



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

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Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstedler
Chief of Staff & Director of Operations

DATE: April 26, 2019

SUBJECT: Financial Report – March 2019

Summary

At March 31, 2019 our cash position was \$1,277,246 in the operating account. For the year-to-date ending March 31, 2019 the actual fringe rate variance was unfavorable and the indirect rate variance was favorable.

Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year-to-date ending March 31, 2019 of (\$173,292). This is primarily the result of costs that have not been recovered in the weatherization programs (\$194,872) offset by a current \$8,549 surplus in transportation planning programs which is expected to be spent this year, and investment income of \$12,922.

Member Dues

Member dues revenue was 10.2% of the year-to-date operating revenue. Use of member dues was over budget by (\$32,369) excluding the prior year dues budgeted for building due diligence and leasehold improvements. The additional use of dues relates primarily to the travel costs that are front-loaded in the first quarter and additional time spent in programs funded by dues for the first quarter. 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>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Services to Members	\$112,996	\$132,894	\$ (19,898)
Local Matching Funds	71,821	81,386	(9,565)
Development Fund	24,102	35,583	(11,481)
Building Lease	37,067	37,223	(156)
Member Services Coordination	25,273	25,951	(678)
Leasehold Improvements & Building Due Diligence	165,000	- 0 -	165,000
Other	16,681	7,272	9,409
Total	<u>\$452,940</u>	<u>\$320,309</u>	<u>\$ 132,631</u>

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 63.18% which is higher than the budgeted rate of 59.0%, creating an unfavorable variance for the year of \$35,547. The first quarter of the year is often unfavorable. Early projections indicate that the fringe rate may remain unfavorable by year end.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 51.75% which is lower than the budgeted rate of 57.2.0%, resulting in a favorable variance for the year-to-date of \$55,264.

Statement of Net Position

- Operating cash on hand is \$1,277,246 which was equal to 24 days of cash flow. The Hope 3 Trust account holds cash of \$39,664 restricted for NSP usage. The building reserve account is \$1,052,887; operating reserve account is at \$1,369,481; and management reserve is \$106,288. The building improvement/maintenance fund holds \$667,138.
- Accounts Receivable totaled \$1,719,332 compared to \$2,091,904 at the end of March 2018.
- Accounts Payable plus Other Accrued Liabilities totaling \$354,293 were \$126,671 less than the \$480,964 balance at the end of March 2018.
- The GASB 68 Pension liability of \$5,162,285 and the GASB 75 OPEB (other postemployment benefits, i.e. retiree healthcare) liability of \$3,502,913 represent estimates of the Commission’s proportional share of the unfunded liabilities of the Ohio Public Employees Retirement System (OPERS). The Government Accounting Standards Board mandates that these amounts be

shown in the financial statements, but such amounts do not represent an actual legal liability to OPERS, as per State of Ohio law. Excluding the impact of GASB 68 and 75, net position would be nearly \$8.5 million greater, or a positive balance of \$3,540,754, as of March 31, 2019.

Expenses and Appropriations

Expenses for the 1st quarter of 2019 totaled \$3,341,552 or 17.5% of the total year's operating appropriations of \$19,078,175.

Operating Reserve

The \$1,277,246 of operating cash at March 31, 2019 is equivalent to 24 days of expenditures, which is less than the 30-day (\$1,568,069) target threshold established in the Operating Reserve Policy.

The \$1,369,481 balance of the invested operating reserve at March 31, 2019 is held in STAROhio, and has not been utilized to date in 2019. Combining both the operating reserve balance and the operating cash balance equates to 51 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 March 31 was \$19,974.

MORPC
Statement of Net Position
As of 3/31/2019

	<u>Balance at</u> <u>03/31/2019</u>	<u>Balance at</u> <u>02/28/2019</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>03/31/2018</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$1,277,246	\$1,254,949	\$22,297	\$1,795,558	(\$518,312)
Cash-Designated for Building Improvement	667,138	665,945	1,193	687,012	(19,874)
Cash-Operating Reserve	1,369,481	1,366,557	2,924	1,320,957	48,524
Cash-Building Reserve	1,052,887	1,050,613	2,274	1,029,955	22,932
Cash-Management Reserve	106,288	106,072	216	101,556	4,732
Cash with Trustee NSP1 Franklin Co	39,664	39,603	61	40,635	(971)
Investments Greenways Fund	10,519	10,519	0	10,925	(406)
Accounts Receivable	1,719,332	2,332,673	(613,341)	2,091,904	(372,572)
Prepaid Expenses	<u>167,993</u>	<u>194,947</u>	<u>(26,954)</u>	<u>208,488</u>	<u>(40,495)</u>
Total Current Assets	6,410,546	7,021,877	(611,331)	7,286,988	(876,441)
Non-Current Assets					
Forgivable Mortgages	33,263	33,425	(162)	47,016	(13,753)
Fixed Assets	679,899	679,899	0	579,201	100,698
Contributed Assets	296,860	296,860	0	417,282	(120,422)
Accumulated Depreciation	<u>(856,067)</u>	<u>(852,518)</u>	<u>(3,549)</u>	<u>(877,198)</u>	<u>21,131</u>
Total Non-Current Assets	153,955	157,665	(3,710)	166,301	(12,346)
Deferred Outflows of Resources					
GASB 68 Pension	1,401,175	1,401,175	0	2,919,775	(1,518,600)
GASB 75 OPEB	<u>269,545</u>	<u>269,545</u>	<u>0</u>	<u>41,937</u>	<u>227,608</u>
Total Deferred Outflows of Resources	<u>1,670,720</u>	<u>1,670,720</u>	<u>0</u>	<u>2,961,712</u>	<u>(1,290,992)</u>
Total Assets	<u>\$8,235,221</u>	<u>\$8,850,262</u>	<u>(\$615,041)</u>	<u>\$10,415,000</u>	<u>(\$2,179,779)</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$317,555	\$681,425	(\$363,870)	\$442,734	(\$125,179)
Accrued Payroll	222,934	399,130	(176,196)	189,919	33,015
Accrued Fringe Benefits	75,103	97,484	(22,381)	125,157	(50,054)
Other Accrued Liabilities	36,738	33,433	3,305	38,230	(1,492)
Accrued PTO & Sick Leave	55,000	55,000	0	40,000	15,000
Deferred Income	794,417	773,662	20,755	1,268,535	(474,118)
Deferred Income-Member Dues	869,218	979,740	(110,522)	825,918	43,300
Deferred Income-Indirect Reserve	175,655	168,607	7,048	246,936	(71,281)
Deferred Fringe Benefit Reserve	<u>(49,314)</u>	<u>(62,521)</u>	<u>13,207</u>	<u>68,464</u>	<u>(117,778)</u>
Total Current Liabilities	2,497,306	3,125,959	(628,653)	3,245,893	(748,587)
Non-Current					
Accrued PTO & Sick Leave	493,178	476,364	16,814	435,060	58,118
HOPE 3 Deferred Income	1,806	1,968	(162)	5,634	(3,828)
Other Mortgages-Deferred Income	31,457	31,457	0	41,382	(9,925)
GASB 68 Pension Liability	5,162,285	5,162,285	0	7,183,782	(2,021,497)
GASB 75 OPEB Liability	<u>3,502,913</u>	<u>3,502,913</u>	<u>0</u>	<u>3,240,710</u>	<u>262,203</u>
Total Non-Current	9,191,639	9,174,986	16,653	10,906,568	(1,714,929)
Deferred Inflows of Resources					
GASB 68 Pension	1,234,076	1,234,076	0	336,123	897,953
GASB 75 OPEB	<u>260,944</u>	<u>260,944</u>	<u>0</u>	<u>0</u>	<u>260,944</u>
Total Deferred Inflows of Resources	<u>1,495,020</u>	<u>1,495,020</u>	<u>0</u>	<u>336,123</u>	<u>1,158,897</u>
Total Liabilities	13,183,965	13,795,966	(612,001)	14,488,583	(1,304,618)
Net Assets					
Beginning Net Assets	<u>(4,775,452)</u>	<u>(4,775,452)</u>	<u>0</u>	<u>(3,757,107)</u>	<u>(1,018,345)</u>
Current YTD Net Income	<u>(173,292)</u>	<u>(170,251)</u>	<u>(3,041)</u>	<u>(316,477)</u>	<u>143,185</u>
Total Net Assets	<u>(4,948,744)</u>	<u>(4,945,703)</u>	<u>(3,041)</u>	<u>(4,073,584)</u>	<u>(875,160)</u>
Total Liabilities and Net Assets	<u>\$8,235,221</u>	<u>\$8,850,262</u>	<u>(\$615,042)</u>	<u>\$10,415,000</u>	<u>(\$2,179,779)</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDING MARCH 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Planning, Mapping & Transportation	\$ 1,742,477	\$ 2,373,796	\$ (631,319)
Residential Services	1,110,157	1,754,410	(644,253)
Services to Members & Development	238,923	216,120	22,804
Other	57,230	418,469	(361,239)
Total Operating Revenues	\$ 3,148,786	\$ 4,762,794	\$ (1,614,008)
Expenses			
Salaries and benefits	\$ 1,910,296	\$ 2,090,650	\$ (180,354)
Materials and Supplies	28,486	181,549	(153,063)
Consultants, services and other	1,392,124	2,477,919	(1,085,795)
Depreciation	10,646	19,425	(8,779)
Total Expenses	\$ 3,341,552	\$ 4,769,544	\$ (1,427,991)
Operations income (loss)	\$ (192,766)	\$ (6,750)	(186,016)
Interest Income	19,474	6,750	12,724
Increase (decrease) in net position	\$ (173,292)	\$ -	\$ (173,292)