

**Minutes of the Grand Forks City Council/Finance Development
serving as Audit Committee – Monday, June 8, 2015 – 4:30 p.m.**

The Finance/Development Committee serving as the Audit Committee met on Monday, June 8, 2015 at 4:30 p.m. in Room A102 in City Hall with Chairman Weber presiding. Present at roll call: Mock. Absent: Christensen and Sande.

**1. Comprehensive Annual Financial Report of the City of Grand Forks for the Year Ended
December 31, 2014.**

Janelle Mulroy, 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.

Mulroy 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.

Mulroy 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.

Mulroy reviewed various areas of the report with the committee, pointing out summary statements and how they link to the detailed statements found later in the book.

Mulroy 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 2014. 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 results of the testing is a clean opinion with no instances of noncompliance. She noted that the City is qualified as a low risk auditee as we have had clean opinions for a number of years.

Mulroy stated that the third document distributed today is the Management Report. This contains the audit opinion and also includes items that management should be aware of that will affect the City in future years. There is only one comment this year, which relates to upcoming pension reporting changes. Beginning with the 2015 CAFR, the City will now be required to report pension information differently than we have in the past, which will impact the amount of liability that shows up annually in the financial statements. The plan itself will not have changed, just the way it is reported.

The group discussed that Brady Martz has performed auditing work for the City for a number of years. Staff members rotate on the account to keep fresh perspective in the review process.

Motion by Mock, Second by Weber to receive the report and move to City Council. Meeting adjourned at 5:20 p.m.

Respectfully submitted,
Sherie Lundmark, Asst. City Clerk