

**CITY OF GRAND FORKS
GRAND FORKS, NORTH DAKOTA**

INDEPENDENT AUDITOR'S REPORTING REQUIREMENTS
AND OTHER COMMUNICATIONS REQUIRED UNDER
THE SINGLE AUDIT ACT

FOR THE YEAR ENDED DECEMBER 31, 2015

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CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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**

To the Honorable Mayor and
Members of the City Council
City of Grand Forks, North Dakota

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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grand Forks, North Dakota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Grand Forks' basic financial statements and have issued our report thereon dated June 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Grand Forks' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 Grand Forks' financial statements are free of material misstatement, we performed tests of its 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA**

June 8, 2016



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and
Members of the City Council
City of Grand Forks, North Dakota

Report on Compliance for Each Major Federal Program

We have audited the City of Grand Forks’ compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended December 31, 2015. The City of Grand Forks’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

The City of Grand Forks’ basic financial statements include the operations of the Grand Forks Airport Authority, which spent \$7,667,447 in federal awards. These awards are not included in the City’s schedule during the year ended December 31, 2015. Our audit, described below, did not include the operations of the Grand Forks Airport Authority because the Authority engaged us to perform a separate audit in accordance with the Uniform Guidance.

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 Grand Forks’ 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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’s 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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Grand Forks 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, 2015.

Report on Internal Control Over Compliance

Management of the City of Grand Forks 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's 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 the Uniform Guidance, 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's 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 a 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 the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grand Forks as of and for the year ended December 31, 2015, and

the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 8, 2016, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.



BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

June 8, 2016

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Amounts Passed Through to Subrecipients	Award Amount	Expenditures
Department of Transportation				
Federal Transit Administration				
FTA Capital Improvement				
ND-04-0020-00 Vets Comm & Transportation Living Initiative	20.500	-	\$ 2,157,651	\$ 281,027
38140650 Federal Transit Capital Investment Grants	20.200	-	220,000	-
Total FTA Capital Improvement		-	2,377,651	281,027
Federal Transit Administration				
FTA Operating & Capital Assistance				
ND-90-4097-00	20.507	-	1,031,543	551,315
ND-90-4101-00	20.507	-	1,703,328	725,467
Total FTA Operating & Capital Assistance		-	2,734,871	1,276,782
Federal Transit Administration				
VTCLI FY12 5312 Project Administration				
ND-26-0001-00	20.514	-	50,000	50,000
Total FTA VTCLI Project Administration		-	50,000	50,000
Pass through NDDOT				
Section 5317				
NDDOT #38-140-839 (New Freedom Program)	20.521	-	38,000	6,653
Section 5310				
NDDOT #38-141-267 Elderly & Persons with Disabilities Program	20.513	-	97,616	67,684
NDDOT #38-151-533 Elderly & Persons with Disabilities Program	20.513	-	129,080	94,070
NDDOT #38-151-874 Elderly & Persons with Disabilities Program	20.513	-	31,000	31,000
Total NDDOT		-	295,696	199,407
Federal Highway Administration				
Pass Through North Dakota State Dept. of Transportation				
SU-6-986(094)098 (Traffic Signal @ 11th Ave S & S 42nd St)	20.205	-	524,840	78,198
SU-6-986(107)111 (Round About 24th Ave S & S 34th St)	20.205	-	480,000	-
SU-6-986(109)113 (Traffic Signal @ 40th Ave S & Wash St)	20.205	-	630,250	92,055
S-NHU-6-081(083)941 (Improvements to Wash St 32nd to Ham)	20.205	-	3,469,840	49,310
SU-6-986(115)119 (Signal Foundation Replacement 24th Av S)	20.205	-	166,660	53,593
TEU-6-986(114)118 (Shared Use Path/S 42 St/ 17th - 24th Ave S)	20.205	-	209,000	6,283
BRU-6-002(101)911	20.205	-	4,500,000	3,893,788
NHU-6-986(105)109	20.205	-	4,803,000	-
TEU-6-986(113)117	20.205	-	104,000	104,000
SHE-9-999(308) (Signing for 32nd Ave S, Wash, Demers Gateway)	20.205	-	120,299	12,720
Total Federal Highway Administration		-	15,007,889	4,289,947
National Highway Traffic Safety Administration				
Pass Through North Dakota Dept. of Transportation				
Section 402 Program				
NDDOT 12-141-642-1	20.616	-	9,000	6,701
NDDOT 12-141-642-3	20.601	-	12,000	6,576
NDDOT 12-141-642-4	20.616	-	12,000	7,619
NDDOT 12-141-642-5	20.616	-	6,000	3,507
NDDOT 12-151-199-1	20.616	-	10,000	2,441
NDDOT 12-151-991-2	20.616	-	12,000	1,411
NDDOT 12-151-991-4	20.616	-	6,000	-
Total National Highway Traffic Safety Administration		-	67,000	28,255
Total Department of Transportation		-	20,533,107	6,125,418

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Program Title	Federal	Amounts Passed		Expenditures
	CFDA Number	Through to Subrecipients	Award Amount	
Department of Housing & Urban Development				
Community Development Block Grants -				
Entitlement Grants Cluster				
B-12-MC-38-0002	14.218	39,387	356,600	39,387
B-13-MC-38-0002	14.218	345,707	345,707	345,707
Program Income - Revolving Loan Fund		-	-	87,258
Program Income - Supplemental		-	-	958,248
Total Community Development Block Grants		385,094	702,307	1,430,600
Pass Through North Dakota Dept of Commerce/DCS				
HOME HUD Grant				
Program Income - Admin.				1,948
3318-M12-12	14.239	-	258,915	104,000
3708-M10PI-12	14.239	-	270,621	4,689
3802-M14-12	14.239	-	1,375,969	1,207,654
Program Income - Current & Aurora		-	-	19,479
Recaptured Funds		-	-	100,500
Total HOME HUD Grant		-	1,905,505	1,438,270
Total Department of Housing & Urban Development		385,094	2,607,812	2,868,870
Department of Health & Human Services				
Pass Through N.D. Department of Health				
Maternal and Child Health Care/Nutrition				
G13.898	93.994	-	59,084	36,434
G13.898A	93.994	-	23,634	5,097
Care Coordination Grant				
13.189	93.994	-	72,456	21,200
Communicable Disease Control				
PF13.284	93.940	-	2,690	2,690
ND Chronic Disease				
G15.385	93.991	-	14,000	3,794
Immunization Initiative Grant				
13	93.268	-	28,916	28,906
Tobacco Prevention & Control				
G13-65	93.283	-	236,990	74,231
G13-65A	93.283	-	67,484	67,484
G13-65B	93.283	-	113,403	112,707
G15-11	93.283	-	236,990	117,553
West Nile Virus Surveillance				
13.942	93.323	-	7,000	7,000
Cancer Coalition				
G13.1184	93.283	-	7,000	7,000
Emergency Preparedness & Response				
13.822	93.074	-	5,103	5,084
13.844	93.074	-	207,646	115,544
15.071	93.074	-	207,646	99,852
15.095	93.074	-	5,076	771

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Award Amount</u>	<u>Expenditures</u>
Pass Through N.D. Department of Health				
Ryan White Care Grant				
PF13.158	93.917	-	12,000	-
PF13.158A			28,000	6,599
PF13.312			1,000	-
PF13.326	93.917	-	28,750	28,010
Tuberculosis Control				
PF13.272	93.117	-	21,734	21,734
Women's Way Grant				
PF13.194	93.919	-	40,525	15,449
PF13.194 (A, B, C)	93.752	-	45,620	45,589
PF15.026	93.919	-	76,685	60,396
Total North Dakota Department of Health		-	1,549,432	883,124
Pass Through N.D. Department of Human Services				
SPF-SIG (Strategic Prevention Framework-State Incentive Grant)				
810-09547	93.243	-	317,050	161,058
Health Tracks (formerly Early Prevention Screening Program)				
1/1/15-12/31/15	93.778	-	57,357	57,357
Refugee Health Services				
2015-1	93.566	-	18,000	15,621
2016-4	93.566	-	12,500	2,120
Refugee Interpreter Services				
2016-CMA2	93.566	-	4,420	-
Total North Dakota Department of Human Services		-	409,327	236,156
Total Department of Health & Human Services		-	1,958,759	1,119,280
Department of Interior, Fish & Wildlife Service				
National Park Service				
Pass Through North Dakota State Historical Society				
ND State Historical Society - Building of ND (Sub-recipient)	15.UNK	-	7,500	3,750
38-14-121170-28	15.904	-	34,065	9,719
38-15-121170-28	15.904	-	24,248	13,986
Total Department of Interior		-	65,813	27,455
Department of Justice-Office of Justice Programs				
Pass Through ND State Office of Attorney General				
Bullet Proof Vest Program				
2010-WE-AX-0058 (CVIC)	16.607	-	73,809	4,693
2010-WE-AX-0058 (CVIC)	16.590	14,995	687,869	14,995
2014-WE-AX-0044 (CVIC)	16.590	83,072	300,000	83,072
2011-MU-MU-K004 (CVIC)	16.730	276,147	3,222,260	300,705
2011-CW-AX-K010 (CVIC)	16.527	76,561	340,216	76,561
2014-DJ-BX-0651	16.738	5,850	23,399	5,850
13225 City of Grand Forks/Light of Hope	16.738	14,300	20,000	14,300

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Amounts Passed Through to Subrecipients	Award Amount	Expenditures
Office of Community Oriented Policing Services (COPS)				
CY14-407	16.738	-	126,100	39,863
CY15-407	16.738	-	85,150	53,074
HIDTA 23593-GF	16.UNK	-	526,765	68,671
Pass Through ND Department of Health				
G13.1157	16.588	13,068	16,316	13,068
G15.330	16.588	6,893	29,440	6,893
Total Department of Justice		490,886	5,451,324	681,745
Department of Homeland Security				
Disaster Grants - Hazard Mitigation Grant Program				
FEMA-1981-DR	97.039	-	395,845	308,614
Total Hazard Mitigation Grant Program		-	395,845	308,614
Pass Through North Dakota Dept of Emergency Services				
HOMELAND SECURITY/#A0457-001-2013-HT	PD 97.067	-	10,388	3,985
HOMELAND SECURITY/#A0457-002-2013-RQ	PD 97.067	-	39,550	-
HOMELAND SECURITY/#A0457-001-2014-RQ	PD 97.067	-	203,607	127,389
HOMELAND SECURITY/#A0457-001-2015-RQ	PD 97.067	-	90,900	-
HOMELAND SECURITY/#A0457-002-2015-RT	PD 97.067	-	55,000	-
HOMELAND SECURITY/#A0457-003-2015-RE	PD 97.067	-	15,000	-
HOMELAND SECURITY/#A0815-001-2015-HQ	PSAP 97.067	-	14,000	-
HOMELAND SECURITY/#A0461-001-2013-RQ	FD 97.067	-	121,506	46,681
HOMELAND SECURITY/#A0461-001-2014-RQ	FD 97.067	-	54,199	23,644
HOMELAND SECURITY/#A0461-003-2015-RQ	FD 97.067	-	46,010	-
HOMELAND SECURITY/#A0461-002-2013-RE	FD 97.067	-	22,500	5,460
HOMELAND SECURITY/#A0461-003-2014-RE	FD 97.067	-	12,000	3,247
HOMELAND SECURITY/#A0461-002-2015-RE	FD 97.067	-	14,000	-
HOMELAND SECURITY/#A0461-003-2013-RT	FD 97.067	-	33,500	-
HOMELAND SECURITY/#A0461-002-2014-RT	FD 97.067	-	76,949	5,898
HOMELAND SECURITY/#A0461-001-2015-RT	FD 97.067	-	85,586	-
HOMELAND SECURITY/#A0461-001-2015-HMEPT	FD 20.703	-	19,250	15,400
HOMELAND SECURITY/#A0461-001-2016-HMEPT	FD 20.703	-	12,200	-
Total North Dakota Department of Emergency Services		-	926,145	231,704
Total Department of Homeland Security		-	1,321,990	540,318
Department of Commerce				
Project 05-19-59026 Revolving Loan Funds	11.307	-	2,222,223	1,861,781
Total Department of Commerce		-	2,222,223	1,861,781
Total Expenditures of Federal Awards		\$ 875,980	\$ 34,161,028	\$ 13,224,867

See Notes to the Schedule of Expenditures of Federal Awards

CITY OF GRAND FORKS, NORTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Grand Forks under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Government*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to requirement. The City of Grand Forks has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 Clusters

The accompanying schedule of expenditures of federal awards contains the following clusters:

<u>Program Name</u>	<u>CFDA Numbers</u>	<u>Total</u>
Federal Transit Cluster	20.500, 20.507	\$ 1,557,809
Transit Services Programs Cluster	20.513, 20.521	199,407
Highway Safety Cluster	20.601, 20.616	28,255

NOTE 4 Loans Outstanding

The City of Grand Forks had the following loan balances outstanding at December 31, 2015. Current year loan expenditures were \$0. These loan balances outstanding are not included in the federal expenditures presented in the schedule, as they are not considered to have continuing compliance requirements:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
North Dakota Finance Authority - State Revolving Fund	66.458	
Loan #380800-01		\$ 720,000
Loan #380800-02		440,000
Loan #380806-01(01)		2,510,000
Loan #380806-01(02)		4,870,000
Loan #1800410-01		3,415,000
Loan #380798-01		586,000
Loan #380798-02		760,000
Loan #380806-01 (03)		2,450,000
Loan #380806-02		2,525,000

CITY OF GRAND FORKS, NORTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 Program Income

As of December 31, 2015, the City of Grand Forks earned \$958,248 in program income from its CDBG Emergency Supplemental Appropriation Grant, \$87,258 in program income from its CDBG Revolving Loan Fund, and \$21,427 in program income from its HOME HUD grant.

NOTE 6 Matching Costs

The accompanying schedule of expenditures of federal awards does not include matching expenditures.

NOTE 7 Threshold Calculations to Determine Type A Programs and Percentage of Coverage

The accompanying schedule of expenditures of federal awards includes \$1,861,781 reported for CFDA 11.307. This amount does not represent current year expenditures and has been omitted from the total when calculating the threshold for determining a Type A program.

The City is a low risk auditee, therefore, major federal programs must encompass at least 20% of total federal expenditures. Percentage of coverage is met with CFDA #11.307 and CFDA #14.239 tested as major programs.

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes no
Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster

11.307 – Economic Adjustment Assistance
14.239 – Home Investment Partnership

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II-Financial Statement Findings

There are no findings that are required to be reported under this section.

Section III-Federal Award Findings and Questioned Costs

There are no findings that are required to be reported under this section.

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

No prior audit findings were required to be reported.