

Compilation Report

**Hayden Run Community
Development Authority**

Franklin County

Financial Statements

For the Years Ended December 31, 2020 and 2019

HAYDEN RUN 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
Hayden Run Community Development Authority
Columbus, Ohio

Management is responsible for the accompanying financial statements of the business – type activities of the Hayden Run 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, although not a 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 for placing the basic financial statement in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

We are not independent with respect to the Authority.

Parms & Company, LLC

May 10, 2021
Columbus, Ohio

**HAYDEN RUN 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 Hayden Run 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 28 acres in Franklin County, including the City of Columbus.
2. Net position at December 31, 2020 totaled \$24,836. Net position at December 31, 2019 totaled \$9,288. 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

**HAYDEN RUN COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

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

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	\$ 647,148	\$ 638,753	\$ 602,218
Total Assets	<u>647,148</u>	<u>638,753</u>	<u>602,218</u>
Liabilities:			
Current Liabilities	-	<u>8,091</u>	<u>10,424</u>
Total Liabilities	<u>-</u>	<u>8,091</u>	<u>10,424</u>
Total Deferred Inflows of Resources	<u>622,312</u>	<u>621,374</u>	<u>581,166</u>
Net Position:			
Unrestricted	<u>24,836</u>	<u>9,288</u>	<u>10,628</u>
Total Net Position	<u>\$ 24,836</u>	<u>\$ 9,288</u>	<u>\$10,628</u>

Net Position: Net position represents the difference between assets and liabilities. The Authority had a net position of \$24,836 in 2020, \$9,288 in 2019, and \$10,628 in 2019.

**HAYDEN RUN COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

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

Table 2 reflects the changes in net position for fiscal years 2020, 2019, and 2018.

Table 2
Change in Net Position

	2020	2019	2018
Operating Revenues	\$ 624,464	\$ 581,166	\$ 509,003
Operating Expenses	<u>(8,848)</u>	<u>(18,244)</u>	<u>(19,803)</u>
Income Before Other Revenues and Transfer	615,616	562,922	489,200
Earnings on Savings	6	5	3
Payment to City of Columbus	<u>(600,074)</u>	<u>(564,267)</u>	<u>(487,847)</u>
Change in Net Position	<u>\$ 15,548</u>	<u>\$ (1,340)</u>	<u>\$ 1,356</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 the cost to construct needed 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.

**HAYDEN RUN COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

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

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 fund the costs of road improvements, described as HR-2, which the City of Columbus is making within the Authority. During the fiscal years 2020 and 2019, the Authority transferred \$600,074 and \$564,267, respectively, to the City of Columbus as provided by this agreement.

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, Hayden Run Community Development Authority, 585 South Front Street, Suite 220, Columbus, Ohio 43215, 614 224-3078.

**Hayden Run Community Development Authority
Franklin County**

**Statements of Net Position
As of December 31, 2020 and 2019**

	2020	2019
ASSETS		
Current Assets		
Checking/Savings		
Cash and Cash Equivalent	\$ 17,667	\$ 13,794
Total Checking/Savings	17,667	13,794
Other Current Assets		
A/R Community Development Charge	629,481	624,959
Total Other Current Assets	629,481	624,959
Total Current Assets	647,148	638,753
Total Assets	\$ 647,148	\$ 638,753
LIABILITIES		
Current Liabilities		
Accounts Payable		
Accounts Payable	\$ -	\$ 8,091
Total Current Liabilities	-	8,091
Total Liabilities	-	8,091
Deferred Inflows of Resources		
Community Development Charges	622,312	621,374
Total Deferred Inflows of Resources	622,312	621,374
NET POSITION		
Unrestricted Net Position	\$ 24,836	\$ 9,288
Total Net Position	\$ 24,836	\$ 9,288

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

**Hayden Run Community Development Authority
Franklin County**

**Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019**

	2020	2019
Operating Revenues		
Community Development Income	\$ 624,464	\$ 581,166
Total Operating Revenues	624,464	581,166
Operating Expense		
Financial Management Services	5,745	5,603
Legal Expense	2,817	8,091
Auditor Expense	41	4,160
Bank Fees		10
Insurance Expense	245	245
Miscellaneous Expense		135
Total Operating Expense	8,848	18,244
Operating Income	615,616	562,922
Non-Operating Revenue/Expense		
Other Revenue		
Dividend Income	6	5
Total Non-Operating Revenue	6	5
Transfers to City of Columbus	600,074	564,267
Change in Net Position	15,548	(1,340)
Net Position, Beginning of Period	9,288	10,628
Net Position, End of Period	\$ 24,836	\$ 9,288

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

**Hayden Run Community Development Authority
Franklin County**

**Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Community Development Charges	\$ 620,880	\$ 582,033
Cash payments for legal fees	(10,909)	(8,091)
Cash payments for financial management services	(5,745)	(7,938)
Cash payments for audit fees	(41)	(4,160)
Cash payments for insurance	(245)	(245)
Cash payments for advertising and promotion	-	(135)
Cash payments for bank fees	-	(10)
Net Cash Provided by Operating Activities	603,940	561,454
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest, dividends and other revenues	5	5
Net Cash Provided by Investing Activities	5	5
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACT.		
Payment to City of Columbus	(600,074)	(564,267)
Net Cash Used in Capital and Related Financing Activities	(600,074)	(564,267)
Net Increase (Decrease) in Cash	3,873	(2,808)
Cash, Beginning of Year	13,794	16,602
Cash, End of Year	\$ 17,667	\$ 13,794
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 615,616	\$ 562,922
Adjustments of Operating Income to Net Cash Provided by Operating Activities:		
(Increase) in accounts receivable	(4,523)	(39,344)
(Decrease) in accounts payable	(8,091)	(24,332)
Increase in deferred inflows (unearned revenues)	938	40,208
Net Cash Provided by Operating Activities	\$ 603,940	\$ 539,454

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

HAYDEN RUN COMMUNITY DEVELOPMENT AUTHORITY
FRANKLIN COUNTY

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

NOTE 1 – REPORTING ENTITY

The Hayden Run 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 June 24, 2009, 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”), the Franklin County Engineer, M/I Homes of Central Ohio, LLC Dominion Homes, Inc., Huntington Tower Associates, LLC, and Lifestyle Communities, Ltd. (collectively, the Developers), established the Authority as a new community authority under Chapter 349. The Authority and the City govern the Hayden Run Community Development district (the “District”), a new community district under Chapter 349.

The amended and restated declaration of covenants, restrictions and agreements for the Hayden Run Community Development Authority in the City of Columbus, Ohio (the “Declaration”), was filed with the offices of the Franklin County Recorder and the Franklin County Auditor on September 7, 2007. The Declaration established and attached, among other things, the Community Development Charge (the “Charge”) 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.

HAYDEN RUN 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. 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.

HAYDEN RUN 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

F.. Federal Income Taxes

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

NOTE 3 – COMMUNITY DEVELOPMENT CHARGE

The Authority can levy an annual community development charge (the charge) up to 4 mills on the assessed value of all subject property within the Authority. The charge is currently levied at 4 mills. Charge revenue recognized represents the amount levied and payable on August 31 of each year.

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 County Auditor's appraisal values or building permit values on occupied homes that have not yet been appraised by the County Auditor.

The assessed value of real property upon which the August 2020 and 2019 community development charges were based was sufficient enough to generate community charge revenues of \$624,464 and \$581,166 for the years ended December 31, 2020 and 2019, respectively.

NOTE 4 – RECEIVABLES

Receivables at December 31, 2020 and 2019 consisted of unpaid community development charges. All receivables are considered collectible.

NOTE 5 - COOPERATION AGREEMENT WITH THE CITY OF COLUMBUS

The Authority has an agreement with the City of Columbus effective June 24, 2009 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 are made to help fund the costs of road improvements, described as HR-2, which the City of Columbus is making within the Authority. During the fiscal years 2020 and 2019, the Authority transferred \$600,074 and \$564,267, respectively to the City of Columbus as provided by this agreement.

HAYDEN RUN 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.