



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: July 31, 2020

SUBJECT: Financial Report – June 2020

Summary

At June 30, 2020 our cash position was \$2,261,441 in the operating account. For the year-to-date ending June 30, 2020, the actual fringe rate variance was favorable and the indirect rate variance was unfavorable. A net loss from all operations was recorded year-to-date through the second quarter.

The effects of the Payroll Protection Program (PPP) forgivable loan are partially incorporated in the first half financial report, with approximately \$314,000 of the \$461,686 award represented in these financial statements. The remaining portion will be applied in the third quarter and may further positively impact MORPC's financial position.

Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year-to-date ending June 30, 2020 of (\$495,841). This is primarily the result of costs incurred that have not been recovered in the weatherization programs (primarily Columbia Gas Warm Choice and AEP Community Assistance Program). Weatherization production stopped on March 16 as a result of the COVID-19 pandemic statewide shelter-in-place orders; weatherization fieldwork did not recommence until July 13. Additionally, a December 31, 2019 accounting adjustment recorded year-end unspent COTA local funds received in lieu of Section 5307 as increased revenue in 2019, and decreased 2020 revenue accordingly (a reduction of \$193,601).

Member Dues

Member dues revenue was 12.8% of total 2020 operating revenue for the year-to-date ending June 30, 2020. Use of member dues was under budget by \$209,407 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:

William Murdock, AICP
Executive Director

Karen J. Angelou
Chair

Erik J. Janas
Vice Chair

Chris Amorose Groomes
Secretary

<u>Use of Member Dues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Services to Members	\$259,617	\$263,460	\$ (3,843)
Local Matching Funds	159,341	133,614	25,727
Development Fund	48,742	38,189	10,553
Building Lease	80,892	81,658	(766)
Member Services Coordination	73,638	65,002	8,636
Leasehold Improvements & Building Due Diligence	276,292	111,941	164,351
Other	23,700	18,951	4,749
Total	<u>\$922,222</u>	<u>\$712,815</u>	<u>\$ 209,407</u>

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 56.49% which is lower than the budgeted rate of 61.00%, creating a favorable variance for the year-to-date of \$73,138.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 62.79% which is higher than the budgeted rate of 59.00%, resulting in an unfavorable variance for the year-to-date of \$(53,113).

Statement of Net Position

- Operating cash on hand is \$2,261,441 was equal to 46 days of cash flow. The Hope 3 Trust account holds cash of \$38,689 restricted for NSP usage. The building reserve account is \$1,077,177; operating reserve account is at \$1,098,621; and management reserve is \$108,701. The building improvement/maintenance fund holds \$522,129.
- Accounts Receivable totaled \$1,157,380 compared to \$1,827,152 at June 30, 2019.
- Accounts Payable plus Other Accrued Liabilities totaled \$255,456 compared to the \$353,541 balance at June 30, 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 \$2,662,648, as of June 30, 2020.

Expenses and Appropriations

Expenses through the second quarter of 2020 totaled \$5,194,229 or 28.7% of the total year's operating appropriations of \$18,078,999.

Operating Reserve

The \$2,261,441 in operating cash at June 30, 2020 is equivalent to 46 days of expenditures, which is greater than the 30-day target threshold (\$1,485,945) for 2020 established in the Operating Reserve Policy.

The \$1,098,621 balance of the invested operating reserve at June 30, 2020 is held in STAROhio and reflects the reduction from an 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 us realizing sufficient positive cash flows the remainder of fiscal year 2020. Combining both the operating reserve balance and the operating cash balance equates to 68 days of expenditures, which is greater than the 60-day target threshold (\$2,971,890) as per the Operating Reserve Policy. Interest earned and allocated to the operating reserve year-to-date through June 30, 2020 was \$6,401.

MORPC
Statement of Net Position
As of 06/30/2020

	<u>Balance at</u> <u>06/30/2020</u>	<u>Balance at</u> <u>05/31/2020</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>06/30/2019</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$2,261,441	\$1,464,871	\$796,570	\$834,029	\$1,427,412
Cash-Designated for Building Improvement	522,129	546,024	(23,895)	670,970	(148,841)
Cash-Operating Reserve	1,098,621	1,098,082	539	1,377,975	(279,354)
Cash-Building Reserve	1,077,177	1,076,649	528	1,059,494	17,683
Cash-Management Reserve	108,701	108,645	56	106,918	1,783
Cash with Trustee NSP1 Franklin Co	38,689	38,689	0	39,866	(1,177)
Investments Greenways Fund	12,789	12,789	0	11,353	1,436
Accounts Receivable	1,157,380	2,133,817	(976,437)	1,827,152	(669,772)
Prepaid Expenses	<u>139,850</u>	<u>164,119</u>	<u>(24,269)</u>	<u>153,727</u>	<u>(13,877)</u>
Total Current Assets	6,416,779	6,643,686	(226,907)	6,081,484	335,295
Non-Current Assets					
Forgivable Mortgages	19,106	21,276	(2,170)	28,353	(9,247)
Fixed Assets	779,774	704,481	75,294	679,899	99,875
Contributed Assets	249,669	249,669	0	296,860	(47,191)
Accumulated Depreciation	<u>(845,419)</u>	<u>(843,131)</u>	<u>(2,288)</u>	<u>(866,713)</u>	<u>21,294</u>
Total Non-Current Assets	203,129	132,294	70,836	138,399	64,730
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>\$11,062,365</u>	<u>\$11,218,436</u>	<u>(\$156,071)</u>	<u>\$7,890,601</u>	<u>\$3,171,764</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$233,856	\$95,322	\$138,534	\$324,951	(\$91,095)
Accrued Payroll	335,779	323,759	12,020	313,840	21,939
Accrued Fringe Benefits	94,351	90,583	3,768	86,273	8,078
Other Accrued Liabilities	21,600	25,888	(4,288)	28,590	(6,990)
Accrued PTO & Sick Leave	100,000	100,000	0	55,000	45,000
Deferred Income	2,024,838	2,287,525	(262,687)	757,958	1,266,880
Deferred Income-Member Dues	695,461	773,651	(78,190)	585,013	110,448
Deferred Income-Indirect Reserve	<u>(90,469)</u>	<u>(55,083)</u>	<u>(35,386)</u>	183,692	(274,161)
Deferred Fringe Benefit Reserve	<u>(14,047)</u>	<u>(37,056)</u>	<u>23,009</u>	<u>(27,768)</u>	<u>13,721</u>
Total Current Liabilities	3,401,370	3,604,590	(203,221)	2,307,548	1,093,822
Non-Current					
Accrued PTO & Sick Leave	536,784	517,717	19,067	523,714	13,070
HOPE 3 Deferred Income	0	0	0	1,321	(1,321)
Other Mortgages-Deferred Income	19,106	21,276	(2,170)	27,031	(7,925)
Accrued Building Lease Expense	0	0	0	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	15,839,038	15,822,141	16,897	9,217,264	6,621,774
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	19,390,424	19,576,747	(186,324)	13,019,833	6,370,591
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>(495,841)</u>	<u>(526,093)</u>	<u>30,252</u>	<u>(511,366)</u>	<u>15,525</u>
Total Net Position	<u>(8,328,059)</u>	<u>(8,358,311)</u>	<u>30,252</u>	<u>(5,129,232)</u>	<u>(3,198,827)</u>
Total Liabilities and Net Position	<u>\$11,062,365</u>	<u>\$11,218,436</u>	<u>(\$156,072)</u>	<u>\$7,890,601</u>	<u>\$3,171,764</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR-TO-DATE ENDING JUNE 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 3,151,959	\$ 4,516,568	\$ (1,364,609)
Residential Services	1,176,511	2,984,721	(1,808,210)
Services to Members & Development	467,261	488,664	(21,403)
Other	(113,789)	1,033,047	(1,146,836)
Total Operating Revenues	\$ 4,681,942	\$ 9,023,000	\$ (4,341,057)
Expenses			
Salaries and benefits	\$ 3,368,162	\$ 4,001,871	\$ (633,709)
Materials and Supplies	103,616	341,872	(238,256)
Consultants, services and other	1,708,723	4,643,921	(2,935,198)
Depreciation	13,728	51,836	(38,108)
Total Expenses	\$ 5,194,229	\$ 9,039,500	\$ (3,845,271)
Operations income (loss)	\$ (512,287)	\$ (16,500)	(495,787)
Interest Income	16,446	\$ 16,500	(54)
Increase (decrease) in net position	\$ (495,841)	\$ -	\$ (495,841)