

**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, 2024

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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, 2024, 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 19, 2025.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Grand Forks' financial statements are free from 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 financial statements. 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 19, 2025

**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

Opinion on Each Major Federal Program

We have audited the City of Grand Forks' compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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 \$20,671,283 in federal awards. These awards are not included in the City's schedule during the year ended December 31, 2024. 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 our opinion, the City of Grand Forks complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Grand Forks and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Grand Forks' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Grand Forks' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Grand Forks' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Grand Forks' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Grand Forks' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Grand Forks' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City of Grand Forks' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on The City of Grand Forks' response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Grand Forks' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Grand Forks' response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Grand Forks' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 19, 2025, 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 the Uniform Guidance 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 basic 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 19, 2025

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
Department of Transportation				
Federal Transit Administration				
Transit Services Programs Cluster				
Pass Through NDDOT:				
NDDOT #38-240-670 Elderly & Persons with Disabilities Program	20.513	\$ 62,787	\$	50,308
NDDOT #38-231-180 Elderly & Persons with Disabilities Program	20.513	67,112		19,434
NDDOT #38-221-248A Elderly & Persons with Disabilities Program	20.513	94,816		94,816
Total Transit Services Programs Cluster				<u>\$ 164,558</u>
Federal Transit Cluster				
Direct Programs:				
FTA Operating & Capital Assistance ND-2021-004-02	20.507	11,935		11,935
FTA Operating & Capital Assistance ND-2023-004-00	20.507	1,197,259		11,973
FTA Operating & Capital Assistance ND-2023-005-00	20.507	1,698,122		121,627
FTA Operating & Capital Assistance ND-2024-001-00	20.507	1,735,241		1,286,116
FTA Operating & Capital Assistance ND-2024-90-4101	20.507	855,039		404,479
FTA Operating & Capital Assistance ND-2024-011-00	20.507	411,200		216,509
Bus and Bus Facilities Formula & Discretionary Programs ND-2023-013	20.526	7,768,742		3,117,319
Total Federal Transit Cluster				<u>5,169,958</u>
Federal Highway Administration				
Pass Through North Dakota State Dept. of Transportation				
Highway Planning and Construction				
NHU-NH-6-081 (098)943 Washington St - 5th Ave S to 1st Ave N	20.205	15,747,677		6,472,918
UGP-6-986(132) Reconstruct N 4th St. (Demers Ave to 1st Ave N)	20.205	1,631,200		14,357
CVD-SU-6-002(138)910 N 5th St (US 2 to Demers Ave)	20.205	81,940		2,967
TAU-6-002(138)910 Shared Use Path on 32nd Ave S (Heartland Dr-48th St)	20.205	236,316		7,374
SU-6-986(136) City Wide Urban Traffic Signal Rehab	20.205	3,110,000		893,272
NHU-6-297(013)002 Rehabilitation of Demers Ave Overpass	20.205	1,527,731		15,078
NHU-6-081(110)942 Rehabilitation of Washinton Pedestrian Underpass	20.205	273,249		148
NHU-6-999(051) Regional Traffic Signal Rehab	20.205	6,042,912		1,671,287
NHU-6-081(111)940 32nd Ave S (I-29 to Washington St) Rehabilitation	20.205	2,285,345		50,595
SU-6-986(173) PCn 2364 Columbia Road Overpass Rehabilitation	20.205	7,205,600		5,328,945
TAU-6986(140) S 48th St (Shared Use Path (17th - 32nd Ave South)	20.205	487,120		444,214
UGP-6986(139) Intersection of Belmont Road & South 5th Street	20.205	1,312,480		1,223,126
NHU-SU-6-081 (118)940 32nd AS (I-29 to S Washington) CRP & Chip Seal	20.205	1,793,502		1,722,649
IM-6-029(157)137 47th Ave South Interchange Design Engineering	20.205	4,250,000		666,651
UGP-66-986(142) Reconstruct N 4th ST (1st Ave N to 2nd Ave N)	20.205	2,244,000		213,981
Total AL 20.205				<u>18,727,562</u>
National Highway Traffic Safety Administration				
Pass Through North Dakota Dept. of Transportation				
Highway Safety Cluster				
NDDOT 12-231-108-1 State and Community Highway Safety	20.600	50,400		41,162
Total Highway Safety Cluster				<u>41,162</u>
NDDOT 12-241-298-2 Minimum Penalties for Repeat Offenders for Driving while Intoxicat	20.608	31,400		11,970
NDDOT 12-231-108-2 Minimum Penalties for Repeat Offenders for Driving while Intoxicat	20.608	28,600		26,653
Total AL 20.608				<u>38,623</u>
Pass Through North Dakota Dept of Emergency Services				
HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS 693JK32240028HMPEP	20.703	24,576		21,943
Total Department of Transportation				<u><u>24,163,806</u></u>

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, 2024

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
Department of Housing & Urban Development				
Community Development Block Grants -Entitlement Grants Cluster				
B-22-MC-38-0002	14.218	\$ 462,163	\$ 298,507	\$ 298,507
Program Income - Supplemental	14.218		2,244,944	2,359,944
Total Community Development Block Grants - Entitlement Grants Cluster				<u>\$ 2,658,451</u>
Total Department of Housing & Urban Development				<u>2,658,451</u>
Department of the Treasury				
Pass Through N.D. Department of Health				
COVID 19 - State and Local Fiscal Recovery Fund	21.027	11,439,298		<u>367,940</u>
Total Department of Treasury				<u>367,940</u>
Department of Health & Human Services				
Pass Through N.D. Department of Health				
Maternal and Child Health Care/Nutrition				
G23.427	93.994	17,500		17,484
G23.1043	93.994	17,500		2,300
Total AL 93.994				<u>19,784</u>
Communicable Disease Control				
G23.598	93.940	8,000		6,481
ND Chronic Disease				
G21.1129	93.758	10,000		9,692
Immunization Initiative Grant				
COVID 19 - G19.1297	93.268	1,109,000		57,635
G21.820	93.268	28,759		9,684
G23.067	93.268	28,542		11,291
Total AL 93.268				<u>78,610</u>
Tobacco Prevention & Control				
G23.196	93.283	212,310		111,138
G23.821	93.283	221,254		109,982
Total AL 93.283				<u>221,120</u>
Emergency Preparedness & Response				
G23.373	93.069	199,897		160,930
G23.005	93.069	51,066		182,732
G23.018	93.069	8,366		8,090
G23.1261	93.069	4,787		275
G23.767	93.069	217,751		36,292
Total AL 93.069				<u>388,319</u>
Ryan White Care Grant				
G23.715	93.917	140,000		102,909
G21.1275	93.917	99,000		29,339
Total AL 93.917				<u>132,248</u>
Tuberculosis Control				
G23.629	93.116	27,858		27,858
Women's Way Grant				
G21.1311	93.898	174,966		72,179
G23.773	93.898	166,996		77,218
Total AL 93.898				<u>149,397</u>
Health Equity				
G19.1297	93.391	182,700		47,772
Epidemiology and Laboratory Capacity for Infection Diseases				
G19.1076	93.323	761,337		101,438

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, 2024

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
Pass Through N.D. Department of Human Services				
Opioid STR Community Grant				
810-12946	93.U03	\$ 332,140		\$ 173,340
810-13580	93.U03	653,228		54,436
Total AL 93.U03				\$ 227,776
Total Department of Health & Human Services				1,410,495
Department of Interior, Fish & Wildlife Service				
Pass Through North Dakota State Historical Society				
ND-23-10031 Historic Preservation Fund Grants-In-Aid	15.904	35,616		26,877
ND-24-10031 Historic Preservation Fund Grants-In-Aid	15.904	31,098		9,957
ND-22-10031 Historic Preservation Fund Grants-In-Aid	15.904	28,717		1,573
Total AL 15.904				38,407
Total Department of Interior, Fish & Wildlife Service				38,407
Executive Office of the President				
Pass Through ND State Office of Attorney General				
HIDTA 59323 -GF	95.001	137,539		135,061
Total Executive Office of the President				135,061
Department of Justice-Office of Justice Programs				
Pass Through ND State Office of Attorney General				
Bullet Proof Vest Program	16.607	152,830		16,312
FY 2022 COPS Hiring Grant	16.710	750,000		358,816
2023 BJA FY 22 Ed Byrne JAG	16.738	23,093	\$ 5,773	23,093
23212 City of Grand Forks/Light of Hope (CVIC JAG)	16.738	19,336	19,336	19,336
Total AL 16.738				42,429
Total Department of Justice				417,557
Department of Homeland Security				
Pass Through GF County - Operation Stone Garden NE Regional UAS Team				
FY 22 OPSG (Pass through from GF County to Fire Department)	97.067	112,896		21,237
FY 23 OPSG (Pass through from GF County to Fire Department)	97.067	136,500		7,747
FY 22 OPSG (Pass through from GF County to Police Department)	97.067	112,896		26,937
FY 23 OPSG (Pass through from GF County to Police Department)	97.067	136,500		1,992
Pass Through North Dakota Dept of Emergency Services				
HOMELAND SECURITY/#EMW-2022-SS-000076 PD - SWAT	97.067	35,200		3,016
HOMELAND SECURITY/#EMW-2022-SS-00076 PD - BOMB	97.067	50,000		3,985
HOMELAND SECURITY/#EMW-2022-SS-00001 PD - SWAT	97.067	35,200		32,500
HOMELAND SECURITY/#EMW-2022-SS-00001 PD - BOMB	97.067	30,000		8,370
HOMELAND SECURITY/#EMW-2022-SS-00076-S01 - FIRE	97.067	136,000		121,732
HOMELAND SECURITY/#EMW-2021-SS-00001 - FIRE	97.067	136,000		62,720
Total AL 97.067				290,236

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, 2024

<u>Federal Grantor/ Program Title</u>	<u>Federal AL Number</u>	<u>Award Amount</u>	<u>Amounts Passed Through to Subrecipients</u>	<u>Expenditures</u>
Pass Through North Dakota Dept of Emergency Services				
EMD-2021-BR-059-0008 - North End Reliever proj 8071	97.047	\$ 710,566		\$ 45,529
FEMA-DR-4509-ND - GF Vail Circle Proj 8265 (FEDERAL SHARE)	97.039	7,749,574		<u>889,416</u>
Total Department of Homeland Security				<u>1,225,181</u>
Department of Commerce				
Economic Development Cluster				
Project 05-01-06098 Tech Accelerator	11.300	1,079,646		42,326
COVID 19 - Project 05-79-05991 Revolving Loan Funds	11.307	1,514,878		<u>1,462,864</u>
Total Economic Development Cluster				<u>1,505,190</u>
Total Department of Commerce				<u>1,505,190</u>
Environmental Protection Agency				
Pass Through North Dakota Public Finance Authority				
EPA Capitalization Grant	66.468	85,978,000		\$ 41,698,185
DWSRF	66.468	212,074		<u>417,691</u>
Total AL 66.468				<u>42,115,876</u>
Total Environmental Protection Agency				<u>42,115,876</u>
Total Expenditures of Federal Awards			<u>\$ 2,568,560</u>	<u>\$ 74,037,964</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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 2 DE MINIMIS COST RATE

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 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Grand Forks under programs of the federal government for the year ended December 31, 2024. 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 4 PROGRAM INCOME

As of December 31, 2024, the City of Grand Forks earned \$69,429 in program income from its CDBG Emergency Supplemental Appropriation and Revolving Loan Fund Grants.

NOTE 5 MATCHING COSTS

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

NOTE 6 EDA REVOLVING LOAN FUNDS (RLF) GRANT

The accompanying schedule of expenditures of federal awards includes \$1,456,149 reported for AL 11.307. This amount does not represent current year expenditures. See calculation below:

Balance of RLF loans outstanding at end of recipients fiscal year	\$	844,960
Cash available for lending		612,860
Admin expenses paid out of RLF income during recipients fiscal year		5,044
		1,462,864
Federal share of RLF as specified in the grant award		100.00%
Schedule of expenditures of federal awards amount	\$	1,462,864

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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:

14.218 CDBG Entitlement/Special Purpose Grants Cluster Unmodified
20.205 Highway Planning and Construction 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:

Assistance Listing (AL) Number(s) - Name of Federal Program or Cluster

14.218 – CDBG Entitlement/Special Purpose Grants Cluster
20.205 – Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$2,221,138

Auditee qualified as low-risk auditee? yes no

CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

2024-001 Reporting – Other Matter

Federal Program Information

Funding Agency: U.S. Department of Housing and Urban Development
Title: Community Development Block Grants Cluster
AL Number: 14.218

Criteria

In accordance with the Federal Funding Accountability and Transparency Act, prime recipients are required to report all subawards to subrecipients in excess of \$30,000.

Condition

The City did not file subaward reporting as required under the Federal Funding Accountability and Transparency Act for the subgrants issued to subrecipients.

Questioned Costs

Not Applicable.

Context

The City had two subawards issued to subrecipients during the year. Both subawards were not reported in accordance with the Federal Funding Accountability and Transparency Act.

Effect

Noncompliance with reporting requirements.

Cause

The City did not have appropriate internal controls to ensure that reporting requirements were met.

Recommendation

The City should review and update controls to ensure all subawards are properly recorded under the Federal Funding Accountability and Transparency Act.

Repeat Finding

This is not a repeat finding.

Views of Responsible Officials

See corrective action plan.

**CITY OF GRAND FORKS, NORTH DAKOTA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

No Findings in the Prior Year.

255 N. 4th St.
PO Box 5200
Grand Forks, ND 58206-5200



FINANCE AND
ADMINISTRATIVE SERVICES
(701) 746-2620

CORRECTIVE ACTION PLAN
DECEMBER 31, 2024

2024-001

Contact Person – Candice Stjern – Assistant Finance Director

Planned Corrective Action – The City will review and update its internal controls regarding reporting to ensure all reports are filed on a timely basis.

Planned Completion Date - Immediately