

**HERITAGE PRESERVE
COMMUNITY AUTHORITY
FRANKLIN COUNTY, OHIO**

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Governing Board
Heritage Preserve Community Authority
4955 Pesaro Way
Dublin, Ohio 43017

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Heritage Preserve Community Authority, Franklin County, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Heritage Preserve Community Authority is responsible for compliance with these laws and regulations.

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Keith Faber
Auditor of State
Columbus, Ohio

April 14, 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Heritage Preserve Community Authority
Franklin County
4955 Pesaro Way
Dublin, Ohio 43017

We have performed the procedures enumerated below on the Heritage Preserve Community Authority's (the Authority) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority.

The Governing Board and the management of the Authority have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Authority's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2021 and 2020, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliation and found no exceptions.
2. We agreed the January 1, 2020 beginning fund balance recorded in the Check Journal to the December 31, 2019 balance in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balance recorded in the Check Journal to the December 31, 2020 balance in the Check Journal. We found no exceptions.

Property Taxes and Other Confirmable Cash Receipts

1. We selected all two receipts from the *Statement of Semiannual Apportionment of Taxes* for 2021 and all two from 2020:
 - a. We compared the amounts from the *Statement of Semiannual Apportionment of Taxes* to the amounts recorded in the Check Journal. We noted exceptions in 2021 and 2020. In 2021 and 2020, the Authority recorded their property taxes at net instead of gross, thus understating revenues and expenses by \$188 and \$21, respectively.
 - b. We inspected the Check Journal to determine these receipts were allocated to the proper fund as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Check Journal to determine whether the receipts were recorded in the proper year. The receipts were recorded in the proper year. We found no exceptions.

2. We inspected the Check Journal to determine whether it included two real estate tax receipts for 2021 and 2020. The Check Journal included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from the City of Hilliard to the Authority during 2021 and 2020. We found no exceptions.
 - a. We inspected the Check Journal to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Check Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds were outstanding as of December 31, 2019. These amounts agreed to the Authority's January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2019:
Series 2016A Bonds	\$2,560,113
Series 2016B Bonds	\$507,600
Series 2018A Bonds	\$463,486
Series 2018B Bonds	\$900,829
Series 2018C Bonds	\$56,954
Series 2019A Bonds	\$186,291
Series 2019B Bonds	\$1,749,067

2. We inquired of management, and inspected the bond agreements for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bonds debt activity for 2021 and 2020 and agreed interest payments from the related debt amortization schedules to debt service payments reported in the Check Journal. We also compared the date the debt service payments were due to the date the Authority made the payments. We found no exceptions.
4. For new debt issued during 2021 and 2020, we inspected the debt legislation, which stated the Authority must use the proceeds to provide community facilities. We inspected the summary used in procedure 3 and observed the Authority used the bond proceeds to construct community facilities.

Issue	Unspent Proceeds as of December 31, 2021
Series 2020A Bonds	\$2,679

Non-Payroll Cash Disbursements

1. From the Check Journal, we re-footed checks recorded as disbursements for impact fees to Grand Communities for year 2021. We found no exceptions.
2. We selected 10 disbursements from the Transaction Detail by Account for the year ended December 31, 2021 and 10 from the year ended December 31, 2020 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Transaction Detail by Account and to the names and amounts on the supporting invoices. We found ten exceptions in 2021 and ten exceptions in 2020 where the check number was not recorded in the Transaction Detail by Account reports. Additionally, we found two exceptions in 2021 where the payee names were not included in the Transaction Detail by Accounts report.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Sunshine Law Compliance

1. We obtained and inspected the Authority's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected all two public records requests from the engagement period and inspected each request to determine the following:
 - a. The Authority was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - b. The Authority did not have any denied public records requests during the engagement period.
 - c. The Authority did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Authority had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with the Authority management and determined that the Authority did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with management and determined that the Authority does not maintain a physical office therefore it could not be displayed during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Authority management and determined that the Authority did not have any applications for record disposal submitted to the Records Commission during the engagement period.

8. We inquired with Authority management and determined that the Authority did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. We inspected the public notices for the public meetings held during the engagement period and determined the Authority notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires authorities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Authority filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2021 and 2020 in the Hinkle system. We found no exceptions.

Related Party Transactions

1. We inquired with management and identified the following Related Party Transactions:
 - a. Dan O'Brien is the Chairman of the Authority and is a Partner at Planned Development Company who owns the Authority's bonds.We found no exceptions.
2. We confirmed the transactions with Planned Development Company. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. We found no exceptions.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Community Authority's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
March 4, 2022

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OHIO AUDITOR OF STATE KEITH FABER



HERITAGE PRESERVE COMMUNITY AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 5/5/2022

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This report is a matter of public record and is available online at
www.ohioauditor.gov