



Mid-Ohio Regional
Planning Commission

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Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstedler
Chief of Staff & Director of Operations

DATE: October 26, 2018

SUBJECT: Financial Report – September 2018

Summary

At September 30, 2018 our cash position was \$1,355,386 in the operating account, which is slightly less than the 30-day target threshold balance. For the year-to-date ending September 30, 2018 the fringe rate variance was favorable, and the indirect rate was also better than projected.

Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year-to-date ending September 30, 2018 of (\$313,965). This is primarily the result of costs that have not been recovered in the weatherization programs (\$119,565), building due diligence/leasehold improvement costs for which revenue was recorded in prior years (\$31,817), investment income of \$42,346, and a reduction in 2018 revenues which relate to cash received from COTA in 2017 but not spent in 2017, recorded instead as prior year revenue (\$191,269).

Member Dues

Member dues revenue was 7.7% of the year-to-date operating revenue. Dues revenue recognized (excluding Leasehold Improvements and Building Due Diligence, which are budgeted from prior year dues) was \$54,549 less than the 2018 annual dues billed. Use of member dues was under budget \$282,325, including the prior year dues budgeted for use. Use of all current year and prior year member dues, including building due diligence and office improvement activities were as follows:

William Murdock, AICP
Executive Director

Rory McGuinness
Chair

Karen J. Angelou
Vice Chair

Erik J. Janas
Secretary

| <u>Use of Member Dues</u> | <u>Year-to-date 09-30-2018</u> | | <u>Variance</u> |
|--|--------------------------------|------------------|---------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>(Over) Under</u> |
| Services to Members | \$294,976 | \$281,895 | \$ 13,081 |
| Local Matching Funds | 219,164 | 199,515 | 19,649 |
| Development Fund | 64,939 | 70,058 | (5,119) |
| Building Lease | 104,524 | 105,907 | (1,383) |
| Member Services Coordination | 80,462 | 75,233 | 5,229 |
| Leasehold Improvements & Building Due Diligence | 262,500 | 31,817 | 230,683 |
| Other | 55,085 | 34,900 | 20,185 |
| Total | \$1,081,650 | \$799,325 | \$ 282,325 |

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 58.45% which is lower than the budgeted rate of 61.0%, creating a favorable variance for the year of \$59,379.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date first quarter is 52.78% which is lower than the budgeted rate of 55.0%, resulting in a favorable variance for the year-to-date of \$114,524.

Statement of Net Assets

- Operating cash on hand is \$1,355,386 which was equal to 28 days of cash flow. The Hope 3 Trust account holds cash of \$40,889 restricted for NSP usage. The building reserve account is \$1,040,248; operating reserve account is at \$1,334,191; and management reserve is \$102,536. The building improvement/maintenance fund holds \$693,349.
- Accounts Receivable totaled \$1,677,736 compared to \$1,628,317 at the end of September 2017.
- Accounts Payable plus Other Accrued Liabilities totaling \$283,816 were \$19,888 more than the \$263,928 balance at the end of September 2017.

Expenses and Appropriations

Expenses for the year-to-date through September 30, 2018 totaled \$10,331,113 or 57.8% of the total year's operating appropriations of \$17,874,151.

Operating Reserve

The \$1,355,386 of operating cash at September 30, 2018 is equivalent to 28 days of expenditures, which is less than the 30-day target threshold established in the Operating Reserve Policy. The pending receipt of more than \$300,000 from the Central Ohio Transit Authority for funds in lieu of NTD/Section 5307 is projected to restore the operating cash balance back to greater than 30 days in the fourth quarter.

The \$1,334,191 balance of the invested operating reserve at September 30, 2018 is held in STAROhio, and has not been utilized year-to-date. Combining both the operating reserve balance and the operating cash balance equates to 55 days of expenditures, which is less than the 60-day target threshold as per the Operating Reserve Policy. Interest earned and allocated to the operating reserve year-to-date through September 30, 2018 was \$18,143.

MORPC
Statement of Net Position
As of 09/30/2018

| | <u>Balance at</u> <u>09/30/2018</u> | <u>Balance at</u> <u>08/31/2018</u> | <u>Monthly</u> <u>Difference</u> | <u>Balance at</u> <u>09/30/2017</u> | <u>Yearly</u> <u>Difference</u> |
|---|--|--|-------------------------------------|--|------------------------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | \$1,355,386 | \$1,513,622 | (\$158,236) | \$899,121 | \$456,265 |
| Cash-Designated for Building Improvement | 693,349 | 692,186 | 1,163 | 724,115 | (30,766) |
| Cash-Operating Reserve | 1,334,191 | 1,331,847 | 2,344 | 1,311,863 | 22,328 |
| Cash-Building Reserve | 1,040,248 | 1,038,425 | 1,823 | 1,022,880 | 17,368 |
| Cash-Management Reserve | 102,536 | 102,362 | 174 | 100,879 | 1,657 |
| Cash with Trustee NSP1 Franklin Co | 40,889 | 40,838 | 51 | 42,114 | (1,225) |
| Investments Greenways Fund | 10,925 | 10,925 | 0 | 0 | 10,925 |
| Accounts Receivable | 1,677,736 | 1,529,762 | 147,974 | 1,628,317 | 49,419 |
| Prepaid Expenses | <u>101,840</u> | <u>125,993</u> | <u>(24,153)</u> | <u>120,645</u> | <u>(18,805)</u> |
| Total Current Assets | 6,357,102 | 6,385,960 | (28,859) | 5,849,934 | 507,167 |
| Non-Current Assets | | | | | |
| Forgivable Mortgages | 38,362 | 38,734 | (371) | 77,615 | (39,253) |
| Fixed Assets | 626,507 | 626,507 | 0 | 579,201 | 47,306 |
| Contributed Assets | 369,976 | 369,976 | 0 | 369,976 | 0 |
| Accumulated Depreciation | <u>(904,942)</u> | <u>(900,410)</u> | <u>(4,532)</u> | <u>(849,576)</u> | <u>(55,366)</u> |
| Total Non-Current Assets | 129,903 | 134,806 | (4,903) | 177,215 | (47,312) |
| Deferred Outflows of Resources | | | | | |
| GASB 68 Pension | <u>2,919,775</u> | <u>2,919,775</u> | <u>0</u> | <u>2,076,372</u> | <u>843,403</u> |
| Total Deferred Outflows of Resources | <u>2,919,775</u> | <u>2,919,775</u> | <u>0</u> | <u>2,076,372</u> | <u>843,403</u> |
| Total Assets | <u>\$9,406,779</u> | <u>\$9,440,541</u> | <u>(\$33,762)</u> | <u>\$8,103,521</u> | <u>\$1,303,258</u> |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$252,049 | \$170,114 | \$81,936 | \$226,354 | \$25,695 |
| Accrued Payroll | 199,388 | 184,729 | 14,659 | 180,093 | 19,295 |
| Accrued Fringe Benefits | 73,100 | 84,744 | (11,644) | 52,777 | 20,323 |
| Other Accrued Liabilities | 31,767 | 28,282 | 3,485 | 37,574 | (5,807) |
| Accrued PTO & Sick Leave | 40,000 | 40,000 | 0 | 40,000 | 0 |
| Deferred Income | 1,004,323 | 1,074,543 | (70,220) | 522,389 | 481,934 |
| Deferred Income-Member Dues | 335,433 | 425,569 | (90,136) | 334,445 | 988 |
| Deferred Income-Indirect Reserve | 229,477 | 236,843 | (7,366) | 225,672 | 3,805 |
| Deferred Fringe Benefit Reserve | <u>102,982</u> | <u>107,152</u> | <u>(4,169)</u> | <u>297,459</u> | <u>(194,477)</u> |
| Total Current Liabilities | 2,268,519 | 2,351,975 | (83,456) | 2,169,468 | 99,051 |
| Non-Current | | | | | |
| Accrued PTO & Sick Leave | 452,291 | 432,524 | 19,768 | 433,898 | 18,393 |
| HOPE 3 Deferred Income | 3,406 | 3,777 | (371) | 8,852 | (5,446) |
| Other Mortgages-Deferred Income | 34,957 | 34,957 | 0 | 68,762 | (33,805) |
| Accrued Building Lease Expense | 0 | 0 | 0 | 540 | (540) |
| GASB 68 Pension Liability | <u>7,183,782</u> | <u>7,183,782</u> | <u>0</u> | <u>5,418,085</u> | <u>1,765,697</u> |
| Total Non-Current | 7,674,436 | 7,655,039 | 19,397 | 5,921,170 | 1,753,266 |
| Deferred Inflows of Resources | | | | | |
| GASB 68 Pension | <u>336,123</u> | <u>336,123</u> | <u>0</u> | <u>416,480</u> | <u>(80,357)</u> |
| Total Deferred Inflows of Resources | <u>336,123</u> | <u>336,123</u> | <u>0</u> | <u>416,480</u> | <u>(80,357)</u> |
| Total Liabilities | 10,279,078 | 10,343,137 | (64,059) | 8,263,379 | 2,015,699 |
| Net Assets | | | | | |
| Beginning Net Assets | <u>(558,334)</u> | <u>(558,334)</u> | <u>0</u> | <u>195,701</u> | <u>(754,034)</u> |
| Current YTD Net Income | <u>(313,965)</u> | <u>(344,262)</u> | <u>30,297</u> | <u>(355,559)</u> | <u>41,594</u> |
| Total Net Assets | <u>(872,299)</u> | <u>(902,596)</u> | <u>30,297</u> | <u>(159,858)</u> | <u>(712,441)</u> |
| Total Liabilities and Net Assets | <u>\$9,406,779</u> | <u>\$9,440,541</u> | <u>(\$33,762)</u> | <u>\$8,103,521</u> | <u>\$1,303,258</u> |

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2018

| | <u>Actual</u> | <u>Budget</u> | <u>Variance over / (under)</u> |
|---------------------------------------|----------------------|----------------------|------------------------------------|
| Revenue | | | |
| Environment, Mapping & Transportation | \$ 5,086,412 | \$ 7,631,977 | \$ (2,545,565) |
| Energy and Air Quality | 3,563,358 | 3,532,541 | 30,817 |
| Housing & Community Services | 800,738 | 1,058,625 | (257,887) |
| Services to Members & Development | 567,993 | 588,737 | (20,743) |
| Other | (43,699) | 574,985 | (618,683) |
| Total Operating Revenues | \$ 9,974,802 | \$ 13,386,863 | \$ (3,412,061) |
| Expenses | | | |
| Salaries and benefits | \$ 5,111,536 | \$ 5,697,332 | \$ (585,796) |
| Materials and Supplies | 114,117 | 412,500 | (298,383) |
| Consultants, services and other | 5,065,257 | 7,236,159 | (2,170,902) |
| Depreciation | 40,203 | 59,622 | (19,419) |
| Total Expenses | \$ 10,331,113 | \$ 13,405,613 | \$ (3,074,500) |
| Operations income (loss) | \$ (356,312) | \$ (18,750) | (337,562) |
| Interest Income | 42,346 | 18,750 | 23,596 |
| Increase (decrease) in net position | \$ (313,965) | \$ - | \$ (313,965) |