

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, 2012

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TABLE OF CONTENTS

	Page
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>	1
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	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	14
Schedule of Prior Audit Findings	15



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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, 2012, 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, 2013.

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 8, 2013



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

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, 2012. 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 \$3,395,414 in federal awards which is not included in the schedule during the year ended December 31, 2012. 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, 2012.

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, 2012, 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, 2013, 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 8, 2013

**CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
Environmental Protection Agency			
<u>Pass Through NDBB - SRF loan 380806-01 (03)</u>	66.458	\$ 6,686,156	\$ 0
Total Environmental Protection Agency		<u>6,686,156</u>	<u>0</u>
Department of Energy			
<u>ARRA - DE-SC000-3248</u>	81.128	569,800	47,766
Total EECBG Grant		<u>569,800</u>	<u>47,766</u>
<u>Pass Through ND Department of Commerce/DCS DE-FG26-07NT43202 (3217-SEP11-EE)</u>	81.041	10,000	8,858
ARRA - DE-EE0000142 (3085-SEP10R-B)	81.041	100,000	100,000
ARRA - DE-EE0000142 (3086-SEP10R-B)	81.041	58,680	48,646
ARRA - DE-EE0000772 (3145-EECBG10)	81.128	130,500	130,500
Total Division of Community Services		<u>299,180</u>	<u>288,004</u>
Total Department of Energy		<u>868,980</u>	<u>335,770</u>
Department of Transportation			
<u>Federal Transit Administration</u>			
<u>FTA Capital Improvement</u>			
FTA ND-04-0007	20.500	384,000	191,648
ND-04-0012 (FY 2009 Section 5309)	20.500	1,000,001	108,403
ND-04-0017-00	20.500	383,277	38,560
Total FTA Capital Improvement		<u>1,767,278</u>	<u>338,611</u>
<u>Federal Transit Administration</u>			
<u>FTA Operating & Capital Assistance</u>			
ND-90-X079-00 (FY06 New Freedom)	20.507	28,942	1
ND-90-X086-00	20.507	1,030,045	0
ND-90-X090-00	20.507	1,003,075	566,724
ND-90-X092-00	20.507	1,029,018	361,865
Total FTA Operating & Capital Assistance		<u>3,091,080</u>	<u>928,590</u>

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
North Dakota State Grants			
Pass through NDDOT			
NDDOT #38-110-022 (FY11 JARC)	20.516	120,000	61,189
NDDOT #38-121-436 (FY12 JARC)	20.516	128,592	65,255
NDDOT #38-110-023 (FY11 New Freedom)	20.521	50,900	26,925
NDDOT #38-121-437 (FY12 New Freedom)	20.521	78,442	52,458
Total North Dakota State Grants		377,934	205,827
Federal Highway Administration			
Pass Through North Dakota State Dept. of Transportation			
NHU-6-002(062)357 (Gateway/Proposed Intersection Impr)	20.205	60,541	11,002
SU-6-297(007)002 (DeMers/Washington to 5th)	20.205	1,513,683	20,012
SU-6-986(082)086 (S 48th St. Paving/Storm Sewer/Ditch)	20.205	7,100,511	10,668
SU-6-986(104)108 (S 5th St/Kittson Ave/Bruce Ave)	20.205	639,729	433,794
SU-6-002(102)910 (US 2 @ 5th Ave N/Univ Ave/2nd Ave N)	20.205	1,492,702	1,002,806
SU-6-986(106)110 (20th Ave S from Col Rd-S 20th St)	20.205	368,000	322,029
STN-6-002(100)351 (US 2 from Airport East to 55th St)	20.205	704,121	171,545
TEU-6-986(103)107 (Shared-Use Path/Wash/47th-55th)	20.205	214,000	6,882
Total Federal Highway Administration		12,093,287	1,978,738
National Highway Traffic Safety Administration			
Pass Through North Dakota Dept. of Transportation			
Section 402 Program			
NDDOT 12-112-0581	20.600	9,600	8,099
NDDOT 12-121-7092	20.600	32,000	0
NDDOT 12-121-7093	20.600	8,500	2,079
NDDOT 12-112-0582	20.601	9,600	7,385
NDDOT 12-121-7091	20.601	10,000	1,117
Total National Highway Traffic Safety Administration		69,700	18,680

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
North Dakota Department of Transportation			
Pass through North Dakota Information Technology Dept - ND ITD			
E-911 Grant Program (Viper 911 Beta Testing)	20.615	26,231	26,231
		26,231	26,231
Total Department of Transportation		<u>17,425,510</u>	<u>3,496,677</u>
Department of Housing & Urban Development			
Community Development Block Grants -			
Entitlement Grants Cluster			
Program Income - Revolving Loan Fund			121,668
B-10-MC-38-0002	14.218	451,667	403,497
B-11-MC-38-0002	14.218	375,814	375,814
B-12-MC-38-0002	14.218	385,237	31,978
Program Income - Supplemental			737,855
Total Community Development Block Grants		<u>1,212,718</u>	<u>1,670,812</u>
HOME HUD Grant			
Program Income - Admin.			5,459
M09SG380100/M10SG380100/2217-M080910-12/2217-M08091012-12	14.239	63,500	4,819
2041-M07080910-12	14.239	814,500	0
2449-M0810-12	14.239	375,000	73,884
3318-M12SG38-0100	14.239	335,000	0
Program Income - Current Elmwood			13,160
Recapture Funds			83,938
Total HOME HUD Grant		<u>1,588,000</u>	<u>181,260</u>
Pass Through North Dakota Dept of Commerce/DCS			
B-08-DN-38-0001 (2459-NSP09) (HERA)	14.228	4,312,782	347,088
Program Income - NSP			233,712
Total Division of Community Services		<u>4,312,782</u>	<u>580,800</u>
Total Department of Housing & Urban Development		<u>7,113,500</u>	<u>2,432,872</u>

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/ Program Title	Federal CFDA Number	Award Amount	Expenditures
Department of Health & Human Services			
Pass Through N.D. Department of Health			
Maternal and Child Health Care/Nutrition			
G11-011	93.994	57,990	17,169
G11-612	93.994	55,348	25,991
Care Coordination Grant			
11.085	93.994	72,456	31,451
Communicable Disease Control			
PF11.106	93.943	2,435	2,435
Immunization Initiative Grant			
11.465(A)	93.268	35,208	35,000
Tobacco Prevention & Control			
G11-11	93.283	53,318	26,660
West Nile Virus Surveillance			
11.542	93.283	15,000	15,000
Cancer Coalition			
G11.372	93.283	4,994	4,991
G11.840	93.283	5,300	1,250
Bioterrorism			
Emergency Preparedness & Response			
11.240	93.069	234,902	149,332
11.254	93.069	31,019	7,830
11.660	93.889	7,236	1,200
11.712	93.889	210,738	71,461
Ryan White Care Grant			
PF09-344	93.917	35,000	11,188
PF11-175(A)	93.917	275,000	22,152
Tuberculosis Control			
PF11-131	93.116	52,126	52,126
Women's Way Grant			
PF11.032 (A-C)	93.919	69,185	34,291
PF11.224 (A)	93.919	53,765	35,493
Total North Dakota Department of Health		1,271,020	545,020

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

<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) 1/1/12 - 12/31/12	93.778	76,345	76,345
Refugee Health Services 2012-15	93.566	14,000	10,373
2012-21	93.576	20,000	19,892
2013-28	93.566	10,000	1,465
2013-34	93.576	20,000	4,457
		<u>64,000</u>	<u>36,187</u>
Affordable Care Act - Health Center Planning P04CS23078	93.527	80,000	66,373
PF11-258 (Immunization)	93.539	31,548	1,980
		<u>111,548</u>	<u>68,353</u>
Total North Dakota Department of Human Services		251,893	180,885
Total Department of Health & Human Services		<u>1,522,913</u>	<u>725,905</u>
Department of Interior, Fish & Wildlife Service			
National Park Service			
Pass Through North Dakota State Historical Society ND Cultural Heritage (Sub-recipient)	15.UNK	20,000	10,000
38-11-31941-28	15.904	29,020	13,100
38-12-41941-28	15.904	29,870	15,948
		<u>78,890</u>	<u>39,048</u>
Total Department of Interior		78,890	39,048
Department of Justice-Office of Justice Programs			
Pass Through ND State Office of Attorney General			
Bullet Proof Vest Program	16.607	64,165	5,296
11-206 (CVIC)	16.738	13,000	13,000
11-703 (Project Safe Neighborhoods)	16.609	10,000	10,000
2009-DJ-BX-0584	16.738	44,474	14,915
2010-DJ-BX-1020	16.738	49,204	0
2011-DJ-BX-2463	16.738	36,362	24,892
ARRA - #ST09205	16.803	153,040	18,129
ARRA - #ST09-228 (CVIC)	16.803	94,970	29,274
ARRA - 2009-SB-B9-2428	16.804	261,710	8,322
2010-MU-MU-K019 (CVIC)	16.560	159,967	24,679
2010-WE-AX-0058 (CVIC)	16.590	687,869	182,075
2011-MU-MU-K004 (CVIC)	16.730	2,000,000	877,148
2011-CW-AX-K010 (CVIC)	16.527	340,216	60,342
2012-DJ-BX-1106	16.738	27,904	0

See Notes to Schedule

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

<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 2011-1	16.727	12,720	6,702
ND HWY DEPT 2012-1	16.727	12,000	4,655
Office of Community Oriented Policing Services (COPS)			
ARRA - 2009-RK-WX-0595	16.710	360,436	113,654
CY11-403	16.738	75,400	31,761
CY12-408	16.738	83,200	53,400
HIDTA 23593-GF	16.UNK	392,314	58,274
Pass Through ND Department of Health			
G11.407	16.588	22,435	13,243
G11.881	16.588	62,691	20,975
Total Department of Justice		4,964,077	1,570,736
Department of Homeland Security			
Pass Through North Dakota Dept of Emergency Services			
HOMELAND SECURITY##A0457-001-2009-HQ	PD 97.067	16,798	16,798
HOMELAND SECURITY##A0457-001-2011-RQ	PD 97.067	132,700	0
HOMELAND SECURITY##A0457-001-2012-RT	PD 97.067	10,388	0
HOMELAND SECURITY##A0461-002-2009-HTRR	FD 97.067	26,768	0
HOMELAND SECURITY##A0461-003-2009-HQ	FD 97.067	5,800	5,779
HOMELAND SECURITY##A0461-001-2010-SARQ	FD 97.067	549,637	346,770
HOMELAND SECURITY##A0461-002-2010-SART	FD 97.067	2,450	2,450
HOMELAND SECURITY##A0461-001-2011-RQ	FD 97.067	93,810	0
HOMELAND SECURITY##A0461-001-2012-RE	FD 97.067	7,800	0
HOMELAND SECURITY##A0461-002-2012-RT	FD 97.067	36,000	0
HOMELAND SECURITY##A0574-001-2009-HQRR	PD 97.067	266,755	57,231
HOMELAND SECURITY##A0574-002-2009-HTRR	PD 97.067	42,979	0
HOMELAND SECURITY##A0574-003-2009-HPRR	PD 97.067	11,050	425
HOMELAND SECURITY##A0815-001-2011-HE	PSAP 97.067	17,905	10,833
Total North Dakota Department of Emergency Services		1,220,840	440,286
Total Department of Homeland Security		1,220,840	440,286
Department of Commerce			
Project 05-19-59026 Revolving Loan Funds	11.307	2,222,223	1,574,713
Total Department of Commerce		2,222,223	1,574,713
Total Expenditures of Federal Awards		\$ 42,103,089	\$ 10,616,007

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, 2012

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	\$ 1,267,201
Transit Services Programs Cluster	20.516, 20.521	205,827
Highway Safety Cluster	20.600, 20.601	18,680
JAG Program Cluster	16.738, 16.803, 16.804	193,693

NOTE 3 Loans Outstanding

The City of Grand Forks had the following loan balances outstanding at December 31, 2012. 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		\$ 1,395,000
Loan #380800-02		850,000
Loan #380806-01(01)		4,840,000
Loan #380806-01(02)		7,050,000
Loan #1800410-01		5,240,000
Loan #380798-01		844,000
Loan #380798-02		1,110,000
Loan #380806-01 (03)		3,526,560
Loan #380806-02		3,170,000

CITY OF GRAND FORKS, NORTH DAKOTA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2012

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 Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$ 201,309
Supervised Visitation, Safe Havens for Children	16.527	58,573
National Institute of Justice Research, Evaluation, and Development Project Grant	16.560	24,679
STOP Violence Againsts Women Formula Funds	16.588	11,345
Reduction and Prevention of Children's Exposure to Violence	16.730	800,641
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6,662
State Energy Program	81.041	48,646
Energy Efficiency and Conservation Block Grant Program	81.128	130,500

NOTE 5 Program Income

As of December 31, 2012, the City of Grand Forks earned \$737,855 in program income from its CDBG Emergency Supplemental Appropriation Grant, \$121,668 in program income from its CDBG Revolving Loan Fund, \$233,712 in program income from its Neighborhood Stabilization Program and \$102,557 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.

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

81.128 – ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)
81.041 – ARRA – State Energy Grants
97.067 – Homeland Security Grant Program
16.730 – Reduction and Prevention of Children's Exposure to Violence
16.710 – ARRA - Public Safety Partnership and Community Policing Grants
11.307 – Economic Adjustment Assistance – Revolving Loan Funds

Dollar threshold used to distinguish
between Type A and Type B programs: \$318,480

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, 2012.

No prior audit findings were required to be reported.

