

August 26, 2019

City Council met in regular session in the Council Chamber of the Municipal Services Center, 3600 Tremont Road, and was called to order by President Greenhill at 7:30 p.m.

MEMBERS PRESENT: Vice President King, Carolyn T. Casper, Brian C. Close, Michele M. Hoyle, Jim Lynch, Susan Ralph, and President Greenhill

STAFF PRESENT: Acting City Manager Dan Ralley, Economic Development Director Joseph Henderson, Community Affairs Director Emma Speight, HR Director Abby Cochran, City Attorney Jeanine Hummer, Assistant City Attorney Jesse Armstrong, Assistant City Attorney Darlene Pettit, Finance Director Brent Lewis, Fire Chief Lyn Nofziger, IT Director Granville Harris, Parks and Recreation Director Debbie McLaughlin, Parks Planning & Development Manager Jeff Anderson, Police Chief Steve Farmer, Public Service Director Jackie Thiel, Acting Development Director Chad Gibson, and City Clerk Ashley Ellrod

PLEDGE OF ALLEGIANCE

Council Member Ralph led the Pledge of Allegiance.

CONSENT AGENDA

1. Approve the minutes of the 7/8/2019 City Council Meeting
2. Approve the minutes of the 7/30/2019 Special Council Meeting
3. Approve the minutes of the 8/15/2019 Special Council Meeting
4. Approve the minutes of the 8/19/2019 Council Conference Session
5. Approve the minutes of the 8/20/2019 Special Council Meeting

Vice President King moved, seconded by Ms. Ralph, to approve Consent Agenda Items.

President Greenhill then called for a vote on the motion to approve the Consent Agenda Items.

VOTING AYE: Casper, Close, Hoyle, King, Lynch, Ralph and President Greenhill

VOTING NAY: None

Motion carried.

SPECIAL PRESENTATION

AUDIT PRESENTATION

Ms. Meghan Poth of Wilson, Shannon & Snow, Inc. was present. She provided the Post Audit Report (attached hereto and incorporated herein by reference as Exhibit A).

Ms. Poth related Council also received a Single Audit Report (attached hereto and incorporated herein by reference as Exhibit B). She conveyed because more than \$750,000 in federal grant money was spent, the City was subject to a single audit.

Ms. Poth conveyed this is their 6th year performing this audit. The City had a clean audit for 2018, there were no adjustments, significant findings, or recommendations.

LEGISLATIVE AND/OR ADMINISTRATIVE ITEMS FOR PUBLIC HEARING/COUNCIL VOTE

ORDINANCE NO. 56-2019

TO APPROPRIATE AND TRANSFER FUNDS

which was read for the first time.

Ms. Casper moved, seconded by Mrs. Hoyle, to pass Ordinance No. 56-2019.

In response to President Greenhill's invitation to speak, there were no questions or comments from the public relative to Ordinance No. 56-2019.

After completing a review of the current 2019 Budget, Staff respectfully requests

amendments to the appropriations as outlined in the Ordinance.

President Greenhill then called for a vote on the motion to pass Ordinance No. 56-2019.

VOTING AYE: Close, Hoyle, King, Lynch, Ralph, Casper and President Greenhill

VOTING NAY: None

Motion carried.

ORDINANCE NO. 57-2019

TO AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACT WITH DWA RECREATION FOR THE REED ROAD PLAYGROUND IMPROVEMENTS

which was read for the first time.

Mr. Close moved, seconded by Ms. Ralph, to pass Ordinance No. 57-2019.

In response to President Greenhill's invitation to speak, there were no questions or comments from the public relative to Ordinance No. 57-2019.

This is an Ordinance authorizing the City Manager to enter into contract with DWA Recreation in the amount not to exceed \$247,500 for the design, supply, and installation of a new playground at Reed Road Park.

President Greenhill then called for a vote on the motion to pass Ordinance No. 57-2019.

VOTING AYE: Hoyle, King, Lynch, Ralph, Casper, Close and President Greenhill

VOTING NAY: None

Motion carried.

ORDINANCE NO. 59-2019

TO AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACT WITH DARKTRACE LIMITED FOR NETWORK THREAT DETECTION, CLASSIFICATION AND REMEDIATION SOFTWARE

which was read for the first time.

Mrs. Hoyle moved, seconded by Vice President King, to pass Ordinance No. 59-2019.

In response to President Greenhill's invitation to speak, there were no questions or comments from the public relative to Ordinance No. 59-2019.

Staff is requesting passage of the ordinance to authorize the City Manager to enter into contract with Darktrace for the procurement, installation and maintenance support of an Enterprise software application to enhance network threat detection, classification and remediation, for a total contractual amount not to exceed \$106,375.00. This is a five-year agreement, with an average annual cost of \$21,275, which will provide for an expansion of the City's current IT security monitoring tools.

President Greenhill then called for a vote on the motion to pass Ordinance No. 59-2019.

VOTING AYE: King, Lynch, Ralph, Casper, Close, Hoyle and President Greenhill

VOTING NAY: None

Motion carried.

RESOLUTION NO. 13-2019

RESOLUTION ACCEPTING THE FINAL REPORT OF THE 2019 CITIZEN FINANCIAL REVIEW TASK FORCE

which was read for the first time.

Vice President King moved, seconded by Ms. Casper, to adopt Resolution No. 13-2019.

In response to President Greenhill's invitation to speak, there were no questions or comments from the public relative to Resolution No. 13-2019.

President Greenhill then called for a vote on the motion to adopt Resolution No. 13-2019.

VOTING AYE: Lynch, Ralph, Casper, Close, Hoyle, King and President Greenhill

VOTING NAY: None

Motion carried.

RESOLUTION NO. 14-2019

**RESOLUTION OF THE CITY OF UPPER ARLINGTON URGING THE OHIO
GENERAL ASSEMBLY MEMBERS TO ADOPT FIREARMS PROTECTION
LAWS**

which was read for the first time.

Mr. Lynch moved, seconded by Mr. Close, to adopt Resolution No. 14-2019.

In response to President Greenhill's invitation to speak, the following speaker came forward: Michaela Burris.

- Michaela Burris applauded and thanked Council for taking action on gun legislation. She conveyed in the final whereas, "Governor DeWine has proposed red flag legislation outlining 17 points of gun regulation" she would recommended tweaking that language. She stated red flag language is usually a specific bill and amongst the 17 points one of them is red flag.

The City Attorney responded the substantive points of this legislation are found in the Sections of the Resolution, and that is where Council makes laws. The whereas clause is merely a historic reference.

President Greenhill said he is proud Council is advocating for gun legislation. He encouraged Council Members to work with the City Attorney to go even further than the 17 points that are proposed to protect the City.

City Council encouraged the General Assembly to listen and adopt firearms protection laws.

President Greenhill then called for a vote on the motion to adopt Resolution No. 14-2019.

VOTING AYE: Ralph, Casper, Close, Hoyle, King, Lynch and President Greenhill

VOTING NAY: None

Motion carried.

MOTION AUTHORIZING THE PRESIDENT AND VICE-PRESIDENT OF COUNCIL ON BEHALF OF COUNCIL TO WAIVE ATTORNEY-CLIENT PRIVILEGE WHEN THEY HAVE DETERMINED SUCH WAIVER SERVES THE BEST INTEREST OF THE CITY EFFECTIVE IMMEDIATELY AND ENDING ON 12/31/2019

Mrs. Hoyle moved, seconded by Vice President King, to authorize the President and Vice-President of Council on behalf of Council to waive attorney-client privilege when they have determined such waiver serves the best interest of the city effective immediately and ending on 12/31/2019.

President Greenhill then called for a vote on the motion to authorize the President and Vice-President of Council on behalf of Council to waive attorney-client privilege when they have determined such waiver serves the best interest of the city effective immediately and ending on 12/31/2019.

VOTING AYE: Casper, Close, Hoyle, King, Lynch, Ralph and President Greenhill

VOTING NAY: None

Motion carried.

MOTION FOR THE PRESIDENT AND VICE-PRESIDENT TO NEGOTIATE THE CONTRACT WITH STEVEN SCHOENY FOR THE POSITION OF CITY MANAGER SUBJECT TO COUNCIL APPROVAL

Vice President King moved, seconded by Mrs. Hoyle, to authorize the President and Vice-President to negotiate the contract with Steven Schoeny for the position of City Manager subject to Council approval.

President Greenhill advised Council started this process about five months ago and engaged with consultant Ralph Anderson and Associates. They collectively agreed it is one of the most important decisions they will make as a Council. One person who stood out was Steven Schoeny, the Director of Development for the City of Columbus. They felt he is an exceptional visionary and has impeccable integrity. Council advised they look forward to working with him and feel great about their decision.

President Greenhill then called for a vote on the motion to authorize the President and Vice-President to negotiate the contract with Steven Schoeny for the position of City Manager subject to Council approval.

VOTING AYE: Close, Hoyle, King, Lynch, Ralph, Casper and President Greenhill

VOTING NAY: None

Motion carried.

* * *

There being no further business to come before City Council, Ms. Ralph moved, seconded by Vice President King, to adjourn.

VOTING AYE: Hoyle, King, Lynch, Ralph, Casper, Close and President Greenhill

VOTING NAY: None

Motion carried and the meeting was adjourned at 7:59 p.m.



President of Council

ATTEST: 

City Clerk



WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

POST-AUDIT CONFERENCE

For

CITY OF UPPER ARLINGTON

Auditee

FRANKLIN

County

JANUARY 1, 2018 – DECEMBER 31, 2018

Period of Audit

MEGHAN POTH, CPA

Partner

August 26, 2019

Date

ITEMS CONTAINED IN THIS PACKET

SAS 114 COMMUNICATION

2018 SCHEDULE OF FINDINGS

2018 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

August 26, 2019

City of Upper Arlington
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

To the Elected Officials and Management:

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 Upper Arlington, Franklin County for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2019. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Delaware are described in Note 1 to the basic financial statements. As described in Note 18 to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," GASB Statement No. 85, "*Omnibus 2017*," GASB Statement No. 86, "*Certain Debt Extinguishments*," and GASB Statement No. 89, "*Accounting for Interest Cost Incurred Before the End of a Construction Period*". The implementation of GASB 75 impacted beginning fund balance/net position of the City as described in Note 18.

We noted no transactions entered into by City of Upper Arlington during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We identified no corrected or uncorrected misstatements to the financial statements based on our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 26, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Upper Arlington's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The City contracted with Schneider Downs to perform forensic payroll services regarding the City's police department. We have reviewed the report provided and incorporated the findings into the performance of the 2018 audit; there was no impact on the 2018 basic financial statements as a result of their report.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Upper Arlington's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the Management's Discussion and Analysis and schedules of net pension and other postemployment benefit liabilities and pension and other postemployment benefit contributions that are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards, introductory section, combining statements, individual fund statements and schedules and statistical sections, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

RESTRICTION ON USE

This information is intended solely for the use of City Council and management of the City of Upper Arlington and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to be of service to your City. We are available to discuss this letter with you at any time. If you have any questions, please do not hesitate to contact us.

Very truly yours,

Wilson, Shannon & Snow, Inc.

WILSON, SHANNON & SNOW, INC

**CITY OF UPPER ARLINGTON
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2018

1. SUMMARY OF AUDITOR'S RESULTS
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Cluster/CFDA #20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CITY OF UPPER ARLINGTON
FRANKLIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID 99819	\$843,570
Total U.S. Department of Transportation			<u>843,570</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Program</i>			
Federal Forfeiture Equitable Sharing Program	16.922	N/A	181,720
Total U.S. Department of Justice			<u>181,720</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Ohio Task Force One</i>			
National Urban Search and Rescue Response System	97.025	N/A	17,661
Total U.S. Department of Homeland Security			<u>17,661</u>
Total Expenditures of Federal Awards			<u><u>\$1,042,951</u></u>

The accompanying notes are an integral part of this schedule.

CITY OF UPPER ARLINGTON

FRANKLIN COUNTY

SINGLE AUDIT

JANUARY 1, 2018 – DECEMBER 31, 2018



WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

**CITY OF UPPER ARLINGTON
FRANKLIN COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	1
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – 2 CFR § 200.510 (b)(6)	2
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	3
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE	5
SCHEDULE OF FINDINGS – 2 CFR § 200.515	8

CITY OF UPPER ARLINGTON
FRANKLIN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID 99819	\$843,570
Total U.S. Department of Transportation			<u>843,570</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Program</i>			
Federal Forfeiture Equitable Sharing Program	16.922	N/A	181,720
Total U.S. Department of Justice			<u>181,720</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Ohio Task Force One</i>			
National Urban Search and Rescue Response System	97.025	N/A	17,661
Total U.S. Department of Homeland Security			<u>17,661</u>
Total Expenditures of Federal Awards			<u><u>\$1,042,951</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF UPPER ARLINGTON
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECMEBER 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Upper Arlington (the City's) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared 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 the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The City did not provide funds to subrecipients during 2018.

NOTE E - 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 expenditure of non-Federal matching funds.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Upper Arlington
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

To the City Council and Management:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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 Upper Arlington, Franklin County, (the City) as of and for the year ended December 31, 2018, 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 26, 2019, wherein we noted the City adopted GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

City of Upper Arlington
Franklin County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 26, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

City of Upper Arlington
Franklin County
3600 Tremont Road
Upper Arlington, Ohio 43221

To the City Council and Management:

Report on Compliance for the Major Federal Program

We have audited the City of Upper Arlington's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Upper Arlington's major federal programs for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

City of Upper Arlington
Franklin County
Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and On Internal Control
Over Compliance And the Schedule of Expenditures of
Federal Awards Required by Uniform Guidance
Page 2

Opinion on the Major Federal Program

In our opinion, the City of Upper Arlington complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

City of Upper Arlington
Franklin County
Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and On Internal Control
Over Compliance And the Schedule of Expenditures of
Federal Awards Required by Uniform Guidance
Page 3

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also 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 Upper Arlington (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 26, 2019, wherein we noted the City adopted GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 26, 2019

**CITY OF UPPER ARLINGTON
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2018

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Cluster/CFDA #20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS FOR FEDERAL AWARDS

None.