



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

111 Liberty Street, Suite 100
Columbus, Ohio 43215
morpc.org

T. 614. 228.2663
TTY. 1.800.750.0750
info@morpc.org

Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstedler
Chief of Staff & Director of Operations

DATE: January 31, 2020

SUBJECT: Financial Report – December 2019

Summary

At December 31, 2019 our cash position was \$1,034,414 in the operating account. For the year-to-date ending December 31, 2019 the actual fringe rate variance was unfavorable and the indirect rate variance was favorable. The year-to-date operating loss remained comparable to the third quarter as noted below.

We have been closely monitoring the fluctuations in our operating cash balances all year and evaluating their sustainability. Since the low point was reached on September 30, 2019 (\$220,142), daily cash balances rebounded in the fourth quarter due to the early receipts of ODOT-, Columbia Gas-, and 2020 Member Dues payments in December, as well as a \$300,000 transfer-in from the Operating Reserve. The cash balance represents 20 days of cash flow.

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, 2019 of (\$721,348). This is primarily the result of costs that have not been recovered in the weatherization programs, a loss of (\$753,166).

Member Dues

Member dues revenue was 9.3% of total 2019 operating revenue. Use of member dues was over budget by (\$3,836) excluding the prior year dues budgeted for building due diligence and leasehold improvements. The additional use of dues relates primarily to the public policy development and related legislative efforts performed by staff during the year, and additional staff time spent in other programs funded by dues. 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>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Services to Members	\$451,983	\$483,679	\$ (31,696)
Local Matching Funds	287,284	313,067	(25,783)
Development Fund	96,407	100,414	(4,007)
Building Lease	148,267	150,147	(1,880)
Member Services Coordination	101,093	112,971	(11,878)
Leasehold Improvements & Building Due Diligence	660,000	51,923	608,077
Other	66,727	45,881	20,846
Total	<u>\$1,811,761</u>	<u>\$1,258,082</u>	<u>\$ 553,679</u>

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 62.38% which is higher than the budgeted rate of 59.00%, creating an unfavorable variance for the year-to-date of (\$114,857). This uncollected amount will be incorporated into the 2021 approved fringe rate to recapture the costs in that year.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 55.71% which is lower than the budgeted rate of 57.20%, resulting in a favorable variance for the year-to-date of \$16,714.

Statement of Net Position

- Operating cash on hand is \$1,034,444 which was equal to 20 days of cash flow. The Hope 3 Trust account holds cash of \$40,203 restricted for NSP usage. The building reserve account is \$1,070,910; operating reserve account is at \$1,092,220; and management reserve is \$108,035. The building improvement/maintenance fund holds \$552,167.
- Accounts Receivable totaled \$957,993 compared to \$1,835,015 at the end of December 2018.
- Accounts Payable plus Other Accrued Liabilities totaling \$366,044 were \$(108,481) less than the \$474,525 balance at the end of December 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). These amounts do not include year-end 2019 adjustments which will not be available from the Franklin County Auditor, nor posted, until April 2020. 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 of MORPC 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 \$3,150,284, as of December 31, 2019.

Expenses and Appropriations

Expenses through the end of 2019 totaled \$13,755,213 or 72.1% of the total year's operating appropriations of \$19,078,175.

Operating Reserve

The \$1,034,414 in operating cash at December 31, 2019 is equivalent to 20 days of expenditures, which is less than the 30-day (\$1,568,069) target threshold for 2019 established in the Operating Reserve Policy.

The \$1,092,220 balance of the invested operating reserve at December 31, 2019 is held in STAROhio, and reflects a reduction due to the December transfer-out of \$300,000 to the operating account, to ensure that year-end and January 2020 obligations could be paid. Repayment from the operating account back to the operating reserve will be contingent on weatherization programs not recording losses in 2020. 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, 2019 was \$31,164.

MORPC
Statement of Net Position
As of 12/31/2019

	<u>Balance at</u> <u>12/31/2019</u>	<u>Balance at</u> <u>11/30/2019</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>12/31/2018</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$1,034,414	\$428,357	\$606,057	\$658,056	\$376,358
Cash-Designated for Building Improvement	552,167	551,331	836	671,987	(119,820)
Cash-Operating Reserve	1,092,220	1,390,442	(298,221)	1,361,056	(268,836)
Cash-Building Reserve	1,070,910	1,069,169	1,742	1,046,334	24,576
Cash-Management Reserve	108,035	107,849	185	105,664	2,370
Cash with Trustee NSP1 Franklin Co	40,203	40,110	93	39,469	734
Investments Greenways Fund	12,165	12,165	0	10,519	1,646
Accounts Receivable	957,993	1,879,414	(921,421)	1,835,015	(877,022)
Prepaid Expenses	<u>95,031</u>	<u>105,868</u>	<u>(10,837)</u>	<u>160,800</u>	<u>(65,769)</u>
Total Current Assets	4,963,138	5,584,705	(621,566)	5,888,901	(925,763)
Non-Current Assets					
Forgivable Mortgages	23,882	26,544	(2,662)	33,748	(9,866)
Fixed Assets	679,899	679,899	0	679,899	0
Contributed Assets	249,669	249,669	0	296,860	(47,191)
Accumulated Depreciation	<u>(831,692)</u>	<u>(829,663)</u>	<u>(2,028)</u>	<u>(845,420)</u>	<u>13,729</u>
Total Non-Current Assets	121,758	126,448	(4,690)	165,086	(43,328)
Deferred Outflows of Resources					
GASB 68 Pension	1,401,175	1,401,175	0	1,401,175	0
GASB 75 OPEB	<u>269,545</u>	<u>269,545</u>	<u>0</u>	<u>269,545</u>	<u>0</u>
Total Deferred Outflows of Resources	<u>1,670,720</u>	<u>1,670,720</u>	<u>0</u>	<u>1,670,720</u>	<u>0</u>
Total Assets	<u>\$6,755,616</u>	<u>\$7,381,873</u>	<u>(\$626,256)</u>	<u>\$7,724,707</u>	<u>(\$969,091)</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$366,044	\$332,263	\$33,781	\$474,525	(\$108,481)
Accrued Payroll	323,891	324,665	(774)	300,402	23,489
Accrued Fringe Benefits	86,400	92,890	(6,490)	77,493	8,907
Other Accrued Liabilities	39,500	36,633	2,867	41,825	(2,325)
Accrued PTO & Sick Leave	100,000	55,000	45,000	55,000	45,000
Deferred Income	503,950	1,097,384	(593,434)	566,060	(62,110)
Deferred Income-Member Dues	100,739	141,037	(40,298)	43,830	56,909
Deferred Income-Indirect Reserve	92,171	150,008	(57,837)	134,728	(42,557)
Deferred Fringe Benefit Reserve	<u>(162,176)</u>	<u>(85,875)</u>	<u>(76,301)</u>	<u>(1,944)</u>	<u>(160,232)</u>
Total Current Liabilities	1,450,518	2,144,004	(693,486)	1,691,919	(241,401)
Non-Current					
Accrued PTO & Sick Leave	460,212	514,448	(54,235)	456,688	3,524
HOPE 3 Deferred Income	351	513	(162)	2,291	(1,941)
Other Mortgages-Deferred Income	23,531	26,031	(2,500)	31,457	(7,925)
GASB 68 Pension Liability	5,162,285	5,162,285	0	5,162,285	0
GASB 75 OPEB Liability	<u>3,502,913</u>	<u>3,502,913</u>	<u>0</u>	<u>3,502,913</u>	<u>0</u>
Total Non-Current	9,149,293	9,206,190	(56,897)	9,155,635	(6,342)
Deferred Inflows of Resources					
GASB 68 Pension	1,234,076	1,234,076	0	1,234,076	0
GASB 75 OPEB	<u>260,944</u>	<u>260,944</u>	<u>0</u>	<u>260,944</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>1,495,020</u>	<u>1,495,020</u>	<u>0</u>	<u>1,495,020</u>	<u>0</u>
Total Liabilities	12,094,831	12,845,214	(750,384)	12,342,574	(247,743)
Net Position					
Beginning Net Position	<u>(4,617,866)</u>	<u>(4,617,866)</u>	0	<u>(3,757,107)</u>	<u>(860,760)</u>
Current YTD Net Income	<u>(721,348)</u>	<u>(845,475)</u>	<u>124,127</u>	<u>(860,760)</u>	<u>139,412</u>
Total Net Position	<u>(5,339,214)</u>	<u>(5,463,342)</u>	<u>124,127</u>	<u>(4,617,866)</u>	<u>(721,348)</u>
Total Liabilities and Net Position	<u>\$6,755,616</u>	<u>\$7,381,873</u>	<u>(\$626,256)</u>	<u>\$7,724,707</u>	<u>(\$969,091)</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR ENDING DECEMBER 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 7,282,044	\$ 9,495,183	\$ (2,213,139)
Residential Services	4,206,953	7,017,639	(2,810,686)
Services to Members & Development	893,091	864,478	28,613
Other	578,117	1,673,875	(1,095,759)
Total Operating Revenues	\$ 12,960,205	\$ 19,051,175	\$ (6,090,970)
Expenses			
Salaries and benefits	\$ 7,706,053	\$ 8,362,600	\$ (656,547)
Materials and Supplies	176,292	726,197	(549,905)
Consultants, services and other	5,839,405	9,911,677	(4,072,272)
Depreciation	33,462	77,701	(44,239)
Total Expenses	\$ 13,755,213	\$ 19,078,175	\$ (5,322,962)
Operations income (loss)	\$ (795,008)	\$ (27,000)	(768,008)
Interest Income	73,660	27,000	46,660
Increase (decrease) in net position	\$ (721,348)	\$ -	\$ (721,348)