



CITY OF CLEVELAND, OHIO

Single Audit Reports

Year Ended December 31, 2015

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**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Agriculture				
Direct Programs:				
Urban and Community Forestry Program 2015	10.675		-	\$ 107,897
Subtotal				<u>107,897</u>
Pass-Through Programs:				
Ohio Department of Education Office of Child Nutrition Services:				
Summer Food Service Program for Children 2013	10.559	087593		52,140
Summer Food Service Program for Children 2014	10.559	087593		52,140
Summer Food Service Program for Children 2015	10.559	087593		253,430
Subtotal			-	<u>357,710</u>
Cuyahoga County:				
Able Bodied Adults Without Dependents	10.561	AG1400113		92,898
Subtotal			-	<u>92,898</u>
Total Department of Agriculture			-	<u>558,505</u>
Department of Energy				
Pass-Through Programs:				
Ohio Department of Development Services Agency:				
Weatherization Assistance for Low-Income Persons DOE 2014	81.042	14-111	6,640	735,904
Subtotal			6,640	<u>735,904</u>
Total Department of Energy			6,640	<u>735,904</u>
Department of Health and Human Services				
Direct Programs:				
Healthy Start Initiative Yr 14	93.926		836,156	1,109,915
Healthy Start Initiative Yr 15	93.926		603,762	905,559
Subtotal			1,439,918	<u>2,015,474</u>

(Continued)

**CITY OF CLEVELAND
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Health and Human Services (Continued):				
Pass-Through Programs:				
Ohio Department of Health:				
Substance Abuse and Mental Health Services Administration	93.243	IH79TI024189-01		221,317
Substance Abuse and Mental Health Services Administration	93.243	IH79TI025119-01	-	307,130
Subtotal				<u>528,447</u>
Public Health Emergency Preparedness 2013	93.074	18-1-001-2-PH-0413		35,910
Public Health Emergency Preparedness 2014	93.074	18-1-001-2-PH-0514		923
Public Health Emergency Preparedness 2015	93.074	18-1-001-2-PH-0615	6,500	123,801
Public Health Emergency Preparedness 2016	93.074	18-100-12-PH-0716		57,081
Public Health Emergency Preparedness - Emergency Ebola	93.074	18-100-12-EB-0116		30,312
City Readiness Initiative 2015	93.074	18-2-001-2-PH-0615	268,690	393,998
City Readiness Initiative 2016	93.074	18-2-001-2-PH-0716	77,171	172,974
Subtotal			<u>352,361</u>	<u>814,999</u>
Immunization Grants 2013	93.268	18-100-1-2-IM-0613		341
Immunization Grants 2014	93.268	18-100-1-2-IM-0714		3,301
Immunization Grants 2015	93.268	18-100-1-2-IM-0815		96,438
Subtotal			<u>-</u>	<u>100,080</u>
Family Planning Services Title X FY 2015	93.217	18-200-11-HW-0215		177,016
Family Planning Services Title X FY 2016	93.217	18-200-11-HW-0316	77,000	460,733
Subtotal			<u>77,000</u>	<u>637,749</u>
Family Planning Services Title X FY 2015	93.994	18-200-11-HW-0215		64,898
Family Planning Services Title X FY 2016	93.994	18-200-11-HW-0316		74,760
Healthy Homes Awareness 2015	93.994	B04MC26688-01-02		5,000
Subtotal			<u>-</u>	<u>144,658</u>
Ohio Public Health Partnership	93.507			2,748
Subtotal			<u>-</u>	<u>2,748</u>
				(Continued)

**CITY OF CLEVELAND
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Health and Human Services (Continued):				
Pass-Through Programs (Continued):				
HIV Prevention 2015	93.940	18-2-001-2-HP-0815	379,761	621,717
Subtotal			<u>379,761</u>	<u>621,717</u>
Sexually Transmitted Diseases Diagnosis & Treatment 2014	93.977	18-2-001-2-ST-0614		19,773
Sexually Transmitted Diseases Diagnosis & Treatment 2015	93.977	18-2-001-2-ST-0715		128,262
Subtotal			-	<u>148,035</u>
Cuyahoga County Board of Health:				
Block Grants for Prevention and Treatment of Substance Abuse:				
Alcohol, Drug Addiction and Mental Health Service 2015 Treatment	93.959			123,014
Alcohol, Drug Addiction and Mental Health Service 2015 Prevention	93.959			71,382
Subtotal			-	<u>194,396</u>
Western Reserve Area Agency on Aging (WRAAAA):				
WRAAAA OAA/ADRN Project 2014	93.044			2,624
WRAAAA OAA/ADRN Project 2015	93.044			198,888
WRAAAA Supporting Services 2012	93.044			2,484
WRAAAA Supporting Services 2014	93.044			5,630
WRAAAA Supporting Services 2015	93.044			48,133
Subtotal			-	<u>257,759</u>
WRAAAA MyCare Ohio				
Subtotal	93.778		-	<u>1,409</u>
WRAAAA Supportive Services/MIPPA 2013				
WRAAAA Supportive Services/MIPPA 2014	93.071			12,600
Subtotal	93.071		-	<u>4,300</u>
WRAAAA HEAP Outreach Program FY 2015				
WRAAAA HEAP Outreach Program FY 2016	93.568			16,259
Subtotal	93.568		-	<u>3,500</u>
			-	<u>19,759</u>

(Continued)

**CITY OF CLEVELAND
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Health and Human Services (Continued):				
Pass-Through Programs (Continued):				
Ohio Department of Development:				
Weatherization Assistance for Low-Income Home Energy Assistance-HHS 2014	93.568	14-111	310,323 <u>310,323</u>	2,103,155 <u>2,103,155</u>
Subtotal				
Cuyahoga County:				
Temporary Assistance to Needy Families	93.558	AG1400113		192,729
Connecting the Dots - TANF Demo	93.558	AG1400113		4,684
Subtotal - TANF Cluster			-	<u>197,413</u>
Total Department of Health and Human Services			<u>2,559,363</u>	<u>7,804,698</u>
Department of Housing & Urban Development				
Direct Programs:				
CDBG Yr 35	14.218		21,890	21,890
CDBG Yr 36	14.218		26,277	60,797
CDBG Yr 37	14.218		16,000	515,822
CDBG Yr 38	14.218		67,129	160,173
CDBG Yr 39	14.218		590,700	1,721,091
CDBG Yr 40	14.218		7,310,038	13,615,311
CDBG Yr 41	14.218		4,202,156	6,243,674
Neighborhood Stabilization Program 1	14.218		97,794	98,049
Neighborhood Stabilization Program 3	14.218		14,231	15,202
Subtotal			<u>12,346,215</u>	<u>22,452,009</u>
ARRA Neighborhood Stabilization Program				
Subtotal	14.256		194,443 <u>194,443</u>	194,477 <u>194,477</u>
Healthy Homes Production Program Grant				
Subtotal	14.913		92,618 <u>92,618</u>	92,618 <u>92,618</u>

(Continued)

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing & Urban Development (Continued):				
Direct Programs (Continued):				
HOME Investment Partnerships Program 2010	14.239			350,000
HOME Investment Partnerships Program 2011	14.239			740,139
HOME Investment Partnerships Program 2012	14.239			276,089
HOME Investment Partnerships Program 2013	14.239			1,865,933
HOME Investment Partnerships Program 2014	14.239			368,648
HOME Investment Partnerships Program 2015	14.239			219,477
Subtotal			-	<u>3,820,286</u>
Emergency Shelter Grants Program 2013	14.231		514,283	514,283
Emergency Shelter Grants Program 2014	14.231		1,000,119	1,022,696
Emergency Shelter Grants Program 2015	14.231			37,529
Subtotal			<u>1,514,402</u>	<u>1,574,508</u>
Housing Opportunities for Persons With AIDS 2013	14.241		407,804	407,804
Housing Opportunities for Persons With AIDS 2014	14.241		878,082	878,082
Subtotal			<u>1,285,886</u>	<u>1,285,886</u>
Empowerment Zones Program	14.246			485,707
Subtotal			-	<u>485,707</u>
Pass-Through Programs:				
Cuyahoga County Board of Health: Lead Hazard Reduction Demonstration Grant Program 2012	14.905	OHLHD0218-10		12,828
Subtotal			-	<u>12,828</u>
Ohio Department of Development: Neighborhood Stabilization Program - State	14.228	A-Z-08-264-1		45,600
Subtotal			-	<u>45,600</u>
Total Department of Housing & Urban Development			<u>15,433,564</u>	<u>29,963,919</u> (Continued)

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Justice				
Direct Programs:				
Veterans Treatment - Residential	16.585			98,215
Residential Opiate Project	16.585		-	69,777
Subtotal				<u>167,992</u>
National Forum on Youth Violence	16.819			20,477
Subtotal				<u>20,477</u>
Public Safety Partnership and Community Policing Grants:				
Cleveland Universal Hiring II	16.710			390,937
Federal DOJ-COPS Technology GR FY10	16.710			7,421
Subtotal				<u>398,358</u>
2013-Edward Byrne Crime Justice Innovation	16.817			308,648
Subtotal				<u>308,648</u>
2010-Edward Byrne Memorial-JAG	16.738			1,154
2012-Edward Byrne Memorial-JAG	16.738			3,037
2013-Edward Byrne Memorial-JAG	16.738		112,420	381,613
2014-Edward Byrne Memorial-JAG	16.738		113,602	279,438
Subtotal				<u>856,289</u>
Pass-Through Programs:				
Ohio Department of Public Safety:				
2014-Edward Byrne Memorial-NOLETF	16.738	2014-JG-A01-6444		85,000
2013-Edward Byrne Memorial-NOVCC	16.738	2013-JG-A02-6947		72,491
Nationwide Crime Analysis Capability Building Project	16.738	2014-4078-006-01		33,556
Subtotal			<u>226,022</u>	<u>856,289</u>
Project Safe Neighborhood 2013	16.609	2013-PS-PSN-347		29,927
Subtotal				<u>29,927</u>
State of Ohio - Office of Criminal Justice Services:				
Equitable Sharing Program - Asset Forfeiture Program	16.922			301,014
Subtotal				<u>301,014</u>

(Continued)

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Justice (Continued):				
Pass-Through Programs (Continued):				
State of Ohio - Office of Criminal Justice Services:				
Violence Against Women Act Formula Grants :				
OVW Education, Training, and Enhanced Services to End Violence and Abuse				
of Women with Disabilities FY 2011				
	16.529	2011-FW-AX-K004	-	13,129
				<u>13,129</u>
Subtotal				
VAWA Team Approach 2014 Law	16.588	2014-VP-VA2-V041		119,881
VAWA Team Approach 2013 Safety	16.588	2013-VP-VA2-V042		42,845
VAWA Team Approach 2014 Safety	16.588	2014-VP-VA2-V042		76,909
FY 2014 VAWA Sexual Assault	16.588	2014-VP-VA2-V045		29,999
			-	<u>269,634</u>
Subtotal				
State of Ohio - Office of Criminal Justice Services:				
Juvenile Accountability Incentive Block Grants 2014	16.523	2013-JB-MUN-1101		1,622
			-	<u>1,622</u>
Subtotal				
Total Department of Justice				
			<u>226,022</u>	<u>2,367,090</u>
Department of Commerce				
Pass-Through Programs:				
Ohio Department of Jobs and Family Services:				
U.S. Department of Commerce, Economic Development Administration:				
Revolving Loan Fund Grant - Economic Adjustment Assistance				
	11.307	See Footnote 1		3,041,351
			-	<u>3,041,351</u>
Subtotal				
Total Department of Commerce				
			-	<u>3,041,351</u>
Department of Labor				
Pass-Through Programs:				
Ohio Department of Jobs and Family Services:				
WIA Adult Program	17.258	G-1415-15-0292		370,508
WIA Youth Program	17.259	G-1415-15-0292		17,172
				<u>387,680</u>

(Continued)

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Labor (Continued):				
Pass-Through Programs (Continued):				
WIA Dislocated Worker Program	17.278	G-1415-15-0292		150,006
WIA Adult Program	17.258	G-1415-15-0292		306,344
WIA Youth Program	17.259	G-1415-15-0292		15,790
WIA Dislocated Worker Program	17.278	G-1415-15-0292		172,412
Subtotal			-	1,032,232
Total Department of Labor				
			-	1,032,232
Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106			552,400
Subtotal			-	552,400
Pass-Through Programs:				
Highway Planning and Construction:				
Lake Pedestrian Bridge	20.205	See Footnote 2 PID 80966		274,398
Professor Avenue	20.205	PID 90218		37,476
Federal NOACA Transportation for Livable Communities Initiative	20.205	PID 96802		148,965
Subtotal			-	460,839
Ohio Department of Public Safety:				
Cuyahoga County OVI Task Force 2013	20.601	OVITF-2013-18-00-00-00315-00		8,564
Cuyahoga County OVI Task Force 2014	20.601	OVITF-2014-18-00-00-00429-00		2,696
Subtotal			-	11,260
Impaired Driving Enforcement Program 2015				
Impaired Driving Enforcement Program 2016	20.616	IDEP-2015-18-00-00-00404-00		16,525
Subtotal	20.616	IDEP-2016-18-00-00-00384-00	-	1,692
			-	18,217

(Continued)

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Transportation (Continued):				
Pass-Through Programs (Continued):				
Selective Traffic Enforcement Program 2015	20.600	STEP-2015-18-00-00-00587-00		12,010
Selective Traffic Enforcement Program 2016	20.600	STEP-2016-18-00-00-00461-00	-	499
Subtotal			-	12,509
Subtotal - Highway Safety Cluster				
	20.608	OVITF-2015-18-00-00-00453-00	-	2,089
Subtotal			-	2,089
Total Department of Transportation				
			-	1,057,314
Department of Environmental Protection Agency				
Direct Programs:				
Air Pollution Control Program Support 2014	66.001			71,926
Air Pollution Control Program Support 2015	66.001			294,276
Air Pollution Control Program Support 2016	66.001			334,287
Subtotal			-	700,489
Pass-Through Programs:				
Ohio Environmental Protection Agency:				
EPA Tremont Montessori School Parking Lot & Jefferson Avenue Green Infrastructure Retrofit	66.469	12SWIF-CUY-GLRI-12		125,532
Subtotal			-	125,532
Total Department of Environmental Protection Agency				
			-	826,021
Department of Homeland Security				
Direct Programs:				
FEMA Disaster Grant	97.036			297,802
Subtotal			-	297,802
Pass-Through Programs:				
Ohio Environmental Protection Agency:				
Bio-Watch Program 2015	97.091	EPAFBW15		247,426
Bio-Watch Program 2016	97.091	EPAFBW16		133,958
Subtotal			-	381,384

(Continued)

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended December 31, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Number	Passed Through to Subrecipients	Federal Expenditures
Department of Homeland Security (Continued):				
Pass-Through Programs (Continued):				
Cuyahoga County Department of Justice Affairs:				
State Homeland Security Programs 2013	97.067	EMW-2013-SS-00120		183,102
State Homeland Security Programs 2014	97.067	EMW-2014-SS-00101-S01		53,349
Urban Area Security Initiative 2008	97.067	2008-GE-T8-0025		79,333
Urban Area Security Initiative 2014	97.067	EMW-2014-SS-00101-S01		35,923
Subtotal			-	<u>351,707</u>
Port Security Grant Program FY 2012	97.056	EMW-2012-PU-00519-S01		13,030
Subtotal			-	<u>13,030</u>
Total Department of Homeland Security				
			-	<u>1,043,923</u>
Department of the Interior Fish and Wildlife Service				
Direct Programs:				
Clean Vessel Act	15.616			34,901
Total Department of the Interior Fish and Wildlife Service				
			-	<u>34,901</u>
Grand Total				
			-	<u>48,465,858</u>
			-	<u>48,465,858</u>
			-	(Concluded)

**CITY OF CLEVELAND
CUYAHOGA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Cleveland (the "City") and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Uniform Grant Guidance.

Footnote 1: Revolving Loan Fund

Activity in the Economic Adjustment Assistance, CFDA 11.307 revolving loan fund during 2015:

Beginning loans receivable balance as of January 1, 2015	\$2,332,162
Loans made during 2015	223,605
Loan principal repaid on loans issued prior to 2015	<u>(439,855)</u>
Ending loans receivable balance as of December 31, 2015	<u><u>\$2,115,912</u></u>
Cash balance on hand in the revolving loan fund as of December 31, 2015	
Cash balance, unobligated	\$963,065
Revolving loan committed but not disbursed	<u>300,302</u>
Total unobligated cash and committed but not disbursed cash	<u>1,263,367</u>
Total value of revolving loan portion of the EDA 11.307 program	3,379,279
Less: City's matching share	<u>(337,928)</u>
Total federal value of revolving loan portion as of December 31, 2015	<u><u>\$3,041,351</u></u>
Berry Insulation Company	\$116,547
Binkowsky-Dougherty Distribution, LLC	96,668
Binkowsky-Dougherty Distribution, LLC	177,903
Certified Aircraft Maintenance	120,408
Evergreen Real Estate Corporation	123,134
Green City Growers Cooperative	121,912
Gypsy Brewery, LLC	200,000
Hansa Import House Co.	95,436
Hemingway at 7000 LLC (formerly Hemingway at 6555 LLC)	494,448
Jane & Arthur Ellison Ltd.	29,579
Northeast Ohio Neighborhood Real Estate	43,389
Northeast Ohio Lumber & Timber Co.	54,914
Ohio Cooperative Solar Inc.	100,250
Patterson-Britton	85,558
Platform Beer Co. LLC	62,210
Tremont Athletic Club, LLC	<u>193,556</u>
Total	<u><u>\$2,115,912</u></u>

**CITY OF CLEVELAND
 CUYAHOGA COUNTY
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Footnote 2: Ohio Department of Transportation

The Ohio Department of Transportation (ODOT) CFDA 20.205 is the organization of state government responsible for developing and maintaining all state and federal roadways in the State of Ohio (State) with exception of the Ohio Turnpike. In addition to highways, the department also helps develop public transportation and public aviation programs. The Schedule of Expenditures of Federal Awards details expenditures incurred by the City in the year they were paid. Due to the timing of work executed and timing of the reimbursement from ODOT, the expenditures reported on the Schedule of Expenditures of Federal Awards may not coincide with expenditures reported by ODOT.

Amounts reimbursed to the City by ODOT during 2015	\$753,793
Non City Expenses during 2015	(444,382)
Federal Expenditures reported in prior years schedule	(28,765)
Amount expensed by the City in Fiscal Year 2015 not reimbursed in 2015	180,193
Expensed and reported by the City in Fiscal Year 2015	\$460,839

Footnote 3: Subrecipients

The City passes certain federal awards received to other governments or not-for-profit agencies (subrecipients). The City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements and that subrecipients achieve the award's performance goals.

Footnote 4: Indirect Cost Rates

The City has elected to not use the 10% de minimis cost rate as covered in 2 CFR 200.414 Indirect (F&A) costs.

Note 5: Matching Requirements

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditures of non-Federal matching funds.

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 AUDITORS' REPORT

To the Honorable Frank G. Jackson, Mayor, Members of Council and the Audit Committee
City of Cleveland, Ohio:

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, each major fund, and the aggregate remaining fund information of the City of Cleveland, Ohio ("City") as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2016, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 28, 2016

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the Honorable Frank G. Jackson, Mayor, Members of Council and the Audit Committee
City of Cleveland, Ohio:

Report on Compliance for Each Major Federal Program

We have audited the City of Cleveland, Ohio's (the "City") compliance with the types of compliance requirements described 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, 2015. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's 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 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). Those standards and Uniform Guidance 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 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, 2015.

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Report on Internal Control Over Compliance

Management of the City 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 compliance requirements that could have a direct and material effect on a 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 the Uniform Guidance, 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 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 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 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, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 28, 2016, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 28, 2016

**CITY OF CLEVELAND, OHIO
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2015**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Noncompliance material to the financial statements noted?	None

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major programs:	
• CFDA 14.231 – Emergency Solutions Grant Program	
• CFDA 14.218 – Community Development Block Grant (CDBG) – Entitlement Grants	
• CFDA 14.239 – Home Investment Partnerships Program	
• CFDA 93.568 – Low-Income Home Energy Assistance	
• CFDA 93.926 – Healthy Start Initiative	
Dollar threshold to distinguish between Type A and Type B Programs:	\$1,453,976
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None