



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: April 30, 2020

SUBJECT: Financial Report – March 2020

Summary

At March 31, 2020 our cash position was \$1,588,121 in the operating account. For the year-to-date ending March 31, 2020, the actual fringe rate variance was favorable and the indirect rate variance was unfavorable. A net loss from all operations was recorded in the first quarter.

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, 2020 of (\$387,829). This is primarily the result of costs that have not been recovered in the weatherization programs (a loss of \$183,859), and the result of a December 31, 2019 accounting adjustment that recorded year-end unspent COTA local funds received in lieu of Section 5307 as revenue in 2019, and which reduced 2020 revenue accordingly (a reduction of \$193,601). The loss in the weatherization programs is due to the ramp up at the beginning of the year after implementing process changes combined with the production stoppage as a result of COVID-19.

Member Dues

Member dues revenue was 12.7% of total 2020 operating revenue for the year-to-date ending March 31, 2020. Use of member dues was under budget by \$2,650 excluding the prior year dues budgeted for building due diligence and leasehold improvements. 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	\$129,317	\$141,155	\$ (11,838)
Local Matching Funds	79,670	73,474	6,196
Development Fund	26,045	21,983	4,062
Building Lease	40,446	40,727	(281)
Member Services Coordination	37,311	37,315	(4)
Leasehold Improvements & Building Due Diligence	138,146	4,956	133,190
Other	11,850	7,689	4,161
Total	\$427,785	\$327,299	\$ 135,486

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 59.71% which is lower than the budgeted rate of 61.00%, creating a favorable variance for the year-to-date of \$10,243.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 61.26% which is higher than the budgeted rate of 59.00%, resulting in an unfavorable variance for the year-to-date of \$(22,579).

Statement of Net Position

- Operating cash on hand is \$1,588,121 which was equal to 32 days of cash flow. The Hope 3 Trust account holds cash of \$38,673 restricted for NSP usage. The building reserve account is \$1,075,204; operating reserve account is at \$1,096,605; and management reserve is \$108,491. The building improvement/maintenance fund holds \$554,335.
- Accounts Receivable totaled \$1,410,020 compared to \$1,719,332 at March 31, 2019.
- Accounts Payable plus Other Accrued Liabilities totaling \$391,564 were \$37,271 greater than the \$354,293 balance at March 31, 2019.
- The GASB 68 Pension liability of \$10,419,950 and the GASB 75 OPEB (other postemployment benefits, i.e. retiree healthcare) liability of \$4,863,198 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 of MORPC to OPERS, as per State of Ohio law. Excluding the impact of GASB 68 and 75, net position would be nearly \$11 million greater, or a positive balance of \$2,770,661, as of March 31, 2020.

Expenses and Appropriations

Expenses through the first quarter of 2020 totaled \$2,946,509 or 16.3% of the total year's operating appropriations of \$18,078,999.

Operating Reserve

The \$1,588,121 in operating cash at March 31, 2020 is equivalent to 32 days of expenditures, which is greater than the 30-day (\$1,485,945) target threshold for 2020 established in the Operating Reserve Policy.

The \$1,096,605 balance of the invested operating reserve at March 31, 2020 is held in STAROhio and reflects the outstanding transfer-out of \$300,000 to the operating account in December 2019. Repayment from the operating account back to the operating reserve will be contingent on realizing sufficient positive cash flows the remainder of fiscal year 2020. Combining both the operating reserve balance and the operating cash balance equates to 54 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, 2020 was \$4,385.

MORPC
Statement of Net Position
As of 03/31/2020

	<u>Balance at</u> <u>03/31/2020</u>	<u>Balance at</u> <u>02/29/2020</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>03/31/2019</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$1,588,121	\$1,184,390	\$403,731	\$1,277,246	\$310,875
Cash-Designated for Building Improvement	554,335	553,625	710	667,138	(112,803)
Cash-Operating Reserve	1,096,605	1,095,389	1,216	1,369,480	(272,875)
Cash-Building Reserve	1,075,204	1,074,013	1,191	1,052,887	22,317
Cash-Management Reserve	108,491	108,365	126	106,288	2,203
Cash with Trustee NSP1 Franklin Co	38,673	38,636	37	39,664	(991)
Investments Greenways Fund	12,789	12,789	0	10,519	2,270
Accounts Receivable	1,410,020	1,463,438	(53,418)	1,719,332	(309,312)
Prepaid Expenses	<u>126,903</u>	<u>111,887</u>	<u>15,016</u>	<u>167,993</u>	<u>(41,090)</u>
Total Current Assets	6,011,141	5,642,532	368,609	6,410,547	(399,406)
Non-Current Assets					
Forgivable Mortgages	23,531	23,531	(0)	33,263	(9,732)
Fixed Assets	695,481	695,481	0	679,899	15,582
Contributed Assets	249,669	249,669	0	296,860	(47,191)
Accumulated Depreciation	<u>(838,556)</u>	<u>(836,268)</u>	<u>(2,288)</u>	<u>(856,067)</u>	<u>17,511</u>
Total Non-Current Assets	130,125	132,413	(2,287)	153,955	(23,830)
Deferred Outflows of Resources					
GASB 68 Pension	3,687,608	3,687,608	0	1,401,175	2,286,433
GASB 75 OPEB	<u>754,849</u>	<u>754,849</u>	<u>0</u>	<u>269,545</u>	<u>485,304</u>
Total Deferred Outflows of Resources	<u>4,442,457</u>	<u>4,442,457</u>	<u>0</u>	<u>1,670,720</u>	<u>2,771,737</u>
Total Assets	<u>\$10,583,723</u>	<u>\$10,217,401</u>	<u>\$366,323</u>	<u>\$8,235,222</u>	<u>\$2,348,501</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$353,439	\$223,081	\$130,358	\$317,555	\$35,884
Accrued Payroll	256,909	208,034	48,875	222,934	33,975
Accrued Fringe Benefits	83,854	74,473	9,381	75,103	8,751
Other Accrued Liabilities	38,125	34,583	3,542	36,738	1,387
Accrued PTO & Sick Leave	100,000	100,000	0	55,000	45,000
Deferred Income	1,193,414	876,218	317,196	794,417	398,997
Deferred Income-Member Dues	962,627	1,069,674	(107,047)	869,218	93,409
Deferred Income-Indirect Reserve	<u>(27,525)</u>	<u>(7,755)</u>	<u>(19,770)</u>	175,655	(203,180)
Deferred Fringe Benefit Reserve	<u>(102,313)</u>	<u>(139,467)</u>	<u>37,154</u>	<u>(49,314)</u>	<u>(52,999)</u>
Total Current Liabilities	2,858,530	2,438,841	419,689	2,497,306	361,224
Non-Current					
Accrued PTO & Sick Leave	488,544	462,923	25,621	493,178	(4,634)
HOPE 3 Deferred Income	0	0	0	1,806	(1,806)
Other Mortgages-Deferred Income	23,531	23,531	(0)	31,457	(7,926)
Accrued Building Lease Expense	0	757	(757)	0	0
GASB 68 Pension Liability	10,419,950	10,419,950	0	5,162,285	5,257,665
GASB 75 OPEB Liability	<u>4,863,198</u>	<u>4,863,198</u>	<u>0</u>	<u>3,502,913</u>	<u>1,360,285</u>
Total Non-Current	15,795,223	15,770,360	24,863	9,191,639	6,603,584
Deferred Inflows of Resources					
GASB 68 Pension	136,821	136,821	0	1,234,076	(1,097,255)
GASB 75 OPEB	<u>13,195</u>	<u>13,195</u>	<u>0</u>	<u>260,944</u>	<u>(247,749)</u>
Total Deferred Inflows of Resources	<u>150,016</u>	<u>150,016</u>	<u>0</u>	<u>1,495,020</u>	<u>(1,345,004)</u>
Total Liabilities	18,803,769	18,359,217	444,552	13,183,965	5,619,804
Net Position					
Beginning Net Position	<u>(7,832,218)</u>	<u>(7,832,218)</u>	<u>(0)</u>	<u>(4,617,866)</u>	<u>(3,214,352)</u>
Current YTD Net Income	<u>(387,829)</u>	<u>(309,599)</u>	<u>(78,230)</u>	<u>(330,877)</u>	<u>(56,952)</u>
Total Net Position	<u>(8,220,046)</u>	<u>(8,141,817)</u>	<u>(78,229)</u>	<u>(4,948,741)</u>	<u>(3,271,305)</u>
Total Liabilities and Net Position	<u>\$10,583,723</u>	<u>\$10,217,401</u>	<u>\$366,322</u>	<u>\$8,235,222</u>	<u>\$2,348,501</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR-TO-DATE ENDING MARCH 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 1,455,927	\$ 2,258,284	\$ (802,357)
Residential Services	972,875	1,492,360	(519,486)
Services to Members & Development	248,869	244,332	4,537
Other	<u>(130,293)</u>	<u>516,524</u>	<u>(646,816)</u>
Total Operating Revenues	\$ 2,547,377	\$ 4,511,500	\$ (1,964,122)
Expenses			
Salaries and benefits	\$ 1,817,286	\$ 2,000,936	\$ (183,649)
Materials and Supplies	13,777	170,936	(157,159)
Consultants, services and other	1,108,581	2,321,960	(1,213,379)
Depreciation	<u>6,864</u>	<u>25,918</u>	<u>(19,054)</u>
Total Expenses	\$ 2,946,509	\$ 4,519,750	\$ (1,573,241)
Operations income (loss)	\$ (399,132)	\$ (8,250)	(390,882)
Interest Income	<u>11,303</u>	<u>8,250</u>	<u>3,053</u>
Increase (decrease) in net position	<u>\$ (387,829)</u>	<u>\$ -</u>	<u>\$ (387,829)</u>