

**Minutes of the Grand Forks City Council
serving as Audit Committee – Monday, July 10, 2017 – 5:00 p.m.**

The City Council serving as the Audit Committee met on Monday, July 10, 2017 at 5:00 p.m. in Room A102 in City Hall with President Sande presiding. Present at roll call: Sande, Schneider, Weber, Marshall, Vein. Absent: Weigel and Mock.

1. Comprehensive Annual Financial Report of the City of Grand Forks for the Year Ended December 31, 2016.

Brian Opsahl and Amanda Scanson, Brady Martz, stated that they have completed the annual audit of the financial statements of the City and have issued an unmodified (clean) opinion on the statements.

Opsahl reviewed the contents of the Comprehensive Annual Financial Report which includes basic information on the City, the audit opinion, a management discussion section which includes highlights of events that have occurred in the year, the financial statements including narrative notes which further explain the information contained in the financial statements, individual fund statements, and statistical information.

Opsahl explained that receiving an unmodified (clean) opinion means that in the opinion of the auditors the financial statements comply with Government Accounting Standards and fairly and accurately represent the financial position of the City of Grand Forks.

Opsahl reviewed various areas of the report with the committee. The Management Discussion and Analysis provides a high level snapshot of the financial picture of the city. The city has a healthy financial position, with a current fund balance of 23%, which is within a reasonable range of the fund balance policy of 18%. The General Fund statements reflect the planned spend down of cash that was included in the 2016 budget for capital items. All enterprise funds have a positive net position. Opsahl also pointed out various comparative areas within the book and statistical tables.

Opsahl explained that the Committee is also receiving a copy of the Schedule of Expenditures of Federal Awards (SEFA), which includes a listing of all federal funds disbursed to the City in 2016. As part of the audit process, Brady Martz conducts testing of the expenditures to ensure that they are all done in compliance with federal regulations. The programs tested this year were the Department of Transportation and Federal Transit Authority. The results of the testing are a clean opinion with no instances of noncompliance.

Motion by Schneider, Second by Vein to receive the report and move to City Council. Meeting adjourned at 5:30 p.m.

Respectfully submitted,
Sherie Lundmark, City Clerk