

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

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

FOR THE YEAR ENDED DECEMBER 31, 2013

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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**

Independent Auditor's Report

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, 2013, 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 5, 2014.

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

June 5, 2014



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

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 Circular A-133 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, 2013. 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 received \$3,357,805 in federal awards which is not included in the schedule during the year ended December 31, 2013. 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 OMB Circular A-133.

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 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'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, 2013.

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 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'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial

statements. We issued our report thereon dated June 5, 2014, 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 OMB Circular A-133 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
BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

June 5, 2014

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
Department of Energy			
ARRA - DE-SC000-3248	81.128	569,800	0
Total EECBG Grant		<u>569,800</u>	<u>0</u>
Total Department of Energy		<u>569,800</u>	<u>0</u>
Department of Transportation			
Federal Transit Administration			
FTA Capital Improvement			
FTA ND-04-0007	20.500	384,000	0
ND-04-0012 (FY 2009 Section 5309)	20.500	1,000,001	24,179
ND-04-0017-00	20.500	383,277	79,338
ND-04-0020-00 Vets Comm & Transportation Living Initiative	20.500	2,157,651	954,638
Total FTA Capital Improvement		<u>3,924,929</u>	<u>1,058,155</u>
Federal Transit Administration			
FTA Operating & Capital Assistance			
ND-90-4086-00	20.507	1,030,045	10,200
ND-90-4090-00	20.507	1,003,075	10,029
ND-90-4092-00	20.507	1,029,018	646,862
ND-90-4095-00	20.507	1,021,750	346,352
Total FTA Operating & Capital Assistance		<u>4,083,888</u>	<u>1,013,443</u>
Federal Transit Administration			
VTCLI FY12 5312 Project Administration			
ND-26-0001-00	20.514	50,000	0
Total FTA VTCLI Project Administration		<u>50,000</u>	<u>0</u>

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Expenditures
North Dakota State Grants			
Pass through NDDOT			
NDDOT #38-121-436 (FY12 JARC)	20.516	128,592	63,337
NDDOT #38-121-437 (FY12 New Freedom)	20.521	78,442	25,984
NDDOT #38-121-465 (FY13 New Freedom)	20.521	75,902	27,205
Total North Dakota State Grants		282,936	116,526
Federal Highway Administration			
Pass Through North Dakota State Dept. of Transportation			
SU-6-986(082)086 (S 48th St. Paving/Storm Sewer/Ditch)	20.205	7,100,511	36,977
SU-6-986(104)108 (S 5th St/Kittson Ave/Bruce Ave)	20.205	630,723	56,263
SU-6-002(102)910 (US 2 @ 5th Ave N/Univ Ave/2nd Ave N)	20.205	1,471,686	159,971
SU-6-986(102)106 (Paving Columbia Road)	20.205	4,321,131	3,801,754
SU-6-986(106)110 (20th Ave S from Col Rd-S 20th St)	20.205	368,000	4,382
STN-6-002(100)351 (US 2 from Airport East to 55th St)	20.205	634,768	6,693
TEU-6-986(103)107 (Shared-Use Path/Wash/47th-55th)	20.205	214,000	3,740
SU-6081(078)940 (32ND Ave S from I-29 to S Wash St)	20.205	3,321,298	2,598,733
HEU-6986(108)112	20.205	10,860	9,774
HEU-6081(081)942	20.205	31,412	29,841
BRO-6986(110)114	20.205	1,907,562	1,439,674
TEU-6-986(111)115 (Shared-Use Path/S 20th St/40th-47th)	20.205	220,800	188,667
Total Federal Highway Administration		20,232,751	8,336,469
National Highway Traffic Safety Administration			
Pass Through North Dakota Dept. of Transportation			
Section 402 Program			
NDDOT 12-121-7092	20.601	32,000	32,000
NDDOT 12-131-6382	20.601	24,000	24,000
NDDOT 12-121-7093	20.600	8,500	6,421
NDDOT 12-131-6381	20.600	8,500	2,106
NDDOT 12-121-7091	20.601	10,000	8,883
NDDOT 12-131-6384	20.601	12,000	1,731
Total National Highway Traffic Safety Administration		95,000	75,141
Total Department of Transportation		28,669,504	10,599,734

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Expenditures
Department of Housing & Urban Development			
Community Development Block Grants - Entitlement Grants Cluster			
B-12-MC-38-0002	14.218	385,237	194,414
B-13-MC-38-0002	14.218	392,621	0
Program Income - Revolving Loan Fund			157,090
Program Income - Supplemental			712,672
Total Community Development Block Grants		777,858	1,064,176
HOME HUD Grant			
Program Income - Admin.			1,218
2217-M08091012-13	14.239	78,500	17,237
2041-M07080910-13	14.239	814,500	0
3318-M12SG38-0100	14.239	335,000	0
Program Income - Current & Elmwood Recapture Funds			12,183
Total HOME HUD Grant		1,228,000	162,775
Pass Through North Dakota Dept of Commerce/DCS			
B-08-DN-38-0001 (2459-NSP09) (HERA)	14.228	4,312,782	0
Program Income - NSP			0
Sale of Property			0
Total Division of Community Services		4,312,782	0
Total Department of Housing & Urban Development		6,318,640	1,226,951
Department of Health & Human Services			
Pass Through N.D. Department of Health			
Maternal and Child Health Care/Nutrition			
G11-612	93.994	55,348	29,258
G13-128	93.994	45,140	21,118

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Expenditures
Care Coordination Grant			
11.085	93.994	72,456	22,322
13.189	93.994	72,456	17,058
Communicable Disease Control			
PF11.325	93.943	3,825	3,825
Immunization Initiative Grant			
11.947(A)	93.268	29,956	29,876
Tobacco Prevention & Control			
G11-11	93.283	53,318	13,328
G13-34	93.283	26,660	13,330
West Nile Virus Surveillance			
11.1003	93.283	9,750	9,750
13.440	93.283	7,000	0
Cancer Coalition			
G11.840	93.283	5,300	4,050
G13.324	93.283	5,000	0
Emergency Preparedness & Response			
11.240(A)	93.069	253,902	19,853
11.254	93.069	31,019	18,260
11.660	93.889	7,236	6,036
11.712	93.889	210,738	138,086
13.059	93.074	207,646	101,639
13.079	93.074	3,064	0
Ryan White Care Grant			
PF11-175(A)	93.917	275,000	11,532
PF11-397	93.917	30,360	27,908
Tuberculosis Control			
PF11.340	93.116	207,194	207,194
Women's Way Grant			
PF11.224 (A & B)	93.919	70,373	34,880
PF13.031	93.919	56,307	42,302
Total North Dakota Department of Health		1,739,048	771,605

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
Pass Through N.D. Department of Human Services Health Tracks (formerly Early Prevention Screening Program) 1/1/13 - 12/31/13	93.778	70,689	70,689
Refugee Health Services 2013-28 (A)	93.566	25,000	11,449
2013-34 (A)	93.576	39,000	20,263
		<u>64,000</u>	<u>31,712</u>
Affordable Care Act - Health Center Planning PF11-258(A) (Immunization)	93.539	41,997	10,766
		<u>41,997</u>	<u>10,766</u>
Total North Dakota Department of Human Services		176,686	113,167
Total Department of Health & Human Services		<u>1,915,734</u>	<u>884,772</u>
<u>Department of Interior, Fish & Wildlife Service</u>			
National Park Service			
Pass Through North Dakota State Historical Society ND State Historical Society - Cultural Heritage (Sub-recipient)	15.UNK	20,000	10,000
ND State Historical Society - Building of ND (Sub-recipient)	15.UNK	7,500	3,750
38-12-41941-28	15.904	29,870	13,922
38-13-51941-28	15.904	28,740	20,034
		<u>28,740</u>	<u>20,034</u>
Total Department of Interior		<u>86,110</u>	<u>47,706</u>
<u>Department of Justice-Office of Justice Programs</u>			
Pass Through ND State Office of Attorney General			
Bullet Proof Vest Program	16.607	64,407	4,633
12-213 (CVIC)	16.738	9,750	9,750
2010-DJ-BX-1020	16.738	49,204	20,000
2011-DJ-BX-2463	16.738	36,362	9,041
ARRA - #ST09205	16.803	153,040	48,930
ARRA - #ST09-228 (CVIC)	16.803	94,970	11,738
ARRA - 2009-SB-B9-2428	16.804	261,710	23,800
2010-WE-AX-0058 (CVIC)	16.590	687,869	147,645
2011-MU-MU-K004 (CVIC)	16.730	2,610,000	810,679
2011-CW-AX-K010 (CVIC)	16.527	340,216	36,629
2012-DJ-BX-1106	16.738	27,904	13,590
2013-DJ-BX-0589	16.738	24,331	0

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
Pass Through North Dakota Dept. of Transportation			
ND HWY DEPT 2012-1	16.727	16,900	13,837
ND HWY DEPT 2013-1 (NDDOT 12131638-3)	16.727	12,000	2,502
Office of Community Oriented Policing Services (COPS)			
CY13-408	16.738	83,200	38,481
HIDTA 23593-GF	16.UNK	517,616	72,280
Pass Through ND Department of Health			
G11.881	16.588	62,691	41,716
G13.390	16.588	51,500	15,895
Total Department of Justice		<u>5,103,670</u>	<u>1,321,146</u>
Department of Homeland Security			
Disaster Grants - Hazard Mitigation Grant Program			
FEMA-1981-DR	97.039	395,842	0
Total Hazard Mitigation Grant Program		<u>395,842</u>	<u>0</u>
Pass Through North Dakota Dept of Emergency Services			
HOMELAND SECURITY/#A0457-001-2011-RQ	PD 97.067	132,700	46,924
HOMELAND SECURITY/#A0457-001-2012-RT	PD 97.067	10,388	9,614
HOMELAND SECURITY/#A0457-001-2013-HT	PD 97.067	10,388	0
HOMELAND SECURITY/#A0457-002-2013-RQ	PD 97.067	39,550	0
HOMELAND SECURITY/#A0461-001-2010-SARQ	FD 97.067	549,637	169,758
HOMELAND SECURITY/#A0461-001-2011-RQ	FD 97.067	93,810	76,910
HOMELAND SECURITY/#A0461-001-2012-RE	FD 97.067	7,800	1,435
HOMELAND SECURITY/#A0461-002-2012-RT	FD 97.067	36,000	1,433
HOMELAND SECURITY/#A0815-001-2011-HE	PSAP 97.067	19,003	8,170
Total North Dakota Department of Emergency Services		<u>899,276</u>	<u>314,244</u>
Total Department of Homeland Security		<u>1,295,118</u>	<u>314,244</u>
Department of Commerce			
Project 05-19-59026 Revolving Loan Funds	11.307	2,222,223	1,857,372
Total Department of Commerce		<u>2,222,223</u>	<u>1,857,372</u>
Total Expenditures of Federal Awards		<u>\$ 46,180,799</u>	<u>\$ 16,251,925</u>

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Grand Forks and is presented on the accrual basis. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 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	\$ 2,071,598
Transit Services Programs Cluster	20.516, 20.521	116,526
Highway Safety Cluster	20.600, 20.601	75,141
JAG Program Cluster	16.738, 16.803, 16.804	175,330

NOTE 3 Loans Outstanding

The City of Grand Forks had the following loan balances outstanding at December 31, 2013. 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		\$ 1,175,000
Loan #380800-02		715,000
Loan #380806-01(01)		4,080,000
Loan #380806-01(02)		6,340,000
Loan #1800410-01		4,650,000
Loan #380798-01		760,000
Loan #380798-02		1,000,000
Loan #380806-01 (03)		3,180,000
Loan #380806-02		2,960,000

CITY OF GRAND FORKS, NORTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 4 Subrecipients

Of the federal expenditures presented in the schedule, the City of Grand Forks provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA #</u>	<u>Amount Provided To Sub-recipient</u>
Community Development Block Grants	14.218	\$ 741,000
Supervised Visitation, Safe Havens for Children Reduction & Prevention of Children's Exposure to Violence (Safer Tomorrow)	16.527	34,600
STOP Violence Against Women Formula Funds (PD)	16.730	621,921
STOP Violence Against Women Formula Funds (PD)	16.588	28,256
STOP Violence Against Women Formula Funds (PD)	16.588	8,406
Homeland Security Grant Program (PD)	97.067	9,614
ND Cultural Heritage Grant	15.UNK	10,000
Buildings of ND/SAH Archipedia	15.UNK	3,750

NOTE 5 Program Income

As of December 31, 2013, the City of Grand Forks earned \$712,672 in program income from its CDBG Emergency Supplemental Appropriation Grant, \$157,090 in program income from its CDBG Revolving Loan Fund, and \$145,538 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 Calculation to Determine Type A Programs

The accompanying schedule of expenditures of federal awards includes \$1,857,372 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, 2013

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 x no
Significant deficiency(ies) identified that are
not considered to be material weaknesses? yes x none reported

Noncompliance material to financial
statements noted? yes x no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified that are
not considered to be material weaknesses? yes x 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 Circular A-133, Section .510(a)? yes x no

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster

16.730 – Reduction and Prevention of Children's Exposure to Violence
20.205 – Highway Planning and Construction
20.500 & 20.507 – Federal Transit Cluster
16.738, 16.803, 16.804 – JAG Program Cluster (ARRA)

Dollar threshold used to distinguish
between Type A and Type B programs: \$431,836

Auditee qualified as low-risk auditee? X 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, 2013

No prior audit findings were required to be reported.