



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: February 4, 2019

SUBJECT: Financial Report – December 2018

Summary

At December 31, 2018 our cash position was \$658,056 in the operating account. For the year-to-date ending December 31, 2018 both the actual fringe rate variance and indirect rate variance were favorable.

Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year-to-date ending December 31, 2018 of (\$396,788). This is primarily the result of costs that have not been recovered in the weatherization programs (\$182,863); building due diligence/leasehold improvement costs for which revenue was recorded in prior years (\$33,723); prior year event surpluses and Management Reserves allocated to current year programs (\$35,531); investment income of \$60,474; 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). Final year-end adjustments to revenues for unused member dues and 2018 event surpluses, and adjustments to expenses for pension and related costs, have not yet been posted.

Member Dues

Member dues revenue was 7.5% 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 \$51,981 less than the 2018 annual dues billed. Use of member dues was under budget \$364,382 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 McGuiness
Chair

Karen J. Angelou
Vice Chair

Erik J. Janas
Secretary

<u>Use of Member Dues</u>	<u>Year-to-date 12-31-2018</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Services to Members	\$393,302	\$ 370,591	\$ 22,711
Local Matching Funds	292,218	291,814	404
Development Fund	86,585	92,497	(5,912)
Building Lease	139,365	142,131	(2,766)
Member Services Coordination	107,282	98,868	8,414
Leasehold Improvements & Building Due Diligence	350,000	33,723	316,277
Other	73,448	48,194	25,254
Total	\$1,442,200	\$1,077,818	\$ 364,382

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 60.89% which is lower than the budgeted rate of 61.0%, creating a favorable variance for the year of \$3,440.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 54.20% which is lower than the budgeted rate of 55.0%, resulting in a favorable variance for the year-to-date of \$41,266.

Statement of Net Assets

- Operating cash on hand is \$658,056 which was equal to 13 days of cash flow. The Hope 3 Trust account holds cash of \$39,469 restricted for NSP usage. The building reserve account is \$1,046,334; operating reserve account is at \$1,361,056; and management reserve is \$105,664. The building improvement/maintenance fund holds \$371,987.
- Accounts Receivable totaled \$1,296,161 compared to \$2,053,102 at the end of December 2017.
- Accounts Payable plus Other Accrued Liabilities totaling \$278,232 were \$83,432 less than the \$361,664 balance at the end of December 2017.

Expenses and Appropriations

Expenses for the year totaled \$14,008,451 or 78.4% of the total year's operating appropriations of \$17,874,151.

Operating Reserve

The \$658,056 of operating cash at December 31, 2018 is equivalent to 13 days of expenditures, which is less than the 30-day (\$1,462,000) target threshold established in the Operating Reserve Policy. The pending receipt of more than \$392,000 from the Central Ohio Transit Authority for local funds in lieu of NTD/Section 5307 has been delayed due to the federal government shutdown.

The \$1,361,056 balance of the invested operating reserve at December 31, 2018 is held in STAROhio, and was not utilized in 2018. Combining both the operating reserve balance and the operating cash balance equates to 41 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 December 31 was \$25,967.

Operating surpluses from MORPC-sponsored events held in 2017 (State of the Region and the Ohio Conference on Freight) totaled \$57,120 and, as per the reserve policy, were apportioned 1/3 to the operating reserve, 1/3 to the management reserve, and 1/3 to current programs in 2018 (\$19,040 to each). An additional \$16,491 of the management reserve was utilized to support the activity-based costing study in 2018.

MORPC
Statement of Net Position
As of 12/31/2018

	<u>Balance at</u> <u>12/31/2018</u>	<u>Balance at</u> <u>11/30/2018</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>12/31/2017</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$658,056	\$924,323	(\$266,267)	\$1,363,980	(\$705,924)
Cash-Designated for Building Improvement	671,987	695,769	(23,782)	684,606	(12,619)
Cash-Operating Reserve	1,361,056	1,358,345	2,711	1,316,048	45,008
Cash-Building Reserve	1,046,334	1,044,226	2,109	1,026,135	20,199
Cash-Management Reserve	105,664	105,463	201	101,189	4,475
Cash with Trustee NSP1 Franklin Co	39,469	40,996	(1,527)	40,574	(1,105)
Investments Greenways Fund	10,925	10,925	0	0	10,925
Accounts Receivable	1,296,161	1,738,366	(442,205)	2,053,102	(756,941)
Prepaid Expenses	<u>154,200</u>	<u>115,604</u>	<u>38,597</u>	<u>164,735</u>	<u>(10,535)</u>
Total Current Assets	5,343,853	6,034,017	(690,164)	6,750,371	(1,406,518)
Non-Current Assets					
Forgivable Mortgages	33,748	36,620	(2,871)	72,010	(38,262)
Fixed Assets	626,507	626,507	0	579,201	47,306
Contributed Assets	296,860	296,860	0	369,976	(73,116)
Accumulated Depreciation	<u>(845,420)</u>	<u>(840,889)</u>	<u>(4,532)</u>	<u>(864,739)</u>	<u>19,319</u>
Total Non-Current Assets	111,694	119,097	(7,403)	156,448	(44,754)
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>\$8,375,322</u>	<u>\$9,072,889</u>	<u>(\$697,567)</u>	<u>\$8,983,191</u>	<u>(\$607,869)</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$236,233	\$443,265	(\$207,032)	\$321,890	(\$85,657)
Accrued Payroll	296,037	296,273	(236)	247,880	48,157
Accrued Fringe Benefits	79,708	67,553	12,155	167,193	(87,485)
Other Accrued Liabilities	41,999	38,738	3,261	39,774	2,225
Accrued PTO & Sick Leave	55,000	40,000	15,000	70,000	(15,000)
Deferred Income	333,101	625,052	(291,951)	1,436,749	(1,103,648)
Deferred Income-Member Dues	136,309	188,770	(52,461)	63,124	73,185
Deferred Income-Indirect Reserve	145,420	193,437	(48,017)	167,748	(22,328)
Deferred Fringe Benefit Reserve	<u>(3,705)</u>	<u>78,639</u>	<u>(82,344)</u>	<u>154,019</u>	<u>(157,724)</u>
Total Current Liabilities	1,320,102	1,971,726	(651,625)	2,668,377	(1,348,275)
Non-Current					
Accrued PTO & Sick Leave	456,688	471,276	(14,587)	404,948	51,740
HOPE 3 Deferred Income	2,291	2,663	(371)	6,748	(4,457)
Other Mortgages-Deferred Income	31,457	33,957	(2,500)	65,262	(33,805)
Accrued Building Lease Expense	0	0	0	0	0
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	7,674,219	7,691,677	(17,458)	5,895,043	1,779,176
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	9,330,443	9,999,526	(669,083)	8,979,900	350,543
Net Assets					
Beginning Net Assets	(558,334)	(558,334)	0	195,701	(754,034)
Current YTD Net Income	<u>(396,788)</u>	<u>(368,304)</u>	<u>(28,484)</u>	<u>(192,411)</u>	<u>(204,377)</u>
Total Net Assets	<u>(955,121)</u>	<u>(926,638)</u>	<u>(28,484)</u>	<u>3,290</u>	<u>(958,411)</u>
Total Liabilities and Net Assets	<u>\$8,375,322</u>	<u>\$9,072,889</u>	<u>(\$697,567)</u>	<u>\$8,983,190</u>	<u>(\$607,869)</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Environment, Mapping & Transportation	\$ 6,859,310	\$ 10,175,969	\$ (3,316,659)
Energy and Air Quality	4,699,967	4,710,054	(10,087)
Housing & Community Services	993,501	1,411,500	(417,999)
Services to Members & Development	752,281	784,982	(32,701)
Other	246,131	766,646	(520,515)
Total Operating Revenues	\$ 13,551,189	\$ 17,849,151	\$ (4,297,962)
Expenses			
Salaries and benefits	\$ 6,875,677	\$ 7,596,443	\$ (720,766)
Materials and Supplies	178,829	550,000	(371,171)
Consultants, services and other	6,900,147	9,648,212	(2,748,065)
Depreciation	53,798	79,496	(25,698)
Total Expenses	\$ 14,008,451	\$ 17,874,151	\$ (3,865,700)
Operations income (loss)	\$ (457,262)	\$ (25,000)	(432,262)
Interest Income	60,474	25,000	35,474
Increase (decrease) in net position	\$ (396,788)	\$ -	\$ (396,788)