

**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, 2021

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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, 2021, 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 22, 2022.

## **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 have not been 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 22, 2022

**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, 2021. 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 \$3,458,853 in federal awards. These awards are not included in the City's schedule during the year ended December 31, 2021. 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 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, 2021.

### ***Basis for Opinion on Each Major Federal 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 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 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 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.

## **Report on 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 22, 2022, 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 22, 2022

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
<b>Department of Transportation</b>				
<b>Federal Transit Administration</b>				
Transit Services Programs Cluster				
Pass Through NDDOT:				
NDDOT #38-210-814 Elderly & Persons with Disabilities Program	20.513	34,544		\$ 12,450
NDDOT #38-211-316 Elderly & Persons with Disabilities Program	20.513	79,900		17,923
NDDOT #38-200-997 Elderly & Persons with Disabilities Program	20.513	63,680		63,680
NDDOT #38-200-998 Elderly & Persons with Disabilities Program	20.513	72,562		<u>26,827</u>
Total Transit Services Programs Cluster				\$ 120,880
Federal Transit Cluster				
Direct Programs:				
FTA Operating & Capital Assistance ND-2020-001-01	20.507	1,159,073		518,000
FTA Operating & Capital Assistance ND-2021-001-01	20.507 (CARES)	3,172,110		2,216,703
FTA Operating & Capital Assistance ND-2021-001-02	20.507 (CARES)	200,000		25,622
FTA Operating & Capital Assistance ND-2021-007-00	20.526	290,432		177,169
Pass Through NDDOT:				
NDDOT #38-180-985 Federal Transit Capital Investment Grants	20.500	88,000		79,370
NDDOT #38-180-971 Federal Transit Capital Investment Grants	20.500	448,800		<u>91,503</u>
Total Federal Transit Cluster				3,108,367
Federal Highway Administration				
Pass Through North Dakota State Dept. of Transportation				
Highway Planning and Construction Cluster				
S-HEU-6-986(117)121 (Columbia Road & 17th Ave S Turning Lanes)	20.205	665,213		(3,527)
NHU-6-002(125)911 Reconstruct Demers from Sorlie Bridge to N 5th St	20.205	6,855,234		341,316
NHU-6-297(011)003 (Reconstruct Demers Ave from N 6th St to N 5th St)	20.205	1,027,982		14,184
SU-6-002(126)910 Mill & Overlay N 5th St from US 2 to Demers Ave	20.205	2,700,702		156,176
HLU-6-999(041) Retroreflective Backplates & Law Enforcement Confirmation Light	20.205	285,403		18,690
NHU-6-297(012)001 (Turn Lanes at Demers Ave & Columbia Rd Intersection)	20.205	767,683		81,371
NHU-6-081 (100)943 ADA Ramps (US 81 Washington St- Hammerling St to 8th Ave N)	20.205	1,023,843		37,360
RPS-9999(403) (BNSF Railway Signal Upgrade at 6th Ave N)	20.205	217,916		35,953
NHU-SS-6-081(099)944 CRP Washington St, South of 8th Ave N to .4 miles N of US 2	20.205	1,072,502		10,078
SU-6-986(127) Mill & Overlay on University Ave from State St to N 3rd St	20.205	2,209,000		237,116
UGP -6-986 (128) Reconstruct N 3rd St from University Ave to Demers Ave	20.205	3,079,156		2,054,222
HEU-6-081(094)940 Traffic Signal and Turn Lanes for 32nd Ave (I-29- 20th St)	20.205	5,720,574		5,472,497
NHU-6986(131) Paving N Columbia (University Ave - BNSF Overpass)	20.205	4,376,000		3,097,474
TAU-6986(129) Shared Use path on S Columbia Rd (40th Ave S to 47th Ave S)	20.205	290,000		215,042
HLU-6999(042) Advanced Pedestrian Timing on Columbia Rd & 42nd St)	20.205	68,261		<u>61,038</u>
Total Highway Planning and Construction Cluster				11,828,990
National Highway Traffic Safety Administration				
Pass Through North Dakota State Dept. of Transportation				
Highway Safety Cluster				
NDDOT 12-200-906-1	20.600	22,000		17,238
NDDOT 12-200-906-2	20.616	22,000		13,425
NDDOT 12-211-131-1	20.600	12,000		4,218
NDDOT 12-211-131-2	20.616	12,000		<u>800</u>
Total Highway Safety Cluster				35,681
Total Department of Transportation				<u>15,093,918</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, 2021**

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
<b>Department of Housing &amp; Urban Development</b>				
<b>Community Development Block Grants -Entitlement Grants Cluster</b>				
B-18-MC-38-0002	14.218	411,752		11,291
B-19-MC-38-0003	14.218	430,422		195,870
B-20-MC-38-0002	14.218	455,668		322,729
B-20-MW-38-0002	14.218 (CARES)	566,450		193,491
B-21-MC-38-0002	14.218	488,861		142,456
Program Income - Revolving Loan Fund	14.218			109,266
Program Income - Supplemental	14.218			187,097
Total Community Development Block Grants - Entitlement Grants Cluster			1,030,371	<u>1,162,200</u>
Total Department of Housing & Urban Development				<u>1,162,200</u>
<b>Department of the Treasury</b>				
<b>Pass Through N.D. Department of Health</b>				
<b>Covid-19 Funding for LPHU</b>				
G19.748D	21.019 (CARES)	2,414,814		367,605
State and Local Fiscal Recovery Fund	21.027 (CARES)	11,439,298		<u>795,568</u>
Total Department of Treasury				<u>1,163,173</u>
<b>Department of Health &amp; Human Services</b>				
<b>Pass Through N.D. Department of Health</b>				
<b>Maternal and Child Health Care/Nutrition</b>				
G19.962	93.994	60,000		45,528
Communicable Disease Control				
PF19.193	93.940	10,000		2,294
ND Chronic Disease				
G19.1032	93.758	10,000		9,906
Immunization Initiative Grant				
G19.1297	93.268 (CARES)	1,109,000		176,954
G19.878	93.268	28,542		16,747
G21.046	93.268	28,542		<u>9,549</u>
Total AL 93.268				203,250
Tobacco Prevention & Control				
G19.700	93.283	233,754		157,833
G21.204	93.283	207,021		<u>97,108</u>
Total AL 93.283				254,941
Emergency Preparedness & Response				
G19.256	93.069	8,366		1,057
G19.776	93.069	217,751		191,558
G21.033	93.069	217,751		<u>55,048</u>
Total AL 93.069				247,663

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, 2021**

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
<b>Pass Through N.D. Department of Health</b>				
Ryan White Care Grant				
G19.653	93.917	24,000		8,402
G19.1259	93.917	48,000		<u>32,262</u>
Total AL 93.917				40,664
Tuberculosis Control				
G19.1213	93.116	2,775		2,775
Tobacco Youth Compliance Checks				
G19.142A	93.U01	13,860		10,395
Women's Way Grant				
G19.859	93.898	161,465		118,684
G19.1345	93.898	241,382		118,637
Women's Way Community Clinical Linkages				
G19.717	93.898	25,000		25,000
G19.1331	93.898	25,000		13,338
Women's Way CRC Initiative				
G19.546B	93.898	10,000		5,200
G21.126	93.898	10,000		<u>4,800</u>
Total AL 93.898				285,659
Health Equity				
G19.1297	93.391	125,000		4,901
Epidemiology and Laboratory Capacity for Infection Diseases				
G19.1076	93.323	357,668		244,558
<b>Pass Through N.D. Department of Human Services</b>				
Opioid STR Community Grant				
810-11870	93.U03	171,440		128,580
810-12447	93.U03	339,000		<u>84,750</u>
				213,330
<b>Total Department of Health &amp; Human Services</b>				
				<u>1,565,864</u>
<b>Department of Interior, Fish &amp; Wildlife Service</b>				
<b>Pass Through North Dakota State Historical Society</b>				
38-19-171422-31 FY2020	15.904	35,060		6,350
ND-20-100026	15.904	23,540		17,397
ND-21-10031	15.904	32,040		<u>3,922</u>
Total AL 15.904				27,669
<b>Total Department of Interior, Fish &amp; Wildlife Service</b>				
				<u>27,669</u>
<b>Executive Office of the President</b>				
<b>Pass Through ND State Office of Attorney General</b>				
HIDTA 59321-GF	95.001	127,314		7,763
HIDTA 59320-GF	95.001	128,914		<u>122,461</u>
Total AL 95.001				130,224
<b>Total Executive Office of the President</b>				
				<u>130,224</u>
<b>Department of Justice-Office of Justice Programs</b>				
<b>Pass Through ND State Office of Attorney General</b>				
Bullet Proof Vest Program	16.607	40,989		25,817
2020-VD-BX-0489	16.034 (CARES)	75,829		40,418
2019-DJ-BX-0153	16.738	23,535	11,768	23,535
2021 BJA FY 21 Ed Byrne JAG	16.738	22,251		4,390
20212 City of Grand Forks/Light of Hope (CVIC)	16.738	9,555	9,555	<u>9,555</u>
Total AL 16.738				37,480

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, 2021**

Federal Grantor/ Program Title	Federal AL Number	Award Amount	Amounts Passed Through to Subrecipients	Expenditures
Pass Through ND Department of Health				
G19.987 STOP Violence Against Women	16.588	17,691	13,509	13,509
G21.388 STOP Violence Against Women	16.588	17,594	4,321	<u>4,321</u>
Total AL 16.588				<u>17,830</u>
Total Department of Justice				<u>121,545</u>
<u>Department of Homeland Security</u>				
Pass Through GF County - Operation Stone Garden NE Regional UAS Team				
FY 19 OPSG (Pass through from GF County to Fire Department)	97.067	31,133		4,472
FY 19 OPSG (Pass through from GF County to Police Department)	97.067	31,133		15,750
FY 20 OPSG (Pass through from GF County to Fire Department)	97.067	35,058		13,710
FY 20 OPSG (Pass through from GF County to Police Department)	97.067	35,058		21,348
Pass Through North Dakota Dept of Emergency Services				
HOMELAND SECURITY/#EMW-2018-SS-00008 PD	97.067	92,000		88,049
HOMELAND SECURITY/#EMW-2020-SS-00073 - PD	97.067	152,830		112,903
HOMELAND SECURITY/#EMW-2020-SS-00073 - FIRE	97.067	130,028		56,077
HOMELAND SECURITY/#EMW-2019-SS-000033-S01 - FIRE	97.067	30,083		<u>30,073</u>
Total AL 97.067				342,382
FEMA-4509-DR - COVID 19 Emergency Funds	97.036 (CARES)	888,888		888,888
FEMA-4553-DR - Spring '20 Flood Fight	97.036	301,693		<u>114,276</u>
Total AL 97.036				<u>1,003,164</u>
Total Department of Homeland Security				<u>1,345,546</u>
<u>Department of Commerce</u>				
Economic Development Cluster				
Project 05-79-05991 Revolving Loan Funds	11.307 (CARES)	1,529,000		<u>1,055,783</u>
Total Economic Development Cluster				
Total Department of Commerce				<u>1,055,783</u>
<u>Environmental Protection Agency</u>				
Pass Through North Dakota Public Finance Authority				
Drinking Water State Revolving Fund Cluster				
EPA Capitalization Grant Loan	66.468	66,000,000		<u>269,130</u>
Total Environmental Protection Agency				<u>269,130</u>
Total Expenditures of Federal Awards			<u>\$ 1,069,524</u>	<u>\$ 21,935,052</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, 2021**

**NOTE 1 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, 2021. 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 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 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 4 Loans Outstanding**

The City of Grand Forks had the following loan balances outstanding at December 31, 2021. Current year loan expenditures were \$269,130. These loan balances outstanding, except for the current year loan expenditures for the EPA Capitalization Grant, 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 AL Number</u>	<u>Amount Outstanding</u>
North Dakota Public Finance Authority State Revolving Fund	66.468	\$ 73,615,000

**NOTE 5 Program Income**

As of December 31, 2021, the City of Grand Forks earned \$296,363 in program income from its CDBG Emergency Supplemental Appropriation and Revolving Loan Fund Grants.

**NOTE 6 Matching Costs**

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

**CITY OF GRAND FORKS, NORTH DAKOTA**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 7 EDA Revolving Loan Funds (RLF) Grant**

The accompanying schedule of expenditures of federal awards includes \$1,055,783 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	\$ 997,000
Admin expenses paid out of RLF income during recipients fiscal year	<u>58,783</u>
	1,055,783
Federal share of RLF as specified in the grant award	<u>100.00%</u>
Schedule of expenditures of federal awards amount	<u><u>\$ 1,055,783</u></u>

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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: 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

11.307 - Economic Adjustment Assistance  
14.218 – CDBG  
21.019 – Coronavirus Relief Fund  
21.027 – Coronavirus State and Local Fiscal Recovery Fund  
97.036 – Disaster Grants – Public Assistance  
20.500/20.507 – Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  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, 2021**

No prior audit findings were required to be reported.