



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 27, 2017

SUBJECT: Financial Report – September 2017

Summary

At September 30, 2017 our cash position was \$899,121 in the operating account, which is less than the 30-day target threshold balance. Operating cash is expected to rebound in October, resulting from the receipt of significant amounts that have been previously delayed. Through the first nine months of 2017, the fringe and indirect 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 \$355,559. This is primarily the result of costs that have not been recovered in the weatherization programs.

Member Dues

Member dues revenue was 8.1% of the year-to-date operating revenue. Dues revenue recognized year-to-date (excluding Leasehold Improvements and Building Due Diligence, which are budgeted from prior year dues) is \$42,616 less than the budgeted year-to-date current year annual dues. Use of member dues was under budget \$168,656 through the first nine 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>Use of Member Dues</u>	<u>Year-to-date 9-30-2017</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under</u>
Services to Members	\$276,772	\$230,253	\$ 46,519
Local Matching Funds	215,946	223,820	(7,874)
Development Fund	70,283	80,922	(10,639)
Building Lease	75,069	75,811	(742)
Member Services Coordination	68,756	69,667	(911)
Leasehold Improvements & Building Due Diligence	157,500	32,238	125,262
Other	46,387	29,346	17,041
Total	\$910,713	\$742,057	\$ 168,656

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 58.99% which is lower than the budgeted rate of 63.0%, creating a favorable variance for the year-to-date of \$90,857. While the fourth quarter variance is expected to be unfavorable, the overall fringe variance is projected to be favorable by year end.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date first quarter is 50.29% which is lower the budgeted rate of 54.5%, resulting in a favorable variance for the year-to-date of \$201,251. Total indirect department expenses remain significantly under budget year-to-date, resulting in the favorable variance.

Statement of Net Assets

- Operating cash on hand is \$899,121 which was equal to 22 days of cash flow. The Hope 3 Trust account holds cash of \$42,114 restricted for NSP usage. The building reserve account is \$1,022,880; operating reserve account is at \$1,311,863; and management reserve is \$100,879. The building improvement/maintenance fund holds \$724,115.
- Accounts Receivable totaled \$1,628,317 compared to \$1,646,665 at the end of September 2016.
- Accounts Payable, plus Other Accrued Liabilities, were \$263,928, comparable to the \$254,320 balance at the end of September 2016.

Expenses and Appropriations

Year-to-date expenses through 75% of the year elapsed totaled \$9,113,968 or 61.5% of the total year's operating appropriations of \$14,814,194 as MORPC has spent well within appropriations.

Operating Reserve

The \$899,121 of operating cash at September 30 is equivalent to 22 days of expenditures, which is less than the 30-day target threshold established in the Operating Reserve Policy. Delay in the receipt of over \$329,000 in Federal Section 5307 funds is a primary factor.

The \$1,311,863 balance of the operating reserve at September 30 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 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 October 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 \$10,656.

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Environment, Mapping & Transportation	\$ 4,945,717	\$ 5,819,717	\$ (874,000)
Energy and Air Quality	2,678,704	3,392,961	(714,257)
Housing & Community Services	542,018	1,086,933	(544,915)
Services to Members & Development	490,529	538,567	(48,038)
Other	77,177	339,882	(262,705)
Total Operating Revenues	\$ 8,734,145	\$ 11,178,059	\$ (2,443,914)
Expenses			
Salaries and benefits	\$ 4,791,720	\$ 5,377,670	\$ (585,950)
Materials and Supplies	114,281	412,500	(298,219)
Consultants, services and other	4,163,195	5,343,382	(1,180,187)
Depreciation	44,772	43,045	1,727
Total Expenses	\$ 9,113,968	\$ 11,176,596	\$ (2,062,628)
Operations income (loss)	\$ (379,823)	\$ 1,463	(381,286)
Interest Income	24,264	3,750	20,514
Increase (decrease) in net position	\$ (355,559)	\$ 5,213	\$ (360,772)

MORPC
Statement of Net Assets
As of 09/30/2017

	<u>Balance at</u> <u>09/30/2017</u>	<u>Balance at</u> <u>08/31/2017</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>09/30/2016</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$899,121	\$1,399,800	(\$500,679)	\$1,716,454	(\$817,333)
Cash-Designated for Building Improvement	724,115	723,402	713	745,607	(21,493)
Cash-Operating Reserve	1,311,863	1,310,565	1,298	0	1,311,863
Cash-Building Reserve	1,022,880	1,021,870	1,010	2,113,653	(1,090,773)
Cash-Management Reserve	100,879	100,783	96	0	100,879
Cash with Trustee NSP1 Franklin Co	42,114	42,114	0	42,050	64
Cash with Trustee HOPE 3	0	0	0	1,723	(1,723)
Accounts Receivable	1,628,317	1,372,538	255,779	1,646,665	(18,348)
Prepaid Expenses	<u>120,645</u>	<u>140,285</u>	<u>(19,640)</u>	<u>87,761</u>	<u>32,883</u>
Total Current Assets	5,849,934	6,111,357	(261,423)	6,353,914	(503,980)
Non-Current Assets					
Forgivable Mortgages	77,615	78,316	(701)	111,038	(33,423)
Fixed Assets	579,201	579,201	(0)	562,267	16,934
Contributed Assets	369,976	369,976	0	369,976	0
Accumulated Depreciation	<u>(849,576)</u>	<u>(845,228)</u>	<u>(4,348)</u>	<u>(783,938)</u>	<u>(65,638)</u>
Total Non-Current Assets	177,215	182,265	(5,050)	259,343	(82,128)
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>\$8,103,521</u>	<u>\$8,369,994</u>	<u>(\$266,473)</u>	<u>\$7,307,296</u>	<u>\$796,224</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$226,354	\$99,936	\$126,418	\$152,636	\$73,718
Accrued Payroll	180,093	332,874	(152,781)	171,339	8,754
Accrued Fringe Benefits	52,777	72,073	(19,296)	62,210	(9,434)
Other Accrued Liabilities	37,574	33,530	4,044	101,684	(64,110)
Accrued PTO & Sick Leave	40,000	40,000	0	60,000	(20,000)
Deferred Income	522,389	683,027	(160,638)	1,031,001	(508,612)
Deferred Income-Member Dues	334,445	389,078	(54,633)	299,979	34,467
Deferred Income-Indirect Reserve	225,672	209,812	15,860	25,068	200,604
Deferred Fringe Benefit Reserve	<u>297,459</u>	<u>309,138</u>	<u>(11,679)</u>	<u>245,796</u>	<u>51,663</u>
Total Current Liabilities	1,916,761	2,169,468	(252,707)	2,149,711	(232,950)
Non-Current					
Accrued PTO & Sick Leave	433,898	423,688	10,210	389,798	44,100
HOPE 3 Deferred Income	8,852	9,554	(702)	18,430	(9,578)
Other Mortgages-Deferred Income	68,762	68,762	0	92,607	(23,845)
Accrued Building Lease Expense	540	1,081	(541)	15,936	(15,396)
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	5,930,138	5,921,170	8,968	4,762,052	1,168,086
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	8,263,379	8,507,118	(243,739)	6,986,344	1,277,035
Net Assets					
Beginning Net Assets	195,701	195,701	0	671,732	(476,031)
Current YTD Net Income	<u>(355,559)</u>	<u>(332,825)</u>	<u>(22,734)</u>	<u>(350,780)</u>	<u>(4,779)</u>
Total Net Assets	<u>(159,858)</u>	<u>(137,124)</u>	<u>(22,734)</u>	<u>320,952</u>	<u>(480,811)</u>
Total Liabilities and Net Assets	<u>\$8,103,521</u>	<u>\$8,369,994</u>	<u>(\$266,473)</u>	<u>\$7,307,296</u>	<u>\$796,224</u>

MID-OHIO REGIONAL PLANNING COMMISSION
 Details of Indirect Cost Allocation and Fringe Benefits Allocation
 Year-to-date as of September 30, 2017

	Estimated CY 2017	Actual CY 2017	Difference (Over Bdgt.) Under Bdgt.
Wages paid for time worked:			
Direct Labor	\$ 2,332,637	\$ 2,266,895	\$ 65,741
Indirect Labor	\$ 769,033	\$ 717,827	\$ 51,206
Total Labor - base for fringe allocation	\$ 3,101,669	\$ 2,984,722	\$ 116,947
Fringe Benefits			
PTO leave	\$ 232,500	\$ 159,914	\$ 72,586
Holidays, funeral, jury, other leave	\$ 178,713	\$ 123,970	\$ 54,743
Sick Leave	\$ 62,616	\$ 30,585	\$ 32,031
Retirement PTO/Sick Leave	\$ 2,250	\$ -	\$ 2,250
PTO/Sick Carryover	\$ 82,500	\$ 146,086	\$ (63,586)
Subtotal Fringe Benefit Wages	\$ 558,579	\$ 460,555	\$ 98,024
Other Fringe Benefits			
OPERS	\$ 503,743	\$ 470,988	\$ 32,755
Workers Comp	\$ 52,500	\$ 31,585	\$ 20,915
Unemployment Compensation	\$ 7,875	\$ 10,875	\$ (3,000)
Medicare	\$ 52,173	\$ 46,565	\$ 5,608
Group Medical Insurance	\$ 774,638	\$ 696,049	\$ 78,589
Group EAP Insurance	\$ 27,611	\$ 26,355	\$ 1,256
Group Life Insurance	\$ 1,770	\$ 1,908	\$ (138)
Group Optical Insurance	\$ 7,821	\$ 7,031	\$ 790
Group Dental Insurance	\$ 41,828	\$ 37,587	\$ 4,241
Group Prescription Insurance	\$ 159,461	\$ 143,283	\$ 16,177
Group Benefits Administrative Fee	\$ 45,983	\$ 34,560	\$ 11,424
Employee Health Incentive	\$ 7,500	\$ 7,050	\$ 450
Employee Group Insurance Cost Sharing	\$ (221,111)	\$ (197,001)	\$ (24,110)
ST/LT Disability Insurance	\$ 33,000	\$ 29,609	\$ 3,391
Estimated Employee Turnover	\$ (53,065)	\$ -	\$ (53,065)
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ (46,253)	\$ (46,254)	\$ 0
Subtotal Other Fringe Benefits	\$ 1,395,473	\$ 1,300,190	\$ 95,283
TOTAL FRINGE BENEFITS	\$ 1,954,052	\$ 1,760,745	\$ 193,307
Indirect Costs			
Salaries - Indirect Only	\$ 769,033	\$ 717,827	\$ 51,206
Fringe Benefits for Indirect Salaries	\$ 484,491	\$ 423,458	\$ 61,033
Materials & Supplies	\$ 59,332	\$ 38,876	\$ 20,456
Services & Charges	\$ 375,722	\$ 357,873	\$ 17,849
Rent & Utilities	\$ 242,700	\$ 221,313	\$ 21,387
Other General Overhead	\$ 140,768	\$ 53,045	\$ 87,723
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ 153	\$ 153	\$ 0
TOTAL INDIRECT COSTS	\$ 2,072,199	\$ 1,812,546	\$ 259,653
Direct Labor Costs by Department:			
Transportation	\$ 1,671,327	\$ 1,558,562	\$ 112,765
Energy & Air Quality	\$ 707,935	\$ 593,169	\$ 114,765
Member Dues	\$ 129,813	\$ 109,134	\$ 20,679
Other Grants/Programs	\$ 7,673	\$ 6,030	\$ 1,643
Less Estimated Turnover	\$ (184,112)	\$ -	\$ (184,112)
TOTAL DIRECT LABOR COSTS	\$ 2,332,637	\$ 2,266,895	\$ 65,741

MID-OHIO REGIONAL PLANNING COMMISSION
 Details of Indirect Cost Allocation and Fringe Benefits Allocation
 Year-to-date as of September 30, 2017

	Estimated CY 2017	Actual CY 2017	Difference (Over Bdgt.) Under Bdgt.
Calculated Direct vs. Indirect Fringe Benefits Costs			
Direct Labor Fringe Benefits	\$ 1,469,561	\$ 1,337,287	\$ 132,274
Indirect Labor Fringe Benefits	\$ 484,491	\$ 423,458	\$ 61,032
TOTAL FRINGE BENEFITS	\$ 1,954,052	\$ 1,760,745	\$ 193,307
Fringe Benefit Cost Rate Computation			
TOTAL Fringe Benefit Costs /	\$ 1,954,052	\$ 1,760,745	
TOTAL Labor Costs (Direct & Indirect)	\$ 3,101,669	\$ 2,984,722	
= Fringe Benefit Cost Rate	63.00%	58.99%	
Estimated Fringe Benefit Cost Recovery Comparison (Direct Labor Portion Only)			
Should have recovered in fiscal year		\$ 1,337,287	58.99% of Direct Labor
Amount actually recovered in fiscal year		\$ 1,428,144	63.00% of Direct Labor
Prior Year Net (Over) / Under Recovery		\$ (46,254)	
Prior Year (Over) / Under Recovery Posted to Cost Pool		\$ (46,254)	
Total - (Over)/Under Recovery of Fringe Benefits		\$ (90,857)	A (over)/under
Indirect Cost Rate Computation			
TOTAL Indirect Costs /	\$ 2,072,199	\$ 1,812,546	
DIRECT Labor + Direct Labor Fringe Benefits	\$ 3,802,197	\$ 3,604,182	
= Indirect Cost Rate	54.50%	50.29%	
Estimated Indirect Cost Recovery Comparison (All Indirect Costs, Indirect Labor & Indirect Labor Fringe Benefits)			
Should have recovered in fiscal year ((Actual Direct Labor + Actual Direct Labor Fringe Benefits) x Actual Indirect Cost Rate)		\$ 1,812,546	50.29% of Direct Labor + Direct Labor Fringe Benefits
Amount actually recovered in fiscal year ((Actual Direct Labor + Direct Labor Fringe Benefits) x ESTIMATED Indirect Cost Rate)		\$ 2,013,797	54.50% of Direct Labor + Direct Labor Fringe Benefits
Prior Year Net (Over) / Under Recovery		\$ 153	
Prior Year (Over) / Under Recovery Posted to Cost Pool		\$ 153	
Total - (Over)/Under Recovery of Indirect Costs		\$ (201,251)	B (over)/under
Estimated			
Fringe Benefit Cost (Over)/Under Recovery		\$ (90,857)	A (over)/under
Indirect Cost (Over)/Under Recovery		\$ (201,251)	B (over)/under
Net (Over)/Under Recovery		\$ (292,108)	
Summary			
	CY 2017 Estimated	CY 2017 Actual	
Fringe Benefit Rate	63.00%	58.99%	
Indirect Cost Rate	54.50%	50.29%	
Total Overhead Cost Rate	117.50%	109.28%	