

Compilation Report

**Central College Community
Development Authority**

Franklin County

Financial Statements

For the Years Ended December 31, 2020 and 2019

CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY

FRANKLIN COUNTY

FINANCIAL STATEMENTS

For the Years Ended December 31, 2020 and 2019

Table of Content

	<u>Page(s)</u>
Accountants' Compilation Report	1
Management's Discussion and Analysis	2-5
Statements of Net Position	6
Statements of Revenues, Expenses & Changes in Net Position	7
Statements of Cash Flows	8
Notes to the Financial Statements	9-12

To the Board of Trustees
Central College Community Development Authority
Columbus, Ohio

Management is responsible for the accompanying financial statements of the business – type activities of the Central College Community Development Authority, which comprise the statement of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which comprise the Authority’s basic financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 to 5 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statement in an appropriate operational, economic, or historical context. Such information is the representation of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Parms & Company, LLC

May 6, 2021
Columbus, Ohio

**CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

The management's discussion and analysis of the Central College Community Development Authority, Franklin County, Ohio (the Authority), financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2020 and 2019. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

1. The Authority encourages the orderly development of a well-planned, diversified community initially of approximately 363 acres in Franklin County, including the City of Columbus.
2. Net position at December 31, 2020 totaled \$16,404. Net position at December 31, 2019 totaled \$16,800. Since inception, the construction of the infrastructure improvements have been managed by the City of Columbus. The Authority has an agreement with the City of Columbus whereby the Authority provides the City with all its resources collected from the bi-annual community charge, except amounts needed to pay the Authority's operating expenses. The City of Columbus also issues any long-term debt bonds needed to finance the infrastructure improvements. Accordingly, these long-term bonds are financed partially with the proceeds received from Authority payments to the City of Columbus.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Authority's financial activities and financial position. The *Statement of Net Position* and *Statement of Revenues, Expenses, and Changes in Net Position* provide information about the activities of the Authority, including all short-term and long-term financial resources and obligations. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included in the Statement of Net Position. The Statement of Net Position represents the financial position of the Authority. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The Statement of Cash Flows reflects how the Authority finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Assets and the Statement of Cash Flows

These financials look at all financial transactions and asks the question, how did we do financially? The Statement of Net Position and the Statement of Revenues, Expenses, and

**CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

Changes in Net Position answer this question. These statements include *all assets, liabilities, deferred inflows and outflows of resources, revenues, and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Authority's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or declined. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 6 and 7 of this report.

The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 8 of this report.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis

Table 1 provides a summary of Authority's net position for fiscal years 2020, 2019, and 2018.

	Table 1 Net Position		
	2020	2019	2018
Assets:			
Current Assets	\$ <u>425,164</u>	\$ <u>413,576</u>	\$ <u>398,815</u>
Total Assets	\$ <u>425,164</u>	\$ <u>413,576</u>	\$ <u>398,815</u>
Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-
Total Deferred Inflows of Resources	<u>408,706</u>	<u>396,776</u>	<u>391,601</u>
Net Position:			
Unrestricted	<u>16,404</u>	<u>16,800</u>	<u>7,214</u>
Total Net Position	\$ <u>16,404</u>	\$ <u>16,800</u>	\$ <u>7,214</u>

**CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

Table 2
Change in Net Position

	2020	2019	2018
Operating Revenues	\$ 399,216	\$ 390,377	\$ 322,811
Operating Expenses	<u>(12,617)</u>	<u>(16,038)</u>	<u>(17,402)</u>
Income Before Other Revenues and Transfer	386,599	374,339	305,409
Payment to City of Columbus	<u>(386,995)</u>	<u>(364,753)</u>	<u>(305,842)</u>
Change in Net Position	<u>\$ (396)</u>	<u>\$ 9,586</u>	<u>\$ (433)</u>

Community Charge Revenues

The Authority had increases in community charge revenues for all three years presented. Revenues from Community Development Charges paid by each owner of a chargeable parcel will be used to pay cost to construct infrastructure located within the Authority. The Community Development Charge is calculated on thirty-five percent of the assessed value of chargeable property, which includes buildings, structures, and improvements. The Community Development Charge is currently levied at 4 mills. The amount of revenue will increase in years when available parcels are sold and improvements are made, thus increasing the total assessed value of chargeable property.

Change in Net Position

Although revenues from Community Development Charges increased for all years presented, there has been fluctuation in the change in net position. This is more a function of changes in operating expenses and payments to the City of Columbus. This is also a reflection that the Authority has an agreement to pay the City of Columbus all collected resources except for amounts needed to pay operating expenses.

Cooperation Agreement with the City of Columbus

The Authority has an agreement with the City of Columbus to transfer all of the Authority Funds, except amounts to pay for reasonable administrative costs, to the City of Columbus. These transfers are made to help the City fund the costs of Warner Road Phase II construction project. During the fiscal years 2020 and 2019, the Authority transferred \$386,995 and \$364,753 respectively, to the City of Columbus as provided by this agreement.

**CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED DECEMBER 31, 2020 and 2019
(UNAUDITED)**

Budgeting

The Authority is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Contacting Authority's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to John Parns, Accountant, Central College Community Development Authority, 585 South Front Street, Suite 220, Columbus, Ohio 43215, 614 224-3078.

**Central College Community Development Authority
Franklin County**

**Statements of Revenues, Expenses and Changes in Net Position
As of
December 31, 2019 and 2018**

	2019	2018
ASSETS		
Current Assets		
Checking/Savings		
Cash and Cash Equivalent	\$ 12,176	\$ 2,589
Total Checking/Savings	12,176	2,589
Other Current Assets		
A/R Community Development Charge	401,400	396,226
Total Other Current Assets	401,400	396,226
Total Current Assets	413,576	398,815
Total Assets	\$ 413,576	\$ 398,815
LIABILITIES		
Liabilities		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Total Accounts Payable	-	-
Total Current Liabilities	-	-
Deferred Inflows of Resources		
Community Development Charges	396,776	391,601
Total Liabilities and Deferred Inflows of Resources	396,776	391,601
NET POSITION		
Unrestricted Net Position	\$ 16,800	\$ 7,214
Total Net Position	\$ 16,800	\$ 7,214

See accountants' compilation report and notes to the financial statements.

**Central College Community Development Authority
Franklin County**

**Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2019 and 2018**

	2019	2018
Operating Revenues		
Community Development Income	\$ 390,377	\$ 322,811
Total Operating Revenues	390,377	322,811
 Operating Expense		
Legal Expense	8,000	11,227
Accounting Services	3,278	3,738
Audit Fees	4,213	66
Office Expense	54	799
Insurance Expense	280	280
Franklin County Collection Fees	214	-
Printer	-	1,292
Total Operating Expense	16,038	17,402
 Operating Income	374,339	305,409
Transfers to City of Columbus	364,753	305,842
 Change in Net Position	9,586	(433)
Net Position, Beginning of Period	7,214	7,647
Net Position, End of Period	\$ 16,800	\$ 7,214

See accountants' compilation report and notes to the financial statements.

**Central College Community Development Authority
Franklin County**

**Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2018 and 2017**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Community Development Charges	\$ 390,377	\$ 322,811
Cash payments for legal fees	(8,000)	(11,227)
Cash payments accounting fees	(3,278)	(3,738)
Cash payments auditing fees	(4,213)	(2,075)
Cash payments for insurance	(280)	(280)
Cash payments for office expenses	(54)	(799)
Cash payments for election printing and postage	-	(1,292)
Cash payments for County Fees	(214)	-
Net Cash Provided by Operating Activities	<u>374,339</u>	<u>303,400</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACT.		
Payment to City of Columbus	(364,752)	(305,842)
Net Cash Used in Capital and Related Financing Activities	<u>(364,752)</u>	<u>(305,842)</u>
Net Increase (Decrease) in Cash	9,587	(2,442)
Cash and Equivalents, Beginning of Year	<u>2,589</u>	<u>5,133</u>
Cash and Equivalents, End of Year	<u>12,176</u>	<u>2,691</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Cash Provided by Operating Activities	<u>\$ 374,339</u>	<u>\$ 305,409</u>

See accountants' compilation report and notes to the financial statements.

CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – REPORTING ENTITY

The Central College Community Development Authority, Franklin County, Ohio (the Authority) is a “community authority” created pursuant to Chapter 349 of the Ohio Revised Code (the Act). On July 28, 2008, the City Of Columbus, Ohio, a municipal corporation duly organized and validly existing under and by virtue of the constitution and the laws of the State of Ohio (the “City”), M/I Homes of Central Ohio, LLC Dominion Homes, Inc., and The Homewood Corporation (collectively, the Developers), established the Authority as a new community authority under Chapter 349. The Authority and the City govern the Central College Community Development district (the “District”), a new community district under Chapter 349.

The amended and restated declaration of covenants, restrictions and agreements for the Central College Community Development Authority in the City of Columbus, Ohio which was established on August 16, 2010. The Declaration established and attached, among other things, the Community Development Charge (the “Charge”) of 4 mills on the property within the District. The charge is to cover all or part of the costs of the acquisition, development, construction, operation and maintenance of land, land development and community facilities (as defined in Chapter 349), the debt service thereof and any other costs incurred by the Authority under Chapter 349.

The Authority’s management believes these financial statements present all activities for which the Authority is financially accountable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these basic financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

Basis of Presentation

The Authority’s basic financial statements consist of Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows. The Authority uses enterprise accounting to maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

The Authority distinguishes operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with the Authority’s primary operations. All revenues and expenses not considered operating are reported as non-operating revenues and expenses.

CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

The Authority's financial activity is accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Authority are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Change in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows reflect how the Authority finances and meets its cash flow needs.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made. The Authority's financial statements have been prepared using the accrual basis of accounting in conformity with GAAP.

A. Cash and Investments

Cash received by the Authority is deposited with a financial institution. Deposit and investments having an original maturity of three months or less at the time they are purchased are presented in the financial statements as Cash and Cash Equivalents.

B. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available. The Authority had no restricted net assets at fiscal years end 2020 and 2019.

C. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. For the Authority, these revenues are community development charges. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the Authority. All revenues and expenses not meeting this definition are reported as non-operating.

D. Federal Income Taxes

The Authority is exempt from federal income taxes under IRS regulations.

CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge (the charge) of 4 mills on the assessed value of all subject property within the Authority for a period of 20 years.

Charge assessments are levied in August on the assessed values certified by the Franklin County Auditor the second Monday in September. The assessed value is established by state law at thirty-five percent of the current market value. Property is levied the tax one year after the Authority receives a Certificate of Occupancy from the City of Columbus. Market values are determined by the Authority based on the current Franklin County Auditor's appraisal values or building permit values on occupied homes that have not yet been appraised by the Franklin County Auditor.

NOTE 4 – RECEIVABLES

Receivables at December 31, 2020 and 2019 consisted of unpaid community development charges. All receivables are considered collectible. There is a receivable and deferred inflow of resources or unearned revenues which represent amounts to be assessed for community development charge for the coming year. For the year ended December 31, 2020 and 2019, amounts reflected as a receivable were \$413,748 and \$401,400, respectively.

NOTE 5 - COOPERATION AGREEMENT WITH THE CITY OF COLUMBUS

The Authority has an agreement with the City of Columbus effective September 9, 2013 to transfer all of the Authority Funds to the City of Columbus except for amounts to pay for reasonable administrative costs and to maintain a yearly cash balance of \$2,500. These transfers were made to satisfy the cost to construct the Warner Road Phase II project estimated to costs \$2,898,103. Through 2020, the City has actually expended \$2,803,188. During the fiscal years 2020 and 2019, the Authority transferred \$386,995 and \$364,753, respectively to the City of Columbus as provided by this agreement. Since inception of this agreement, the Authority has remitted \$2,193,328 the City of Columbus for the payment of the Warner Road Phase II project.

CENTRAL COLLEGE COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6 – CONTINGENT LIABILITIES

There are no claims or lawsuits pending against the Authority.

NOTE 7 - RISK MANAGEMENT

For the years ended December 31, 2020 and 2019, the Authority had not obtained risk coverage to cover various malfeasance, errors and/or omissions.