RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO A LETTER OF ENGAGEMENT WITH BRACKETT KRENNERICH FOR ARCHITECTURAL SERVICE FOR RENOVATION OF THE JONESBORO RECREATIONAL CENTER (FORMERLY YMCA)

Sponsors: Mayor's Office and Finance

Attachments: [Brackett Krennerich - Jonesboro Recreational Center](#)

Chairman Dover noted the amount for this resolution needs to be amended.

Councilman Street inquired if the price of the contract had been negotiated. Mayor Perrin answered yes and the new amount is \$18,750.00

A motion was made by Councilman John Street, seconded by Todd Burton,

that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 3 - John Street;Darrel Dover and Todd Burton

Absent: 2 - Ann Williams and Charles Coleman

RES-14:099 RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE AG FOR AUTISM TO RECEIVE A GRANT FOR THE MIRACLE LEAGUE OF JONESBORO

Sponsors: Grants

Attachments: [AG for Autism Grant Award Letter and Agreement.pdf](#)

Grants Coordinator Heather Clements explained the City applied for this grant to help fund the equipment inside the autism room at the Miracle League. She noted this requires no match from the City.

A motion was made by Councilman John Street, seconded by Todd Burton, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 3 - John Street;Darrel Dover and Todd Burton

Absent: 2 - Ann Williams and Charles Coleman

RES-14:107 RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO APPLY FOR THE FY 2015 DEPARTMENT OF PARKS AND TOURISM 50/50 MATCHING GRANT

Sponsors: Grants

Ms. Clements stated after 4 community meetings the item that most people recommended was a pavilion at Parker Park. She added the cost would be \$125,000 and 50% of the cost would come from this grant.

Chairman Dover inquired if the remaining funds will come out of the Parks Department budget. Ms. Clements answered it will come out of the 2015 Parks Department budget.

Chairman Dover then asked if the City receives the grant will the money be in the budget to match the grant. Mayor Perrin answered yes.

A motion was made by Todd Burton, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 3 - John Street;Darrel Dover and Todd Burton

Absent: 2 - Ann Williams and Charles Coleman

RES-14:108 RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS APPROVING AN AGREEMENT FOR COMPREHENSIVE DEPENDENT AUDIT WITH SHARP, INC.

Sponsors: Finance

Attachments: [Sharp Dependent Audit Contract](#)
[Sharp Dependent Audit Contract - PDF](#)

Councilman Street motioned, seconded by Councilman Burton, to place this resolution on tonight's Finance agenda. All voted aye.

Chief Financial Officer Ben Barylske explained the City wants to hire Sharp, Inc. to do an independent audit on the City's insurance plan due to all the changes that have went on concerning the insurance industry. He added the audit will look at whether or not the dependents that are on the plan are allowed to be covered under the City's insurance plan. He noted the county used Sharp, Inc. for their audit and Sharp did a good job for the County.

Councilman Burton asked if this needs to be placed out to bid. Mr. Barylske answered no due to the low cost of the contract.

A motion was made by Todd Burton, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED with the following vote:

Aye: 3 - John Street; Darrel Dover and Todd Burton

Absent: 2 - Ann Williams and Charles Coleman

5. Pending Items

6. Other Business

7. Public Comments

Special election

Mayor Perrin explained a video has been done concerning the special election and will be broadcast throughout the media. He added the City will ask the citizens to put the whole amount that comes from the 1% permanent tax into the General Fund. He further added the City will need approximately \$3 million to balance O&M and after that amount is deducted it will leave \$4.5 million for the Capital Improvement Fund.

Mr. Barylske noted the premise is the City will not need the total \$7.5 million, but with the election coming up the City decided they can work with the \$7.5 million. He added the City will have the 10-year ½ cent tax that will give the City an extra \$1 million to help with street and drainage projects.

Mayor Perrin stated the Chamber of Commerce is looking at ways to increase revenue. The City may ask for a sales tax in 2015, but the tax will be project specific. He added the City might look at acquiring a bond to help offset the cost of the projects.

Miracle League

Chairman Dover asked for an update concerning the Miracle League. Mayor Perrin explained he is having several people look at the figures to see how much the City has to finish the project. He added the City does not want to spend any city money to finish the project. But since the money is coming in at a slower pace, they may have to ask for approval to get a loan to finish the project. He stated he estimates the City would need a loan between \$300,000 to \$400,000, and they would be able to pay the

loan off in a year after the rest of the money comes in.

Discussion was held concerning what items are left to be completed.

Chairman Dover inquired when opening day is for the Miracle League. Mayor Perrin answered the opening day has been moved to October.

8. Adjournment

A motion was made by Councilman John Street, seconded by Todd Burton, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 3 - John Street; Darrel Dover and Todd Burton

Absent: 2 - Ann Williams and Charles Coleman



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-14:091 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 8/7/2014 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the special called Finance Committee meeting on August 5, 2014
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Minutes for the special called Finance Committee meeting on August 5, 2014



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Tuesday, August 5, 2014

5:20 PM

Municipal Center

Special Called Meeting

1. Call To Order

Mayor Perrin was also in attendance.

2. Roll Call by City Clerk Donna Jackson

Present 5 - Ann Williams; John Street; Darrel Dover; Charles Coleman and Todd Burton

3. New Business

Resolutions To Be Introduced

RES-14:111 A RESOLUTION TO CONTRACT WITH MATT CODY

Sponsors: Parks & Recreation

Attachments: [Matt Cody Northside Contract](#)

Chairman Dover noted this resolution needs to be placed on tonight's Council agenda.

Parks Director Wixson Huffstetler explained Mr. Matt Cody will teach baseball, softball and football camps at the Northside Baseball Park for underprivileged children. He noted the camps will be free of charge to the children who participate.

A motion was made by Councilwoman Ann Williams, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Charles Coleman and Todd Burton

RES-14:115 RESOLUTION FOR THE CITY OF JONESBORO TO ENTER INTO A CONTRACT FOR SCHEDULING SERVICES WITH THE JETS DEPARTMENT AND TOTAL LIFE HEALTHCARE

Sponsors: JETS

Attachments: [Contract](#)
[Appendix A Title VI](#)

Chairman Dover stated this needs to be placed on tonight's Council agenda.

A motion was made by Councilwoman Ann Williams, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

RES-14:123

RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO APPLY FOR THE FY 2015 DEPARTMENT OF PARKS AND TOURISM 50/50 MATCHING GRANT

Sponsors: Grants

Grants Coordinator Heather Clements stated the City was going to apply for a grant for a pavilion at Parker Park, but since the match was high they decided to do another project. She added the match for this grant will be \$17,500 and it is for a trail head at Craighead Forest Park. She noted this was a high priority item from the community meetings.

She also stated this resolution can go to Council on August 19th.

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

4. Other Business

Loan for Miracle League

Mayor Perrin explained all of the donations and contributions have been in kind and the City hasn't spent any money on this project except a \$100,000 grant from CDBG. He added he wants to get a loan for \$500,000 and have it set up for 6 months with no interest unless the City uses the money and then after the 6 months he wants to set up a 12 month loan so the City can pay it back.

He stated he wants to start a committee to collect the funds for this project. He noted a foundation has pledged \$50,000 and he hopes if the committee can raise the funds for the Miracle League the City will not have to use the loan.

Mayor Perrin noted he will bring the resolution to the next meeting.

Councilman Street asked if this loan will help open the Miracle League in September. Mayor Perrin answered the Miracle League will probably open in October. Councilman Street moved, motioned by Councilwoman Williams, to allow for the Mayor to solicit bids to acquire a loan to complete the Miracle League. All voted aye.

5. Public Comments

6. Adjournment

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Charles Coleman and Todd Burton



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-14:097 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 8/20/2014 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the special called Finance Committee meeting on August 19, 2014
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Minutes for the special called Finance Committee meeting on August 19, 2014



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes - Draft Finance & Administration Council Committee

Tuesday, August 19, 2014

5:10 PM

Municipal Center

Special Called Meeting

1. Call To Order

Mayor Perrin was also in attendance.

2. Roll Call by City Clerk Donna Jackson

Present 5 - Ann Williams; John Street; Darrel Dover; Charles Coleman and Todd Burton

3. New Business

Ordinances To Be Introduced

ORD-14:051

AN ORDINANCE AUTHORIZING FINANCING FOR THE MIRACLE LEAGUE FIELD PROJECT UNDER AMEDEMMENT 78 WITH BANCORPSOUTH

Sponsors: Finance

Mayor Perrin explained the lowest bidder is Bancorp South and the interest rate is 1.75% for a 6 month line of credit. He added after 6 months the line of credit will be transferred into a 1-year note. He further explained he has a committee and they will start a campaign to collect the remaining funds so the City will not have to use the 1-year note. He noted he was told the other day the City will receive a \$50,000 donation for the Miracle League.

Councilman Street asked if this needs to be placed on tonight's Council agenda. Chairman Dover answered yes.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Charles Coleman and Todd Burton

Resolutions To Be Introduced

RES-14:125

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING CONCILIATION AGREEMENT WITH U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Sponsors: Finance

Attachments: [Manz vs City Police Dept Conciliation agreement](#)

Mayor Perrin stated City Attorney Phillip Crego and APERMA recommended the City settle this lawsuit.

Councilman Street asked if the amount to settle the lawsuit is \$8,000. Mayor Perrin answered yes.

Chairman Dover noted this needs to be placed on tonight's Council agenda.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton

4. Public Comments

5. Adjournment

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 4 - Ann Williams;John Street;Charles Coleman and Todd Burton



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #:	ORD-14:048	Version:	1	Name:	Authorizing a Council member to do business with the city
Type:	Ordinance	Status:		Status:	To Be Introduced
File created:	7/18/2014	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:			
Title:	AN ORDINANCE AUTHORIZING A CITY COUNCIL MEMBER TO DO BUSINESS WITH THE CITY OF JONESBORO				
Sponsors:	Mayor's Office				
Indexes:	Other				
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

AN ORDINANCE AUTHORIZING A CITY COUNCIL MEMBER TO DO BUSINESS WITH THE CITY OF JONESBORO

WHEREAS, Arkansas Code Annotated 14-42-107 et seq provides that interest in office or contracts is prohibited by any aldermen, council member, official or municipal employee, and

WHEREAS, Rennell Woods is owner or owns an interest in Whole Youth Services, Inc. and Kingdon Management, LLC d/b/a Next Level Training located at 3916 Brandywine, Jonesboro, Arkansas 72404, and

WHEREAS, The City of Jonesboro has a limited number of company's providing these services, and

WHEREAS, special permission will need to be given by the City Council for the City Council member to provide these services for the City of Jonesboro, Arkansas, that:

Section 1: The City Council for the City of Jonesboro gives special permission for Rennell Woods owner of Whole Youth Services, Inc. and Kingdom Management, LLC d/b/a Next Level Training to be allowed to provide services for the City of Jonesboro.



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #:	RES-14:121	Version:	1	Name:	Contract with DAV for transportation of local veterans
Type:	Resolution	Status:		Status:	To Be Introduced
File created:	7/29/2014	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:			
Title:	RESOLUTION TO AUTHORIZE A CONTRACT WITH DISABLED AMERICAN VETERANS, CHAPTER 26 FOR TRANSPORTATION OF LOCAL VETERANS				
Sponsors:	Mayor's Office				
Indexes:	Contract				
Code sections:					
Attachments:	PUBLIC SERVICE CONTRACT BETWEEN THE CITY OF JONESBORO AND July 29, 2014				

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

RESOLUTION TO AUTHORIZE A CONTRACT WITH DISABLED AMERICAN VETERANS, CHAPTER 26 FOR TRANSPORTATION OF LOCAL VETERANS

WHEREAS, Disabled American Veterans, Chapter 26 sponsors two (2) vans to serve veterans in this area with transportation including transportation to and from Veterans Administration hospitals in Little Rock, Arkansas and Memphis, Tennessee, and

WHEREAS, the City of Jonesboro desires to contract with Disabled American Veterans, Chapter 26 to assist in providing said transportation by providing five thousand (\$5,000.00) dollars.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

Section 1: The City of Jonesboro shall enter into a Contract with Disabled American Veterans Chapter 26 to provide transportation to and from Veterans Administration facilities for local veterans, for the sum of Five Thousand (\$5,000.00) dollars.

Section 2: That Mayor Harold Perrin and City Clerk Donna Jackson, are authorized to execute such document as are necessary to effectuate this agreement.

PUBLIC SERVICE CONTRACT BETWEEN THE CITY OF JONESBORO AND
DISABLED AMERICAN VETERANS, CHAPTER 26

This contract is entered into on this ____ day of _____, 2014 between the DISABLED AMERICAN VETERANS, CHAPTER 26, located at O Box 195, Jonesboro, Arkansas and the City of Jonesboro, located at 300 S. Church Street, Jonesboro, Arkansas.

Disabled American Veterans Chapter 26 currently sponsors two (2) vans in this area to provide transportation for veterans in this area to Veterans Administration locally, in Little Rock, Arkansas and Memphis, Tennessee.

The City of Jonesboro by way of this contract will provide Five Thousand (\$5,000.00) to assist with these efforts.

With these funds, the Disabled American Veterans, Chapter 26 will provide services to the veteran citizens of Jonesboro and Craighead County as normally associated with this type of transportation and use the funds towards obtaining additional grant funding.

This contract shall be effective _____, 2014 and remain in effect for a period of one (1) year and expiring _____, 2014. This contract will be entered into annually at the beginning of each calendar year to satisfy the scope of the law.

CITY OFFICIALS:

DISABLED AMERICAN VETERANS, CHAPTER 26

Harold Perrin, Mayor

Billy Cribbs
Commander Chapter 26

Donna Jackson, City Clerk



Legislation Details (With Text)

File #:	RES-14:129	Version:	1	Name:	Agreement with the DOJ for 2014 JAG Grant
Type:	Resolution	Status:		Status:	To Be Introduced
File created:	8/19/2014	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:			
Title:	RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE DEPARTMENT OF JUSTICE AND ACCEPT THE 2014 JAG GRANT				
Sponsors:	Grants				
Indexes:	Grant				
Code sections:					
Attachments:	AWARD REPORT.pdf MOU Signed by BOTH.pdf Budget Narrative.pdf JAG 14 SIGNED Resolution.pdf				

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE DEPARTMENT OF JUSTICE AND ACCEPT THE 2014 JAG GRANT

Whereas, the City of Jonesboro was awarded the JAG 2014 Grant in the amount of \$30,241, and

Whereas, the City of Jonesboro, as a disparate city, has entered enter into a Memorandum of Understanding with Craighead County, and

Whereas, the City of Jonesboro will accept the grant in the amount of \$30,241 as well as all accounting and reporting responsibilities for said grant, and

Whereas, the City of Jonesboro will use said funds for tasers and body cameras for the Jonesboro Police Department.

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

SECTION 1: The City of Jonesboro will enter into agreement with the Department of Justice to accept the 2014 Justice Assistance Grant for tasers and body cameras in the amount of \$30,241, and

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this application.



Department of Justice

Office of Justice Programs

Bureau of Justice Assistance

Office of Justice Programs

Washington, D.C. 20531

August 12, 2014

The Honorable Harold Perrin
City of Jonesboro
515 West Washington Avenue
Jonesboro, AR 72401

Dear Mayor Perrin:

On behalf of Attorney General Eric Holder, it is my pleasure to inform you that the Office of Justice Programs has approved your application for funding under the FY 14 Edward Byrne Memorial Justice Assistance Grant (JAG) Program: Local in the amount of \$30,241 for City of Jonesboro.

Enclosed you will find the Grant Award and Special Conditions documents. This award is subject to all administrative and financial requirements, including the timely submission of all financial and programmatic reports, resolution of all interim audit findings, and the maintenance of a minimum level of cash-on-hand. Should you not adhere to these requirements, you will be in violation of the terms of this agreement and the award will be subject to termination for cause or other administrative action as appropriate.

If you have questions regarding this award, please contact:

- Program Questions, Dawn Hill, Program Manager at (202) 616-1704; and
- Financial Questions, the Office of the Chief Financial Officer, Customer Service Center (CSC) at (800) 458-0786, or you may contact the CSC at ask.ocfo@usdoj.gov.

Congratulations, and we look forward to working with you.

Sincerely,

A handwritten signature in cursive script, reading "Denise O'Donnell".

Denise O'Donnell
Director

Enclosures



OFFICE FOR CIVIL RIGHTS

Office of Justice Programs

Department of Justice

810 7th Street, NW
Washington, DC 20531

Tel: (202) 307-0690

TTY: (202) 307-2027

E-mail: askOCR@usdoj.gov

Website: www.ojp.usdoj.gov/ocr

August 12, 2014

The Honorable Harold Perrin
City of Jonesboro
515 West Washington Avenue
Jonesboro, AR 72401

Dear Mayor Perrin:

Congratulations on your recent award. In establishing financial assistance programs, Congress linked the receipt of federal funding to compliance with federal civil rights laws. The Office for Civil Rights (OCR), Office of Justice Programs (OJP), U.S. Department of Justice (DOJ) is responsible for ensuring that recipients of financial assistance from the OJP, the Office of Community Oriented Policing Services (COPS), and the Office on Violence Against Women (OVW) comply with the applicable federal civil rights laws. We at the OCR are available to help you and your organization meet the civil rights requirements that come with DOJ funding.

Ensuring Access to Federally Assisted Programs

Federal laws that apply to recipients of financial assistance from the DOJ prohibit discrimination on the basis of race, color, national origin, religion, sex, or disability in funded programs or activities, not only in employment but also in the delivery of services or benefits. A federal law also prohibits recipients from discriminating on the basis of age in the delivery of services or benefits.

In March of 2013, President Obama signed the Violence Against Women Reauthorization Act of 2013. The statute amends the Violence Against Women Act of 1994 (VAWA) by including a nondiscrimination grant condition that prohibits discrimination based on actual or perceived race, color, national origin, religion, sex, disability, sexual orientation, or gender identity. The new nondiscrimination grant condition applies to certain programs funded after October 1, 2013. The OCR and the OVW have developed answers to some frequently asked questions about this provision to assist recipients of VAWA funds to understand their obligations. The Frequently Asked Questions are available at <http://ojp.gov/about/ocr/vawafaqs.htm>.

Enforcing Civil Rights Laws

All recipients of federal financial assistance, regardless of the particular funding source, the amount of the grant award, or the number of employees in the workforce, are subject to prohibitions against unlawful discrimination. Accordingly, the OCR investigates recipients that are the subject of discrimination complaints from both individuals and groups. In addition, based on regulatory criteria, the OCR selects a number of recipients each year for compliance reviews, audits that require recipients to submit data showing that they are providing services equitably to all segments of their service population and that their employment practices meet equal opportunity standards.

Providing Services to Limited English Proficiency (LEP) Individuals

In accordance with DOJ guidance pertaining to Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, recipients of federal financial assistance must take reasonable steps to provide meaningful access to their programs and activities for persons with limited English proficiency (LEP). See U.S. Department of Justice, Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 67 Fed. Reg. 41,455 (2002). For more information on the civil rights responsibilities that recipients have in providing language services to LEP individuals, please see the website <http://www.lep.gov>.

Ensuring Equal Treatment for Faith-Based Organizations

The DOJ regulation, Equal Treatment for Faith-Based Organizations, 28 C.F.R. pt. 38, requires State Administering Agencies (SAAs) to treat faith-based organizations the same as any other applicant or recipient. The regulation prohibits SAAs from making awards or grant administration decisions on the basis of an organization's religious character or affiliation, religious name, or the religious composition of its board of directors.

The regulation also prohibits faith-based organizations from using financial assistance from the DOJ to fund inherently (or explicitly) religious activities. While faith-based organizations can engage in non-funded inherently religious activities, they must hold them separately from the program funded by the DOJ, and recipients cannot compel beneficiaries to participate in them. The Equal Treatment Regulation also makes clear that organizations participating in programs funded by the DOJ are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion. For more information on the regulation, please see the OCR's website at http://www.ojp.usdoj.gov/about/ocr/equal_fbo.htm.

SAAs and faith-based organizations should also note that the Omnibus Crime Control and Safe Streets Act (Safe Streets Act) of 1968, as amended, 42 U.S.C. § 3789d(c); the Victims of Crime Act of 1984, as amended, 42 U.S.C. § 10604(e); the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, 42 U.S.C. § 5672(b); and VAWA, Pub. L. No. 113-4, sec. 3(b)(4), 127 Stat. 54, 61-62 (to be codified at 42 U.S.C. § 13925(b)(13)) contain prohibitions against discrimination on the basis of religion in employment. Despite these nondiscrimination provisions, the DOJ has concluded that it may construe the Religious Freedom Restoration Act (RFRA) on a case-by-case basis to permit some faith-based organizations to receive DOJ funds while taking into account religion when hiring staff, even if the statute that authorizes the funding program generally forbids recipients from considering religion in employment decisions. Please consult with the OCR if you have any questions about the regulation or the application of RFRA to the statutes that prohibit discrimination in employment.

Using Arrest and Conviction Records in Making Employment Decisions

The OCR issued an advisory document for recipients on the proper use of arrest and conviction records in making hiring decisions. See Advisory for Recipients of Financial Assistance from the U.S. Department of Justice on the U.S. Equal Employment Opportunity Commission's Enforcement Guidance: Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964 (June 2013), available at http://www.ojp.usdoj.gov/about/ocr/pdfs/UseofConviction_Advisory.pdf. Recipients should be mindful that the misuse of arrest or conviction records to screen either applicants for employment or employees for retention or promotion may have a disparate impact based on race or national origin, resulting in unlawful employment discrimination. In light of the Advisory, recipients should consult local counsel in reviewing their employment practices. If warranted, recipients should also incorporate an analysis of the use of arrest and conviction records in their Equal Employment Opportunity Plans (EEOPs) (see below).

Complying with the Safe Streets Act

An organization that is a recipient of financial assistance subject to the nondiscrimination provisions of the Safe Streets Act, must meet two obligations: (1) complying with the federal regulation pertaining to the development of an EEOP (see 28 C.F.R. pt. 42, subpt. E) and (2) submitting to the OCR findings of discrimination (see 28 C.F.R. §§ 42.204(c), .205(c)(5)).

Meeting the EEOP Requirement

If your organization has less than fifty employees or receives an award of less than \$25,000 or is a nonprofit organization, a medical institution, an educational institution, or an Indian tribe, then it is exempt from the EEOP requirement. To claim the exemption, your organization must complete and submit Section A of the Certification Form, which is available online at <http://www.ojp.usdoj.gov/about/ocr/pdfs/cert.pdf>.

If your organization is a government agency or private business and receives an award of \$25,000 or more, but less than \$500,000, and has fifty or more employees (counting both full- and part-time employees but excluding political appointees), then it has to prepare a Utilization Report (formerly called an EEOP Short Form), but it does not have to submit the report to the OCR for review. Instead, your organization has to maintain the Utilization Report on file and make it available for review on request. In addition, your organization has to complete Section B of the Certification Form and return it to the OCR. The Certification Form is available at <http://www.ojp.usdoj.gov/about/ocr/pdfs/cert.pdf>.

If your organization is a government agency or private business and has received an award for \$500,000 or more and has fifty or more employees (counting both full- and part-time employees but excluding political appointees), then it has to prepare a Utilization Report (formerly called an EEOP Short Form) and submit it to the OCR for review within sixty days from the date of this letter. For assistance in developing a Utilization Report, please consult the OCR's website at <http://www.ojp.usdoj.gov/about/ocr/eeop.htm>. In addition, your organization has to complete Section C of the Certification Form and return it to the OCR. The Certification Form is available at <http://www.ojp.usdoj.gov/about/ocr/pdfs/cert.pdf>.

To comply with the EEOP requirements, you may request technical assistance from an EEOP specialist at the OCR by telephone at (202) 307-0690, by TTY at (202) 307-2027, or by e-mail at EEOSubmission@usdoj.gov.

Meeting the Requirement to Submit Findings of Discrimination

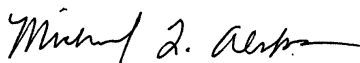
If in the three years prior to the date of the grant award, your organization has received an adverse finding of discrimination based on race, color, national origin, religion, or sex, after a due-process hearing, from a state or federal court or from a state or federal administrative agency, your organization must send a copy of the finding to the OCR.

Ensuring the Compliance of Subrecipients

SAs must have standard assurances to notify subrecipients of their civil rights obligations, written procedures to address discrimination complaints filed against subrecipients, methods to monitor subrecipients' compliance with civil rights requirements, and a program to train subrecipients on applicable civil rights laws. In addition, SAs must submit to the OCR every three years written Methods of Administration (MOA) that summarize the policies and procedures that they have implemented to ensure the civil rights compliance of subrecipients. For more information on the MOA requirement, see http://www.ojp.usdoj.gov/funding/other_requirements.htm.

If the OCR can assist you in any way in fulfilling your organization's civil rights responsibilities as a recipient of federal financial assistance, please contact us.

Sincerely,



Michael L. Alston
Director

cc: Grant Manager
Financial Analyst



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

Grant

PAGE 1 OF 7

1. RECIPIENT NAME AND ADDRESS (Including Zip Code) City of Jonesboro 515 West Washington Avenue Jonesboro, AR 72401		4. AWARD NUMBER: 2014-DJ-BX-1135	
		5. PROJECT PERIOD: FROM 10/01/2013 TO 09/30/2017 BUDGET PERIOD: FROM 10/01/2013 TO 09/30/2017	
		6. AWARD DATE 08/12/2014	7. ACTION Initial
1A. GRANTEE IRS/VENDOR NO. 716013749	8. SUPPLEMENT NUMBER 00		
		9. PREVIOUS AWARD AMOUNT \$ 0	
3. PROJECT TITLE Jonesboro City FY14 JAG Project		10. AMOUNT OF THIS AWARD \$ 30,241	
		11. TOTAL AWARD \$ 30,241	
12. SPECIAL CONDITIONS THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS ARE SET FORTHON THE ATTACHED PAGE(S).			
13. STATUTORY AUTHORITY FOR GRANT This project is supported under FY14(BJA - JAG) 42 USC 3750, et seq.			
15. METHOD OF PAYMENT GPRS			
AGENCY APPROVAL		GRANTEE ACCEPTANCE	
16. TYPED NAME AND TITLE OF APPROVING OFFICIAL Denise O'Donnell Director		18. TYPED NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL Harold Perrin Mayor	
17. SIGNATURE OF APPROVING OFFICIAL 		19. SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	19A. DATE
AGENCY USE ONLY			
20. ACCOUNTING CLASSIFICATION CODES FISCALYFUND C BUD.A OFC. DIV.RE SUB. POMS AMOUNT EAR ODE CT. G. X B DJ 80 00 00 30241		21. NDJUGT0685	



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

**AWARD
CONTINUATIONSHEET
Grant**

PAGE 2 OF 7

PROJECT NUMBER 2014-DJ-BX-1135

AWARD DATE 08/12/2014

SPECIAL CONDITIONS

1. The recipient agrees to comply with the financial and administrative requirements set forth in the current edition of the Office of Justice Programs (OJP) Financial Guide.
2. The recipient acknowledges that failure to submit an acceptable Equal Employment Opportunity Plan (if recipient is required to submit one pursuant to 28 C.F.R. Section 42.302), that is approved by the Office for Civil Rights, is a violation of its Certified Assurances and may result in suspension or termination of funding, until such time as the recipient is in compliance.
3. The recipient agrees to comply with the organizational audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and further understands and agrees that funds may be withheld, or other related requirements may be imposed, if outstanding audit issues (if any) from OMB Circular A-133 audits (and any other audits of OJP grant funds) are not satisfactorily and promptly addressed, as further described in the current edition of the OJP Financial Guide.
4. Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of OJP.
5. The recipient must promptly refer to the DOJ OIG any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor, or other person has either 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. This condition also applies to any subrecipients. Potential fraud, waste, abuse, or misconduct should be reported to the OIG by -

mail:

Office of the Inspector General
U.S. Department of Justice
Investigations Division
950 Pennsylvania Avenue, N.W.
Room 4706
Washington, DC 20530

e-mail: oig.hotline@usdoj.gov

hotline: (contact information in English and Spanish): (800) 869-4499

or hotline fax: (202) 616-9881

Additional information is available from the DOJ OIG website at www.usdoj.gov/oig.

6. Recipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or subaward to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express prior written approval of OJP.
7. The recipient agrees to comply with any additional requirements that may be imposed during the grant performance period if the agency determines that the recipient is a high-risk grantee. Cf. 28 C.F.R. parts 66, 70.



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

**AWARD
CONTINUATIONSHEET
Grant**

PAGE 3 OF 7

PROJECT NUMBER 2014-DJ-BX-1135

AWARD DATE 08/12/2014

SPECIAL CONDITIONS

8. The recipient agrees to comply with applicable requirements regarding registration with the System for Award Management (SAM) (or with a successor government-wide system officially designated by OMB and OJP). The recipient also agrees to comply with applicable restrictions on subawards to first-tier subrecipients that do not acquire and provide a Data Universal Numbering System (DUNS) number. The details of recipient obligations are posted on the Office of Justice Programs web site at <http://www.ojp.gov/funding/sam.htm> (Award condition: Registration with the System for Award Management and Universal Identifier Requirements), and are incorporated by reference here. This special condition does not apply to an award to an individual who received the award as a natural person (i.e., unrelated to any business or non-profit organization that he or she may own or operate in his or her name).
9. Pursuant to Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 1, 2009), the Department encourages recipients and sub recipients to adopt and enforce policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this grant, and to establish workplace safety policies and conduct education, awareness, and other outreach to decrease crashes caused by distracted drivers.
10. The recipient agrees to comply with all applicable laws, regulations, policies, and guidance (including specific cost limits, prior approval and reporting requirements, where applicable) governing the use of federal funds for expenses related to conferences, meetings, trainings, and other events, including the provision of food and/or beverages at such events, and costs of attendance at such events. Information on pertinent laws, regulations, policies, and guidance is available in the OJP Financial Guide Conference Cost Chapter.
11. The recipient understands and agrees that any training or training materials developed or delivered with funding provided under this award must adhere to the OJP Training Guiding Principles for Grantees and Subgrantees, available at <http://www.ojp.usdoj.gov/funding/ojptrainingguidingprinciples.htm>.
12. The recipient agrees that if it currently has an open award of federal funds or if it receives an award of federal funds other than this OJP award, and those award funds have been, are being, or are to be used, in whole or in part, for one or more of the identical cost items for which funds are being provided under this OJP award, the recipient will promptly notify, in writing, the grant manager for this OJP award, and, if so requested by OJP, seek a budget-modification or change-of-project-scope grant adjustment notice (GAN) to eliminate any inappropriate duplication of funding.
13. The recipient understands and agrees that award funds may not be used to discriminate against or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.
14. The recipient understands and agrees that - (a) No award funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography, and (b) Nothing in subsection (a) limits the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.
15. The recipient agrees to comply with OJP grant monitoring guidelines, protocols, and procedures, and to cooperate with BJA and OCFO on all grant monitoring requests, including requests related to desk reviews, enhanced programmatic desk reviews, and/or site visits. The recipient agrees to provide to BJA and OCFO all documentation necessary to complete monitoring tasks, including documentation related to any subawards made under this award. Further, the recipient agrees to abide by reasonable deadlines set by BJA and OCFO for providing the requested documents. Failure to cooperate with BJA's/OCFO's grant monitoring activities may result in sanctions affecting the recipient's DOJ awards, including, but not limited to: withholdings and/or other restrictions on the recipient's access to grant funds; referral to the Office of the Inspector General for audit review; designation of the recipient as a DOJ High Risk grantee; or termination of an award(s).



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

**AWARD
CONTINUATIONSHEET
Grant**

PAGE 4 OF 7

PROJECT NUMBER 2014-DJ-BX-1135

AWARD DATE 08/12/2014

SPECIAL CONDITIONS

16. The recipient agrees to comply with applicable requirements to report first-tier subawards of \$25,000 or more and, in certain circumstances, to report the names and total compensation of the five most highly compensated executives of the recipient and first-tier subrecipients of award funds. Such data will be submitted to the FFATA Subaward Reporting System (FSRS). The details of recipient obligations, which derive from the Federal Funding Accountability and Transparency Act of 2006 (FFATA), are posted on the Office of Justice Programs web site at <http://www.ojp.gov/funding/ffata.htm> (Award condition: Reporting Subawards and Executive Compensation), and are incorporated by reference here. This condition, and its reporting requirement, does not apply to grant awards made to an individual who received the award as a natural person (i.e., unrelated to any business or non-profit organization that he or she may own or operate in his or her name).
17. The recipient agrees that all income generated as a direct result of this award shall be deemed program income. All program income earned must be accounted for and used for the purposes of funds provided under this award, including such use being consistent with the conditions of the award, the effective edition of the OJP Financial Guide and, as applicable, either (1) 28 C.F.R. Part 66 or (2) 28 C.F.R Part 70 and 2 C.F.R. Part 215 (OMB Circular A-110). Further, the use of program income must be reported on the quarterly Federal Financial Report, SF 425.
18. To avoid duplicating existing networks or IT systems in any initiatives funded by BJA for law enforcement information sharing systems which involve interstate connectivity between jurisdictions, such systems shall employ, to the extent possible, existing networks as the communication backbone to achieve interstate connectivity, unless the grantee can demonstrate to the satisfaction of BJA that this requirement would not be cost effective or would impair the functionality of an existing or proposed IT system.
19. In order to promote information sharing and enable interoperability among disparate systems across the justice and public safety community, OJP requires the grantee to comply with DOJ's Global Justice Information Sharing Initiative (DOJ's Global) guidelines and recommendations for this particular grant. Grantee shall conform to the Global Standards Package (GSP) and all constituent elements, where applicable, as described at: http://www.it.ojp.gov/gsp_grantcondition. Grantee shall document planned approaches to information sharing and describe compliance to the GSP and appropriate privacy policy that protects shared information, or provide detailed justification for why an alternative approach is recommended.
20. The recipient is required to establish a trust fund account. (The trust fund may or may not be an interest-bearing account.) The fund, including any interest, may not be used to pay debts or expenses incurred by other activities beyond the scope of the Edward Byrne Memorial Justice Assistance Grant Program (JAG). The recipient also agrees to obligate the grant funds in the trust fund (including any interest earned) during the period of the grant and expend within 90 days thereafter. Any unobligated or unexpended funds, including interest earned, must be returned to the Office of Justice Programs at the time of closeout.
21. JAG funds may be used to purchase vests for an agency, but they may not be used as the 50% match for purposes of the Bulletproof Vest Partnership (BVP) program.
22. The recipient agrees to submit a signed certification that that all law enforcement agencies receiving vests purchased with JAG funds have a written "mandatory wear" policy in effect. Fiscal agents and state agencies must keep signed certifications on file for any subrecipients planning to utilize JAG funds for ballistic-resistant and stab-resistant body armor purchases. This policy must be in place for at least all uniformed officers before any JAG funding can be used by the agency for body armor. There are no requirements regarding the nature of the policy other than it being a mandatory wear policy for all uniformed officers while on duty.



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

**AWARD
CONTINUATIONSHEET
Grant**

PAGE 5 OF 7

PROJECT NUMBER 2014-DJ-BX-1135

AWARD DATE 08/12/2014

SPECIAL CONDITIONS

23. Ballistic-resistant and stab-resistant body armor purchased with JAG funds may be purchased at any threat level, make or model, from any distributor or manufacturer, as long as the vests have been tested and found to comply with applicable National Institute of Justice ballistic or stab standards and are listed on the NIJ Compliant Body Armor Model List (<http://nij.gov>). In addition, ballistic-resistant and stab-resistant body armor purchased must be American-made. The latest NIJ standard information can be found here: <http://www.nij.gov/topics/technology/body-armor/safety-initiative.htm>.
24. The grantee agrees to assist BJA in complying with the National Environmental Policy Act (NEPA), the National Historic Preservation Act, and other related federal environmental impact analyses requirements in the use of these grant funds, either directly by the grantee or by a subgrantee. Accordingly, the grantee agrees to first determine if any of the following activities will be funded by the grant, prior to obligating funds for any of these purposes. If it is determined that any of the following activities will be funded by the grant, the grantee agrees to contact BJA.

The grantee understands that this special condition applies to its following new activities whether or not they are being specifically funded with these grant funds. That is, as long as the activity is being conducted by the grantee, a subgrantee, or any third party and the activity needs to be undertaken in order to use these grant funds, this special condition must first be met. The activities covered by this special condition are:

- New construction;
- Minor renovation or remodeling of a property located in an environmentally or historically sensitive area, including properties located within a 100-year flood plain, a wetland, or habitat for endangered species, or a property listed on or eligible for listing on the National Register of Historic Places;
- A renovation, lease, or any proposed use of a building or facility that will either (a) result in a change in its basic prior use or (b) significantly change its size;
- Implementation of a new program involving the use of chemicals other than chemicals that are (a) purchased as an incidental component of a funded activity and (b) traditionally used, for example, in office, household, recreational, or education environments; and
- Implementation of a program relating to clandestine methamphetamine laboratory operations, including the identification, seizure, or closure of clandestine methamphetamine laboratories.

The grantee understands and agrees that complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. The grantee further understands and agrees to the requirements for implementation of a Mitigation Plan, as detailed at <http://www.ojp.usdoj.gov/BJA/resource/nepa.html>, for programs relating to methamphetamine laboratory operations.

Application of This Special Condition to Grantee's Existing Programs or Activities: For any of the grantee's or its subgrantees' existing programs or activities that will be funded by these grant funds, the grantee, upon specific request from BJA, agrees to cooperate with BJA in any preparation by BJA of a national or program environmental assessment of that funded program or activity.

25. The recipient agrees that any information technology system funded or supported by OJP funds will comply with 28 C.F.R. Part 23, Criminal Intelligence Systems Operating Policies, if OJP determines this regulation to be applicable. Should OJP determine 28 C.F.R. Part 23 to be applicable, OJP may, at its discretion, perform audits of the system, as per the regulation. Should any violation of 28 C.F.R. Part 23 occur, the recipient may be fined as per 42 U.S.C. 3789g(c)-(d). Recipient may not satisfy such a fine with federal funds.
26. The recipient agrees to ensure that the State Information Technology Point of Contact receives written notification regarding any information technology project funded by this grant during the obligation and expenditure period. This is to facilitate communication among local and state governmental entities regarding various information technology projects being conducted with these grant funds. In addition, the recipient agrees to maintain an administrative file documenting the meeting of this requirement. For a list of State Information Technology Points of Contact, go to <http://www.it.ojp.gov/default.aspx?area=policyAndPractice&page=1046>.



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

**AWARD
CONTINUATIONSHEET
Grant**

PAGE 6 OF 7

PROJECT NUMBER 2014-DJ-BX-1135

AWARD DATE 08/12/2014

SPECIAL CONDITIONS

27. The grantee agrees to comply with the applicable requirements of 28 C.F.R. Part 38, the Department of Justice regulation governing "Equal Treatment for Faith Based Organizations" (the "Equal Treatment Regulation"). The Equal Treatment Regulation provides in part that Department of Justice grant awards of direct funding may not be used to fund any inherently religious activities, such as worship, religious instruction, or proselytization. Recipients of direct grants may still engage in inherently religious activities, but such activities must be separate in time or place from the Department of Justice funded program, and participation in such activities by individuals receiving services from the grantee or a sub-grantee must be voluntary. The Equal Treatment Regulation also makes clear that organizations participating in programs directly funded by the Department of Justice are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion. Notwithstanding any other special condition of this award, faith-based organizations may, in some circumstances, consider religion as a basis for employment. See http://www.ojp.gov/about/ocr/equal_fbo.htm.
28. The recipient acknowledges that all programs funded through subawards, whether at the state or local levels, must conform to the grant program requirements as stated in BJA program guidance.
29. Grantee agrees to comply with the requirements of 28 C.F.R. Part 46 and all Office of Justice Programs policies and procedures regarding the protection of human research subjects, including obtainment of Institutional Review Board approval, if appropriate, and subject informed consent.
30. Grantee agrees to comply with all confidentiality requirements of 42 U.S.C. section 3789g and 28 C.F.R. Part 22 that are applicable to collection, use, and revelation of data or information. Grantee further agrees, as a condition of grant approval, to submit a Privacy Certificate that is in accord with requirements of 28 C.F.R. Part 22 and, in particular, section 22.23.
31. The recipient agrees to monitor subawards under this JAG award in accordance with all applicable statutes, regulations, OMB circulars, and guidelines, including the OJP Financial Guide, and to include the applicable conditions of this award in any subaward. The recipient is responsible for oversight of subrecipient spending and monitoring of specific outcomes and benefits attributable to use of JAG funds by subrecipients. The recipient agrees to submit, upon request, documentation of its policies and procedures for monitoring of subawards under this award.
32. The recipient agrees that funds received under this award will not be used to supplant State or local funds, but will be used to increase the amounts of such funds that would, in the absence of Federal funds, be made available for law enforcement activities.
33. Award recipients must submit quarterly a Federal Financial Report (SF-425) and annual performance reports through GMS (<https://grants.ojp.usdoj.gov>). Consistent with the Department's responsibilities under the Government Performance and Results Act (GPRA), P.L. 103-62, applicants who receive funding under this solicitation must provide data that measure the results of their work. Therefore, quarterly performance metrics reports must be submitted through BJA's Performance Measurement Tool (PMT) website (www.bjaperformancetools.org). For more detailed information on reporting and other JAG requirements, refer to the JAG reporting requirements webpage. Failure to submit required JAG reports by established deadlines may result in the freezing of grant funds and future High Risk designation.
34. Award recipients must verify Point of Contact(POC), Financial Point of Contact (FPOC), and Authorized Representative contact information in GMS, including telephone number and e-mail address. If any information is incorrect or has changed, a Grant Adjustment Notice (GAN) must be submitted via the Grants Management System (GMS) to document changes.



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

**AWARD
CONTINUATIONSHEET
Grant**

PAGE 7 OF 7

PROJECT NUMBER 2014-DJ-BX-1135

AWARD DATE 08/12/2014

SPECIAL CONDITIONS

35. The grantee agrees that within 120 days of award acceptance, each current member of a law enforcement task force funded with these funds who is a task force commander, agency executive, task force officer, or other task force member of equivalent rank, will complete required online (internet-based) task force training. Additionally, all future task force members are required to complete this training once during the life of this award, or once every four years if multiple awards include this requirement. The training is provided free of charge online through BJA's Center for Task Force Integrity and Leadership (www.ctfli.org). This training addresses task force effectiveness as well as other key issues including privacy and civil liberties/rights, task force performance measurement, personnel selection, and task force oversight and accountability. When BJA funding supports a task force, a task force personnel roster should be compiled and maintained, along with course completion certificates, by the grant recipient. Additional information is available regarding this required training and access methods via BJA's web site and the Center for Task Force Integrity and Leadership (www.ctfli.org).
36. No JAG funds may be expended on the purchase of unmanned aircraft, unmanned aircraft systems or unmanned aerial vehicles (UA/UAS/UAV), unless the BJA Director certifies that extraordinary and exigent circumstances exist, making them essential to the maintenance of public safety and good order. Any state or local jurisdiction receiving BJA approval to utilize JAG funds for this type of purchase must certify to DOJ that it received Federal Aviation Administration (FAA) approval to operate a UA/UAS/UAV and that it is legal to operate a UA/UAS/UAV in the proposed jurisdiction or geographic area. The recipient must submit a statement on the goals and objectives for the use of a UA/UAS/UAV, the anticipated specific uses, and policy regarding privacy considerations. BJA may require additional reporting requirements that will be stipulated post award.
37. BJA strongly encourages the recipient to submit annual (or more frequent) JAG success stories. To submit a success story, sign in to your My BJA account at <https://www.bja.gov/Login.aspx> to access the Success Story Submission form. If you do not yet have a My BJA account, please register at <https://www.bja.gov/profile.aspx>. Once you register, one of the available areas on your My BJA page will be "My Success Stories". Within this box, you will see an option to add a Success Story. Once reviewed and approved by BJA, all success stories will appear on the new BJA Success Story web page at <https://www.bja.gov/SuccessStoryList.aspx>.



Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

Washington, D.C. 20531

Memorandum To: Official Grant File

From: Orbin Terry, NEPA Coordinator

Subject: Incorporates NEPA Compliance in Further Developmental Stages for City of Jonesboro

The Edward Byrne Memorial Justice Assistance Grant Program (JAG) allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system, some of which could have environmental impacts. All recipients of JAG funding must assist BJA in complying with NEPA and other related federal environmental impact analyses requirements in the use of grant funds, whether the funds are used directly by the grantee or by a subgrantee or third party. Accordingly, prior to obligating funds for any of the specified activities, the grantee must first determine if any of the specified activities will be funded by the grant.

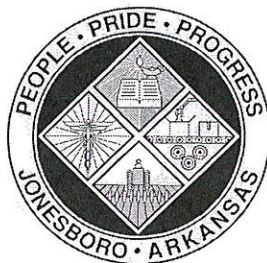
The specified activities requiring environmental analysis are:

- a. New construction;
- b. Any renovation or remodeling of a property located in an environmentally or historically sensitive area, including properties located within a 100-year flood plain, a wetland, or habitat for endangered species, or a property listed on or eligible for listing on the National Register of Historic Places;
- c. A renovation, lease, or any proposed use of a building or facility that will either (a) result in a change in its basic prior use or (b) significantly change its size;
- d. Implementation of a new program involving the use of chemicals other than chemicals that are (a) purchased as an incidental component of a funded activity and (b) traditionally used, for example, in office, household, recreational, or education environments; and
- e. Implementation of a program relating to clandestine methamphetamine laboratory operations, including the identification, seizure, or closure of clandestine methamphetamine laboratories.

Complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. Further, for programs relating to methamphetamine laboratory operations, the preparation of a detailed Mitigation Plan will be required. For more information about Mitigation Plan requirements, please see <http://www.ojp.usdoj.gov/BJA/resource/nepa.html>. Please be sure to carefully review the grant conditions on your award document, as it may contain more specific information about environmental compliance.

 <div>Department of Justice Office of Justice Programs Bureau of Justice Assistance</div>	GRANT MANAGER'S MEMORANDUM, PT. I: PROJECT SUMMARY	
	Grant	
	PROJECT NUMBER 2014-DJ-BX-1135	PAGE 1 OF 1
This project is supported under FY14(BJA - JAG) 42 USC 3750, et seq.		
1. STAFF CONTACT (Name & telephone number) Dawn Hill (202) 616-1704	2. PROJECT DIRECTOR (Name, address & telephone number) Heather Clements Grants Administrator 300 South Church Street PO Box 1845 Jonesboro, AR 72403-1845 (870) 336-7229 ext.1229	
3a. TITLE OF THE PROGRAM BJA FY 14 Edward Byrne Memorial Justice Assistance Grant (JAG) Program: Local		3b. POMS CODE (SEE INSTRUCTIONS ON REVERSE)
4. TITLE OF PROJECT Jonesboro City FY14 JAG Project		
5. NAME & ADDRESS OF GRANTEE City of Jonesboro 515 West Washington Avenue Jonesboro, AR 72401	6. NAME & ADDRESS OF SUBGRANTEE	
7. PROGRAM PERIOD FROM: 10/01/2013 TO: 09/30/2017	8. BUDGET PERIOD FROM: 10/01/2013 TO: 09/30/2017	
9. AMOUNT OF AWARD \$ 30,241	10. DATE OF AWARD 08/12/2014	
11. SECOND YEAR'S BUDGET	12. SECOND YEAR'S BUDGET AMOUNT	
13. THIRD YEAR'S BUDGET PERIOD	14. THIRD YEAR'S BUDGET AMOUNT	
15. SUMMARY DESCRIPTION OF PROJECT (See instruction on reverse) The Edward Byrne Memorial Justice Assistance Grant Program (JAG) allows states and units of local government, including tribes, to support a broad range of activities to prevent and control crime based on their own state and local needs and conditions. Grant funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice, including for any one or more of the following program areas: 1) law enforcement programs; 2) prosecution and court programs; 3) prevention and education programs; 4) corrections and community corrections programs; 5) drug treatment and enforcement programs; 6) planning, evaluation, and technology improvement programs; and 7) crime victim and witness programs (other than compensation). The City of Jonesboro will support law enforcement initiatives. They will use FY14 JAG funds to purchase law enforcement equipment and supplies for the Jonesboro Police Department. The goal is to improve the function of the criminal justice system. NCA/NCF		





CITY OF JONESBORO

May 12, 2014

The Honorable Ed Hill
Craighead County Judge
511 Union Ave.
Jonesboro, AR 72401

Re: JAG 2014 Funds

Judge Hill:

The City of Jonesboro appreciates the spirit of cooperation displayed by Craighead County in administering the FY 2014 – Edward Byrne Memorial Justice (JAG) award from the Bureau of Justice Assistance.

Pursuant to Department of Justice guidelines, the City of Jonesboro will receive 100% of the funds and is responsible for 100% of any local match. In addition, the City of Jonesboro will serve as the fiscal agent with reporting responsibilities.

We look forward to collaborating with you and other local officials in our efforts to make this area one of the safest in the nation.

Sincerely,

Harold Perrin
Mayor

Ed Hill
Craighead County Judge

Budget Narrative

Equipment: First Vu HD Evidentiary-Grade Body Camera

Cost:

$\$995.00 + \$195 = \$1,190 \text{ total} \times 10 \text{ units} = \$11,900 \text{ total costs.}$

Justification:

The requested funding will purchase the necessary equipment for ten (10) JPD trained officers to be equipped with body camera systems.

Equipment: Tasers

Cost:

$\$1,000 \times 18 \text{ units} = \$18,000 \text{ total costs.}$

Justification:

The requested funding will purchase eighteen (18) tasers for sworn officers.

Administration: Grants Administrator

Cost:

$\$31.00 \text{ hourly rate} \times 11 \text{ hours worked/will work on grant} = \$341.00 \text{ total costs.}$

Justification

The requested administrative fees will be used to reimburse the Grants Department for hours spent on grant administration.

All equipment will be purchased according to the City of Jonesboro's procurement processes along with federal guidelines to guarantee fair and open bidding. JPD will work closely with the Grants and Community Development Department in the bid process, ensuring that the provider who offers the most effective equipment, at the best rate possible is secured. The Grants Department will handle all quarterly and annual reporting, reconciliations, and requests for reimbursements. The Grants Department has annual federal A-133 audits and since 2010 have had no major findings.

Total Amount Requested: \$30,241.00



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Signature Copy

Resolution: R-EN-059-2014

File Number: RES-14:064

Enactment Number: R-EN-059-2014

RESOLUTION AUTHORIZING THE CITY OF JONESBORO GRANTS AND
COMMUNITY DEVELOPMENT DEPARTMENT TO SUBMIT AN APPLICATION FOR
THE 2014 DEPARTMENT OF JUSTICE JAG (JUSTICE ASSISTANCE GRANT) GRANT

Whereas, the City of Jonesboro is designated as a disparate jurisdiction with the Bureau of Justice Assistance, and

Whereas, the City of Jonesboro will enter into a Memorandum of Understanding with Craighead County, and

Whereas, the City of Jonesboro will apply for \$30,241, and

Whereas, the City of Jonesboro will use said funds for body cameras and tasers for sworn officers;
and

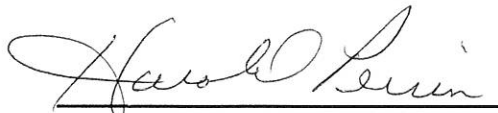
Whereas, the JAG program is 100% federally funded with no local match required.

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


SECTION 1: The City of Jonesboro will apply for \$30,241 from the Bureau of Justice Assistance
2014 Grant Program for body camera equipment and tasers, and

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of
Jonesboro to execute all documents necessary to effectuate this application.

PASSED AND APPROVED this 3rd day of June, 2014.


Harold Perrin, Mayor

Date 6-5-14

ATTEST: 
Donna Jackson, City Clerk

Date 6/5/14



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #:	COM-14:069	Version:	1	Name:	Grants audit for December, 2013
Type:	Other Communications	Status:		Status:	To Be Introduced
File created:	8/18/2014	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	City of Jonesboro, Arkansas Federal Grants Independent Auditor's Report and Financial Statements. December 31, 2013				
Sponsors:	Finance				
Indexes:	Audit, Grant				
Code sections:					
Attachments:	Jonesboro 2013 A133 2013 Management Representation letter 2013 Governance letter				

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

City of Jonesboro, Arkansas Federal Grants Independent Auditor's Report and Financial Statements. December 31, 2013

CITY OF JONESBORO, ARKANSAS

FEDERAL GRANTS

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

December 31, 2013

CITY OF JONESBORO, ARKANSAS

FEDERAL GRANTS

December 31, 2013

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3 - 5
FINANCIAL STATEMENTS	
Combined Statement of Net Position - All Fund Types and Account Groups	6
Statement of Revenues, Expenses and Changes in Net Position	7
Notes to the Financial Statements	8 - 12
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	14 - 15
Notes to the Schedule of Expenditures of Federal Awards	16
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17 - 18
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	19 - 20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	21 - 22
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS	23

FREEMAN & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the federal grant funds of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the federal grant funds of the City of Jonesboro, Arkansas's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As discussed in Note 1, the financial statements present only the federal grant funds of the City of Jonesboro, Arkansas, and do not purport to, and do not, present fairly the financial position of the City of Jonesboro, Arkansas, as of December 31, 2013, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the federal grant funds of the City of Jonesboro, Arkansas, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the federal grant funds of the City of Jonesboro, Arkansas's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2014, on our consideration of the City of Jonesboro, Arkansas, federal grant funds' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jonesboro, Arkansas, federal grant funds' internal control over financial reporting and compliance.

FREEMAN & COMPANY, INC.

A handwritten signature in cursive script that reads "Freeman & Company, Inc." The signature is written in dark ink and is positioned below the printed name of the company.

Jonesboro, Arkansas
July 22, 2014

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

COMBINED STATEMENT OF NET POSITION - ALL FUND TYPES
AND ACCOUNT GROUPS

December 31, 2013

	Governmental <u>Fund Types</u>	Account <u>Group</u> General	Memorandum <u>Total Only</u>
	Special <u>Revenues</u>	Fixed <u>Assets</u>	
ASSETS			
Accounts receivable – other governments (Note 3)	\$ 442,594		\$ 442,594
Property, plant and equipment (Note 4)	<u> </u>	\$ <u>1,886,527</u>	<u>1,886,527</u>
Total Assets	\$ <u>442,594</u>	\$ <u>1,886,527</u>	\$ <u>2,329,121</u>
 LIABILITIES AND NET POSITION			
Due to general fund	\$ <u>442,594</u>		\$ <u>442,594</u>
Total Liabilities	<u>442,594</u>		<u>442,594</u>
 NET POSITION			
Net investment in property, plant and equipment		\$ <u>1,886,527</u>	<u>1,886,527</u>
Total Liabilities and Net Position	\$ <u>442,594</u>	\$ <u>1,886,527</u>	\$ <u>2,329,121</u>

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

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION

Year Ended December 31, 2013

	<u>Governmental Fund Types</u>	<u>Special Revenue</u>
REVENUE		
Grant revenues	\$ <u>2,199,503</u>	
Total Revenue	<u>2,199,503</u>	
EXPENSES		
Grant program expenses	<u>2,199,503</u>	
Total Expenses	<u>2,199,503</u>	
EXCESS REVENUE OVER EXPENSES	<u>0</u>	
NET POSITION, BEGINNING OF YEAR	<u>0</u>	
NET POSITION, END OF YEAR	\$ <u>0</u>	

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

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

Nature of Operations -The entities on which these financial statements report are federal grant funds of the City of Jonesboro, Arkansas. The grants are the U.S. Department of Commerce, Investments for Public Works and Economic Development Facilities Grant; the U.S. Department of Housing and Urban Renewal, Community Development Block Grant and Community Development Block Grant/State's Program; the U.S. Department of Justice, Bulletproof Vest Partnership Program, Office of Community Oriented Policing Services (COPS), Edward Byrne Justice Assistance Grant; the U.S. Department of Transportation, Federal Transit Administration-Federal Transit Formula Grant, Federal Highway Administration - Safe Routes to Schools, Federal Transit - Metropolitan Planning Grant, Federal Transit Administration - Job Access Reverse Commute, Selective Traffic Enforcement Project (STEP), Arkansas Recreational Trails Program; and the Corporation for National and Community Service, AmeriCorps State and National Grant.

The U.S. Department of Commerce grant provided funds for construction of a rail spur and road improvements.

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

The Bulletproof Vest Partnership Program funding is provided to purchase bulletproof vests for law enforcement officers. The U.S. Department of Justice COPS funding is to advance the practice of community policing as an effective strategy in communities' efforts to improve public safety. The Justice Assistance Grant provides funding for additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice.

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

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

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

The Safe Routes to School Program provided funds for the Jonesboro SRTS I project. The Phillips Drive streetscape project was funded by the AHTD Enhancement Grant. The Crowley's Ridge Parkway: Jonesboro Multi-Use Trail was funded by the AHTD Scenic Byways Grant.

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

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

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

The Recreational Trails Program provides funding for the Turtle Creek Greenway Project connecting Downtown Jonesboro, Arkansas State University, Turtle Creek Mall, Nettleton Public School's Intermediate Center and Central Elementary, and Allen Park Community Center.

The Corporation for National and Community Service, AmeriCorps State and National Grant assists the North Jonesboro Neighborhood Initiative.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

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

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

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

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

GOVERNMENTAL FUND TYPES

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

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

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

Date of Management's Review of Subsequent Events - Management has evaluated subsequent events through July 22, 2014, the date which the financial statements were available to be issued.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - ACCOUNTS RECEIVABLE-OTHER GOVERNMENTS

At December 31, 2013, accounts receivable-other governments consisted of the following:

U.S. Department of Housing and Urban Renewal—Arkansas	
State Office Community Planning and Development	\$ 237,279
U.S. Department of Housing and Urban Renewal—Arkansas	
Economic Development Commission	71,119
U.S. Department of Justice	62,135
U.S. Department of Transportation	46,396
U.S. Department of Transportation—Arkansas State	
Highway and Transportation Department	18,093
AmeriCorps State and National—Arkansas	
Department of Human Services	<u>7,572</u>
	\$ <u>442,594</u>

NOTE 4 - FIXED ASSETS

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

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

NOTE 4 - FIXED ASSETS (CONTINUED)

A schedule of changes in fixed assets is as follows:

	Balance January 1, <u>2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2013</u>
Autos	\$ 761,523		\$ 26,000	\$ 735,523
Office furniture and equipment	407,641	\$ 44,296		451,937
Buildings	<u>699,067</u>	<u> </u>	<u> </u>	<u>699,067</u>
	\$ <u>1,868,231</u>	\$ <u>44,296</u>	\$ <u>26,000</u>	\$ <u>1,886,527</u>

NOTE 5 - CONTINGENCIES

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

SUPPLEMENTARY INFORMATION

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity I. D. number</u>	<u>Federal Expenditures</u>
U. S. Department of Commerce - Economic Development Administration			
Direct Program:			
Investments for Public Works and Economic Development Facilities	11.300		\$ 10,554
U. S. Department of Housing and Urban Development			
Pass-through Program:			
Community Development Block Grant	14.218		
Pass-through program from Arkansas State Office Community Planning and Development		B-13-MC-05-0012	806,536
Community Development Block Grant/ State's Program	14.228		
Pass-through program from Arkansas Economic Development Commission		794-00145-08	<u>83,216</u>
Total U.S. Department of Housing and Urban Development			889,752
U. S. Department of Justice			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607		8,100
ARRA - Office of Community Oriented Policing Services	16.710		276,690

See accompanying notes to schedule of expenditures of federal awards.

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity I. D. number</u>	<u>Federal Expenditures</u>
U. S. Department of Justice (Continued)			
Office of Community Oriented Policing Services – SOS	16.710		2,773
ARRA - Edward Byrne Justice Assistance Grant	16.804		<u>8,885</u>
Total U.S. Department of Justice			296,448
U. S. Department of Transportation			
Direct Programs:			
Federal Transit Administration Federal Transit Formula Grants	20.507		418,719
Pass-through Programs:			
Federal Highway Administration Safe Routes to Schools Program	20.205		
Pass-through program from Arkansas State Highway and Transportation Department		Job #: 100728, 753, 772	211,302
Federal Highway Administration Recreational Trails Program	20.219		
Pass-through program from Arkansas State Highway and Transportation Department		Job #: 100757	79,651
Federal Transit Administration Metropolitan Planning Grant	20.505		
Pass-through program from Arkansas State Highway and Transportation Department		AR-81-X017, 18	92,265

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended December 31, 2013

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity I. D. number</u>	<u>Federal Expenditures</u>
U. S. Department of Transportation (Continued)			
Federal Transit Administration			
Job Access Reverse Commute	20.516		
Pass-through program from Arkansas State Highway and Transportation Department		AR-37-X014	61,821
State & Community Highway Safety	20.600		
Pass-through program from Arkansas State Highway and Transportation Department	OP-2013-03-02-16/OP-2014-03-02-15 SE-2013-13-01-16/SE-2014-13-01-15		33,110
Alcohol Traffic Safety and Drunk Driving	20.601		
Pass-through program from Arkansas State Highway and Transportation Department	K8-2013-08-06-16/M8DDLE-2014-08-02-15		2,521
Occupant Incentive Grant	20.602		
Pass-through program from Arkansas State Highway and Transportation Department	K2-2013-14-02-16/K2-2014-14-02-15		<u>2,736</u>
Total U.S. Department of Transportation			902,125

See accompanying notes to schedule of expenditures of federal awards.

<u>Federal Grantor/Pass-through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through entity I. D. number</u>	<u>Federal Expenditures</u>
Corporation for National and Community Service			
Pass-through Program:			
AmeriCorps State and National	94.006		
Pass-through program from Arkansas Department of Human Services		#4600030278	<u>100,624</u>
Total expenditures of federal awards			\$ <u>2,199,503</u>

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Jonesboro, Arkansas, under programs of the federal government for the year ended December 31, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Jonesboro, Arkansas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Jonesboro, Arkansas.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the federal grant funds of the City of Jonesboro, Arkansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated July 22, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Jonesboro, Arkansas federal grant funds' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jonesboro, Arkansas federal grant funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jonesboro, Arkansas federal grant funds' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FREEMAN & COMPANY, INC.

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

Jonesboro, Arkansas
July 22, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Jonesboro, Arkansas, federal grant funds' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of their major federal programs for the year ended December 31, 2013. The City of Jonesboro, Arkansas, federal grant funds' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Jonesboro, Arkansas, federal grant funds' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Jonesboro, Arkansas, federal grant funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Jonesboro, Arkansas, federal grant funds' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Jonesboro, Arkansas, federal grant funds complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control over Compliance

Management of the City of Jonesboro, Arkansas, federal grant funds is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Jonesboro, Arkansas, federal grant funds' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Jonesboro, Arkansas, federal grant funds' internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

FREEMAN & COMPANY, INC.



Jonesboro, Arkansas
July 22, 2014

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the federal grant funds of the City of Jonesboro, Arkansas.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the federal grant funds of the City of Jonesboro, Arkansas, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit.
5. The auditor's report on compliance for the major federal award programs for the federal grant funds of the City of Jonesboro, Arkansas, expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the federal grant funds of the City of Jonesboro, Arkansas, were disclosed during the audit.
7. The programs tested as major programs were:

<u>Program</u>	<u>CFDA Number</u>
1. Community Development Block Grant	14.218
2. Federal Transit Administration Federal Transit Formula Grants	20.507

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The federal grant funds of the City of Jonesboro, Arkansas, were not determined to be low-risk auditees.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

FINDINGS - FINANCIAL STATEMENTS AUDIT

No audit findings relative to the financial statements of the City of Jonesboro, Arkansas, federal grant funds were disclosed during the audit.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No audit findings or questioned costs relative to the federal awards programs for the City of Jonesboro, Arkansas, federal grant funds were disclosed during the audit.

CITY OF JONESBORO, ARKANSAS
FEDERAL GRANTS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2013

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior audit findings or questioned costs relative to the federal awards programs for the City of Jonesboro, Arkansas, federal grant funds.

FREEMAN & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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

May 12, 2014

Mr. Ben Barylske, Chief Financial Officer
City of Jonesboro
P. O. Box 1845
Jonesboro, AR 72403-1845

We are pleased to confirm our understanding of the services we are to provide the City of Jonesboro for the year ended December 31, 2013. We will audit the federal grant financial statements, including the related notes to the financial statements, which collectively comprise the federal grant financial statements, of the City of Jonesboro as of and for the year ended December 31, 2013.

We have also been engaged to report on supplementary information that accompanies the City of Jonesboro federal grant funds' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the federal grant financial statements or to the federal grant financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards.

Audit Objectives

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

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Audit Objectives (continued)

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

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance and major program compliance will include a paragraph that states that the purpose of the report on internal control over compliance and major program compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major programs in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our Single Audit. Our report will be addressed to the City Council of the City of Jonesboro. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferable from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Management Responsibilities (continued)

Your responsibilities also include identifying significant vendor relationships in which the vendor has the responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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

You are responsible for the preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management Responsibilities (continued)

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Audit Procedures – General (continued)

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Jonesboro federal grant funds' compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

Engagement Administration, Fee, and Other

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Freeman & Company, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Freeman & Company, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Mr. Ben Barylske
May 12, 2014
Page Eight

Engagement Administration, Fee, and Other (continued)

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our fees for these services will be at our standard hourly rates plus other out-of-pocket costs (such as report production, word processing, postage, travel, copies, telephone, etc.) Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. We estimate that our fee will be approximately \$18,800 for this engagement. If actual time and expenses are less than our estimate, you will be billed the lesser amount.

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

Sincerely,

FREEMAN & COMPANY, INC.

A handwritten signature in black ink, appearing to read "Roger L. Walls". The signature is fluid and cursive, with the first name "Roger" and last name "Walls" clearly distinguishable.

Roger L. Walls

Mr. Ben Barylske
May 12, 2014
Page Nine

RESPONSE:

This letter correctly sets forth the understanding of the City of Jonesboro.

By: Harold Penn

Title: Mayor

Date: 5-22-14

By: B. J. Blyth

Title: Chief Financial Officer

Date: 5-21-2014

FREEMAN & COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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

July 22, 2014

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

We have audited the financial statements of the federal grant funds of the City of Jonesboro, Arkansas, for the year ended December 31, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the federal grant funds of the City of Jonesboro, Arkansas are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the federal grant funds of the City of Jonesboro, Arkansas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 22, 2014.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the federal grant funds of the City of Jonesboro, Arkansas and is not intended to be, and should not be, used by anyone other than these specified parties.

FREEMAN & COMPANY, INC.

Freeman & Company, Inc