



Mid-Ohio Regional
Planning Commission

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Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstедler
Chief of Staff & Director of Operations

DATE: September 1, 2017

SUBJECT: Financial Report – July 2017

Summary

At July 31, 2017 our cash position was \$814,643 in the operating account, which is less than the 30-day target threshold balance. Operating cash is expected to rebound in August, resulting from the receipt of significant amounts that had been previously delayed. Through the first seven months of 2017, the fringe and overhead rates were better than projected.

Operating Income (Change in Net Position)

There has been a decrease in net assets (operating loss) from operations on a year-to-date basis of \$301,873. This is primarily the result of costs that have not been recovered in the weatherization programs.

Member Dues

Member dues revenue was 8.5% of the year-to-date operating revenue. Dues revenue recognized year-to-date is \$37,069 less than the budgeted year-to-date current year annual dues. Use of member dues was under budget \$134,445 through the first seven months, 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:

	<u>Year-to-date 7-31-2017</u>		
<u>Use of Member Dues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Services to Members	\$215,267	\$180,455	\$ 34,812
Local Matching Funds	167,958	168,867	(899)
Development Fund	54,664	63,030	(8,366)
Building Lease	58,387	58,870	(483)
Member Services Coordination	53,477	52,436	1,041
Leasehold Improvements & Building Due Diligence	122,500	25,729	96,771
Other	36,079	24,500	11,579
Total	<u>\$708,332</u>	<u>\$573,887</u>	<u>\$ 134,445</u>

William Murdock, AICP
Executive Director

Matt Greeson
Chair

Rory McGuinness
Vice Chair

Karen J. Angelou
Secretary

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 59.59% which is lower than the budgeted rate of 63.0%, creating a favorable variance for the year-to-date of \$59,289. While the first half the year is typically more favorable than the second half, the fringe variance is still projected to be positive by year end.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date first quarter is 50.72% which is lower the budgeted rate of 54.5%, resulting in a favorable variance for the year-to-date of \$137,115. Total indirect department expenses remain significantly under budget year-to-date.

Statement of Net Assets

- Operating cash on hand is \$814,643 which was equal to 20 days of cash flow. The Hope 3 Trust account holds cash of \$42,050 restricted for NSP usage. The building reserve account is \$1,020,848; operating reserve account is at \$1,309,251; and management reserve is \$100,685. The building improvement/maintenance fund holds \$722,705.
- Accounts Receivable totaled \$1,955,371 compared to \$1,707,256 at the end of July 2016.
- Accounts Payable plus Other Accrued Liabilities were \$251,963, a decrease from the \$352,815 combined balance at the end of July 2016.

Expenses and Appropriations

Year-to-date expenses through 58.3% of the year elapsed totaled \$6,740,348 or 45.5% of the total year's operating appropriations of \$14,814,194 as MORPC has spent well within appropriations for the first quarter.

Operating Reserve

The \$814,643 of operating cash at July 31 is equivalent to 20 days of expenditures, which is less than the 30-day target threshold established in the Operating Reserve Policy. Delay in the receipt of reimbursements from the State of Ohio on completed weatherization programs is a primary factor.

The \$1,309,251 balance of the operating reserve at July 31 is held in STAROhio, and has not been utilized year-to-date. Combining both the operating reserve balance with the operating cash balance equates to 53 days of expenditures, which is below the 60-day target threshold as per the Operating Reserve Policy. No action is recommended at this time to increase the reserve back to > 60 days, as August cash receipts are expected to restore the balance to the minimum target threshold. Interest earned and allocated to the operating reserve in 2017 year-to-date is \$8,044.

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE SEVEN MONTHS ENDING JULY 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Environment, Mapping & Transportation	\$ 3,705,142	\$ 4,642,094	\$ (936,952)
Energy and Air Quality	1,954,631	2,666,512	(711,881)
Housing & Community Services	367,306	846,268	(478,962)
Services to Members & Development	382,412	420,041	(37,629)
Other	<u>10,967</u>	<u>279,491</u>	<u>(268,524)</u>
Total Operating Revenues	\$ 6,420,458	\$ 8,854,406	\$ (2,433,948)
Expenses			
Salaries and benefits	\$ 3,694,958	\$ 4,182,632	\$ (487,674)
Materials and Supplies	89,890	320,833	(230,943)
Consultants, services and other	2,919,324	4,316,324	(1,397,000)
Depreciation	<u>36,176</u>	<u>33,480</u>	<u>2,696</u>
Total Expenses	\$ 6,740,348	\$ 8,853,269	\$ (2,112,921)
Operations income (loss)	\$ (319,890)	\$ 1,138	(321,028)
Interest Income	<u>18,017</u>	<u>2,917</u>	<u>15,100</u>
Increase (decrease) in net position	<u>\$ (301,873)</u>	<u>\$ 4,054</u>	<u>\$ (305,927)</u>

MORPC
Statement of Net Assets
As of 07/31/2017

	<u>Balance at</u> <u>07/31/2017</u>	<u>Balance at</u> <u>06/30/2017</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>07/31/2016</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$814,643	\$895,146	(\$80,503)	\$1,932,638	(\$1,117,995)
Cash-Designated for Building Improvement	722,705	722,057	648	745,123	(22,419)
Cash-Operating Reserve	1,309,251	1,307,998	1,254	0	1,309,251
Cash-Building Reserve	1,020,848	1,019,873	975	2,111,443	(1,090,594)
Cash-Management Reserve	100,685	100,592	93	0	100,685
Cash with Trustee NSP1 Franklin Co	42,050	42,050	0	42,050	0
Cash with Trustee HOPE 3	0	0	0	1,723	(1,723)
Accounts Receivable	1,955,371	1,974,572	(19,200)	1,707,256	248,115
Prepaid Expenses	<u>179,315</u>	<u>205,551</u>	<u>(26,236)</u>	<u>122,118</u>	<u>57,198</u>
Total Current Assets	6,144,933	6,267,839	(122,906)	6,662,350	(517,417)
Non-Current Assets					
Forgivable Mortgages	79,018	79,719	(702)	113,214	(34,196)
Fixed Assets	579,201	579,201	0	561,217	17,984
Contributed Assets	369,976	369,976	0	369,976	0
Accumulated Depreciation	<u>(840,879)</u>	<u>(836,531)</u>	<u>(4,349)</u>	<u>(770,094)</u>	<u>(70,785)</u>
Total Non-Current Assets	187,315	192,365	(5,050)	274,312	(86,997)
Deferred Outflows of Resources					
GASB 68 Pension	<u>2,076,372</u>	<u>2,076,372</u>	<u>0</u>	<u>694,040</u>	<u>1,382,332</u>
Total Deferred Outflows of Resources	<u>2,076,372</u>	<u>2,076,372</u>	<u>0</u>	<u>694,040</u>	<u>1,382,332</u>
Total Assets	<u>\$8,408,620</u>	<u>\$8,536,577</u>	<u>(\$127,956)</u>	<u>\$7,630,702</u>	<u>\$777,918</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$190,546	\$266,725	(\$76,179)	\$230,439	(\$39,893)
Accrued Payroll	270,789	249,784	21,006	251,405	19,384
Accrued Fringe Benefits	61,417	58,640	2,777	70,852	(9,435)
Other Accrued Liabilities	29,527	25,574	3,953	122,376	(92,849)
Accrued PTO & Sick Leave	40,000	40,000	0	60,000	(20,000)
Deferred Income	666,999	697,659	(30,660)	1,117,879	(450,880)
Deferred Income-Member Dues	487,410	539,983	(52,573)	440,756	46,654
Deferred Income-Indirect Reserve	171,399	131,081	40,318	(23,260)	194,659
Deferred Fringe Benefit Reserve	<u>266,272</u>	<u>308,001</u>	<u>(41,729)</u>	<u>146,865</u>	<u>119,407</u>
Total Current Liabilities	2,184,361	2,317,448	(133,087)	2,417,313	(232,952)
Non-Current					
Accrued PTO & Sick Leave	415,228	422,546	(7,318)	383,539	31,689
HOPE 3 Deferred Income	10,256	10,957	(702)	20,606	(10,351)
Other Mortgages-Deferred Income	68,762	68,762	0	92,607	(23,845)
Accrued Building Lease Expense	1,621	2,162	(540)	22,957	(21,336)
GASB 68 Pension Liability	<u>5,418,085</u>	<u>5,418,085</u>	<u>0</u>	<u>4,245,280</u>	<u>1,172,805</u>
Total Non-Current	5,913,952	5,922,513	(8,560)	4,764,990	1,148,962
Deferred Inflows of Resources					
GASB 68 Pension	<u>416,480</u>	<u>416,480</u>	<u>0</u>	<u>74,581</u>	<u>341,899</u>
Total Deferred Inflows of Resources	<u>416,480</u>	<u>416,480</u>	<u>0</u>	<u>74,581</u>	<u>341,899</u>
Total Liabilities	8,514,793	8,656,441	(141,647)	7,256,884	1,257,909
Net Assets					
Beginning Net Assets	195,701	195,701	0	671,732	(476,031)
Current YTD Net Income	<u>(301,873)</u>	<u>(315,565)</u>	<u>13,691</u>	<u>(297,914)</u>	<u>(3,959)</u>
Total Net Assets	<u>(106,173)</u>	<u>(119,864)</u>	<u>13,691</u>	<u>373,817</u>	<u>(479,990)</u>
Total Liabilities and Net Assets	<u>\$8,408,620</u>	<u>\$8,536,577</u>	<u>(\$127,956)</u>	<u>\$7,630,702</u>	<u>\$777,918</u>