

**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, 2016

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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, 2016, 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 9, 2017.

**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 9, 2017



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, 2016. 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 \$1,193,117 in federal awards. These awards are not included in the City's schedule during the year ended December 31, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2016.

### **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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 9, 2017, 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 9, 2017

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
<b>Department of Transportation</b>				
<b>Federal Transit Administration</b>				
<b>Direct Programs:</b>				
38-140-650 Federal Transit Capital Investment Grant	20.200	220,000		\$ 179,409
<b>Federal Transit Cluster</b>				
ND-04-0020-00 Vets Comm & Transportation Living Initiative	20.500	2,157,651	\$ 30,925	
ND-04-0012-00 (FY 09 Section 5309)	20.500	1,000,001		11,647
38-150-113A NDDOT Section 5339	20.500	269,423		91,649
38-160-121 Federal Transit Capital Investment Grant	20.526	484,000		58,860
ND-2017-001-00	20.507	1,213,895		1,154,744
ND-90-4101-00 and ND-90-0101-00	20.507	855,039		<u>129,571</u>
<b>Total Federal Transit Cluster</b>				<b>1,477,396</b>
<b>Pass through NDDOT</b>				
<b>Transit Services Programs Cluster</b>				
NDDOT #38-140-839 (New Freedom Program)	20.521	38,000		472
NDDOT #38-151-533 Elderly & Persons with Disabilities Program	20.513	129,080		33,440
NDDOT #38-161-170 Elderly & Persons with Disabilities Program	20.513	130,254		<u>38,427</u>
<b>Total Transit Services Programs Cluster</b>				<b>72,339</b>
<b>Federal Highway Administration</b>				
<b>Pass Through North Dakota State Dept. of Transportation</b>				
<b>Highway Planning and Construction Cluster</b>				
SU-6-986(107)111 (Round About 24th Ave S & S 34th St)	20.205	480,000		6,022
SU-6-986(115)119 (Signal Foundation Replacement 24th Av S)	20.205	166,660		36,756
BRU-6-002(101)911 (Sorlie Bridge Maintenance)	20.205	4,500,000		157,092
NHU-6-986(105)109 (Columbia Road 11th-14th Ave S)	20.205	4,803,000		3,084,849
SRF-0018(033) (Euclid Ave Reconstruction)	20.205	1,189,941		<u>118,941</u>
<b>Total Highway Planning and Construction Cluster</b>				<b>3,403,660</b>
<b>National Highway Traffic Safety Administration</b>				
<b>Pass Through North Dakota Dept. of Transportation</b>				
<b>Highway Safety Cluster</b>				
NDDOT 12-151-199-1	20.616	10,000		9,821
NDDOT 12-151-991-2	20.616	12,000		8,907
NDDOT 12-151-991-3	20.616	12,000		8,141
NDDOT 12-151-991-4	20.616	6,000		<u>5,289</u>
<b>Total Highway Safety Cluster</b>				<b>32,158</b>
<b>Total Department of Transportation</b>				<b><u>5,164,962</u></b>

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, 2016**

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
<b>Department of Housing &amp; Urban Development</b>				
<b>Community Development Block Grants -Entitlement Grants Cluster</b>				
Program Income - Revolving Loan Fund	14.218			209,993
Program Income - Supplemental	14.218		1,226,682	<u>1,226,682</u>
Total Community Development Block Grants - Entitlement Grants Cluster				1,436,675
<b>Pass Through North Dakota Dept of Commerce/DCS</b>				
Program Income - Admin.	14.239			1,386
3318-M12-12	14.239	258,915		89,589
3943-M14-12	14.239	15,000		15,000
3802-M14PI-12	14.239	1,397,082		189,428
Program Income - Current & Aurora	14.239			13,859
Recaptured Funds	14.239			<u>27,559</u>
Total CFDA 14.239				<u>336,821</u>
<b>Total Department of Housing &amp; Urban Development</b>				<u>1,773,496</u>
<b>Department of Health &amp; Human Services</b>				
<b>Pass Through N.D. Department of Health</b>				
<b>Maternal and Child Health Care/Nutrition</b>				
G13.898A	93.994	23,634		18,531
G15.542	93.994	80,000		<u>32,100</u>
Total CFDA 93.994				50,631
<b>Aid to Local Public Health Units</b>				
15.141	93.UNK	398,185		199,092
<b>Communicable Disease Control</b>				
PF15.115	93.940	5,000		4,537
<b>ND Chronic Disease</b>				
G15.939	93.758	25,000		3,490
G15.385	93.991	14,000		10,200
G15.385A	93.991	8,000		<u>8,000</u>
Total CFDA 93.991				18,200
<b>Immunization Initiative Grant</b>				
15.431	93.268	28,739		28,364
G13-89	93.283	62,048		26,048
G15-11	93.283	236,990		119,342
G15-35	93.283	68,545		34,273
G15-66	93.283	236,990		164,087
G15-95	93.283	68,444		34,222
<b>Cancer Coalition</b>				
G15.283	93.283	7,000		<u>7,000</u>
Total CFDA 93.283				384,972
<b>West Nile Virus Surveillance</b>				
13.521	93.323	35,000		3,500
<b>Emergency Preparedness &amp; Response</b>				
15.071	93.074	207,646		107,447
15.095	93.074	5,076		<u>4,127</u>
Total CFDA 93.074				111,574
15.718	93.069	213,875		102,329
15.732	93.069	5,737		<u>143</u>
Total CFDA 93.069				102,472

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, 2016**

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
<b>Pass Through N.D. Department of Health</b>				
Ryan White Care Grant				
PF13.158	93.917	12,000		7,025
PF13.312	93.917	1,000		1,000
PF15.155	93.917	45,000		<u>39,393</u>
Total CFDA 93.917				47,418
Tuberculosis Control				
PF15.136	93.117	12,730		12,730
Women's Way Grant				
PF15.026	93.919	110,685		50,289
PF15.208	93.752	96,770		51,409
<b>Pass Through N.D. Department of Human Services</b>				
SPF-SIG (Strategic Prevention Framework-State Incentive Grant)				
810-09547	93.243	317,050		10,577
Medicaid Cluster				
Health Tracks (formerly Early Prevention Screening Program) 1/1/16-12/31/16	93.778	76,960		76,960
Refugee Health Services				
2016-4	93.566	12,500		10,380
2017-HP6	93.566	13,120		637
Refugee Interpreter Services				
2016-CMA2	93.566	4,420		1,759
2017-CMA2	93.566	1,700		<u>346</u>
Total CFDA 93.566				<u>13,122</u>
<b>Total Department of Health &amp; Human Services</b>				<u><b>1,169,337</b></u>
<b>Department of Interior, Fish &amp; Wildlife Service</b>				
<b>Pass Through North Dakota State Historical Society</b>				
38-15-121170-28	15.904	26,105		8,662
38-16-141296-28	15.904	24,248		<u>10,262</u>
Total CFDA 15.904				<u>18,924</u>
<b>Total Department of Interior, Fish &amp; Wildlife Service</b>				<u><b>18,924</b></u>
<b>Department of Justice-Office of Justice Programs</b>				
<b>Pass Through ND Industrial Commission</b>				
Outdoor Heritage Fund 006-084	16.UNK	100,000		100,000
<b>Pass Through ND State Office of Attorney General</b>				
HIDTA 23593-GF	16.UNK	526,765		77,165
HIDTA 59316-GF	95.001	282,916		5,378
Bullet Proof Vest Program	16.607	73,809		9,580
2014-WE-AX-0044 (CVIC)	16.590	300,000	101,510	101,510
2011-MU-MU-K004 (CVIC)	16.730	3,222,260	460,043	500,406
2015-DJ-BX-0584	16.738	20,386	5,097	20,386
2016-DJ-BX-0360	16.738	20,616	5,154	16,755
15215 City of Grand Forks/Light of Hope (CVIC)	16.738	9,375	9,375	9,375
CY15-407	16.738	85,150		32,076
CY16-407	16.738	82,615		<u>40,522</u>
Total CFDA 16.738				119,114

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, 2016**

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
Pass Through ND Department of Health				
G15.330	16.588	29,440	17,868	17,868
G15.915	16.588	22,339	3,454	<u>3,454</u>
Total CFDA 16.558				21,322
Pass Through North Dakota Dept. of Transportation				
NDDOT 38152051	16.727	220,000		<u>118,941</u>
<b>Total Department of Justice</b>				<u>1,053,416</u>
<b>Department of Homeland Security</b>				
<b>Disaster Grants - Hazard Mitigation Grant Program</b>				
FEMA-1981-DR	97.039	395,845		16,420
<b>Pass Through North Dakota Dept of Emergency Services</b>				
HOMELAND SECURITY/#A0461-001-2016-HMEPT	20.703	9,760		9,760
HOMELAND SECURITY/#A0457-001-2014-RQ	97.067	203,607		3,373
HOMELAND SECURITY/#A0457-001-2015-RQ	97.067	90,900		28,300
HOMELAND SECURITY/#A0457-001-2016-RQ	97.067	119,300		15,707
HOMELAND SECURITY/#A0457-002-2015-RT	97.067	55,000		25,678
HOMELAND SECURITY/#A0457-002-2016-RT	97.067	14,000		6,131
HOMELAND SECURITY/#A0457-003-2015-RE	97.067	15,000		6,975
HOMELAND SECURITY/#A0815-001-2015-HQ	97.067	14,000		14,000
HOMELAND SECURITY/#A0461-001-2014-RQ	97.067	54,199		23,090
HOMELAND SECURITY/#A0461-003-2015-RQ	97.067	46,010		28,300
HOMELAND SECURITY/#A0461-001-2016-RQ	97.067	38,030		424
HOMELAND SECURITY/#A0461-003-2014-RE	97.067	12,000		4,828
HOMELAND SECURITY/#A0461-002-2014-RT	97.067	76,949		47,693
HOMELAND SECURITY/#A0461-001-2015-RT	97.067	85,586		<u>7,230</u>
Total CFDA 97.067				<u>211,729</u>
<b>Total Department of Homeland Security</b>				<u>237,909</u>
<b>Department of Commerce</b>				
<b>Economic Development Cluster</b>				
Project 05-19-59026 Revolving Loan Funds	11.307	2,222,223		<u>1,858,339</u>
Total Economic Development Cluster				<u>1,858,339</u>
<b>Total Department of Commerce</b>				<u>1,858,339</u>
<b>Total Expenditures of Federal Awards</b>			<u>1,829,183</u>	<u>11,276,383</u>

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, 2016**

**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, 2016. 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). Because the Schedule presents only a selected portion of operations of the City of Grand Forks it is not intended to and does not present the financial position, change in net position, or cash flows of the City of Grand Forks.

**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 Loans Outstanding**

The City of Grand Forks had the following loan balances outstanding at December 31, 2016. 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 Housing Finance Authority		
State Revolving Fund	66.458	
Loan #380800-01		\$ 485,000
Loan #380800-02		295,000
Loan #380806-01(01)		1,695,000
Loan #380806-01(02)		4,105,000
Loan #1800410-01		2,770,000
Loan #380806-01 (03)		2,070,000
Loan #380806-02		2,300,000

**CITY OF GRAND FORKS, NORTH DAKOTA**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 Program Income**

As of December 31, 2016, the City of Grand Forks earned \$1,226,682 in program income from its CDBG Emergency Supplemental Appropriation Grant, \$209,993 in program income from its CDBG Revolving Loan Fund, and \$15,245 in program income from its HOME HUD grant.

**NOTE 5 Matching Costs**

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

**NOTE 6 Threshold Calculations to Determine Type A Programs and Percentage of Coverage**

The accompanying schedule of expenditures of federal awards includes \$1,858,339 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.

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**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

20.200, 20.507, 20.526 – Federal Transit Cluster  
20.205– Highway Planning and Construction Cluster

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, 2016**

No prior audit findings were required to be reported.