



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: January 29, 2021

SUBJECT: Financial Report – December 2020

Summary

As of December 31, 2020, our cash position was \$1,510,976 in the operating account. For the year ending December 31, 2020, both the actual fringe rate variance and the indirect rate variance were favorable. A net loss from all operations was recorded for the year.

The impact of the \$461,686 federal Payroll Protection Program (PPP) forgivable loan we received in May is reflected in these financial statements. We are submitting an application for loan forgiveness, and we believe MORPC has met the criteria for approval by the U. S. Small Business Administration.

Note that these financial statements are not final. Due to availability of information, final year-end adjustments have not yet been posted.

Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year ending December 31, 2020 of (\$588,500). This is primarily the result of office renovation costs (\$140,671), for which revenue was recognized in previous years, and costs incurred that have not been recovered in the weatherization programs (\$270,770). Weatherization production was stopped on March 16, 2020 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). Similar adjustments for funds received in 2020 that won't be spent until 2021 will be made during the year end close process still to come.

Member Dues

Member dues revenue was 12.2% of total 2020 operating revenue for the year ending December 31, 2020. Use of member dues was under budget by \$114,187 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	\$ 485,754	\$ 476,895	\$ 8,859
Local Matching Funds	318,681	289,900	28,781
Development Fund	94,134	77,023	17,111
Building Lease	161,785	163,521	(1,736)
Member Services Coordination	180,757	136,834	43,923
Leasehold Improvements & Building Due Diligence	552,585	140,671	411,914
Other	47,400	30,151	17,249
Total	<u>\$1,841,096</u>	<u>\$1,314,995</u>	<u>\$526,101</u>

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 56.99% which is lower than the budgeted rate of 61.00%, resulting in a favorable variance for the year of \$135,795.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 58.83% which is lower than the budgeted rate of 59.00%, resulting in a favorable variance for the year of \$86,133.

These variances may change with year-end entries, and both are expected to remain favorable for 2020.

Statement of Net Position

- Operating cash on hand is \$1,510,976 and was equal to 31 days of cash flow. The Hope 3 Trust account was closed in October. The building reserve account is \$978,421; operating reserve account is at \$1,099,901; and management reserve is \$108,834. The building improvement/maintenance fund holds \$199,875.
- Accounts Receivable totaled \$1,016,103 compared to \$1,107,314 as of December 31, 2019.
- Accounts Payable plus Other Accrued Liabilities totaled \$533,733 compared to the \$615,559 balance as of December 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 \$2,419,973, as of December 31, 2020.

Expenses and Appropriations

Expenses for the year ending December 31, 2020 totaled \$11,415,209 or 63.1% of the total year's operating appropriations of \$18,078,999.

Operating Reserve

The \$1,510,976 in operating cash as of December 31, 2020 is equivalent to 31 days of expenditures, which is greater than the 30-day target threshold of \$1,485,945 for 2020 established in the Operating Reserve Policy.

The \$1,099,901 balance of the invested operating reserve as of December 31, 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 in subsequent years. Combining both the operating reserve balance and the operating cash balance at December 31, 2020 totals \$2,610,877 and equates to 53 days of expenditures, which is less than the 60-day target threshold of \$2,971,890 as per the Operating Reserve Policy. Interest earned and allocated to the operating reserve year-to-date through December 31, 2020 was \$7,680.

MORPC
Statement of Net Position
As of 12/31/2020

	<u>Balance at</u> <u>12/31/2020</u>	<u>Balance at</u> <u>11/30/2020</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>12/31/2019</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$1,510,976	\$1,841,547	(\$330,571)	\$1,034,414	\$476,562
Cash-Designated for Building Improvement	199,875	273,105	(73,230)	552,167	(352,292)
Cash-Operating Reserve	1,099,901	1,099,775	126	1,092,220	7,681
Cash-Building Reserve	978,421	1,078,308	(99,887)	1,070,910	(92,489)
Cash-Management Reserve	108,834	108,822	13	108,035	800
Cash with Trustee NSP1 Franklin Co	0		0	40,203	(40,203)
Investments Greenways Fund	13,043	13,043	0	12,789	253
Accounts Receivable	1,016,103	1,429,866	(413,764)	1,107,314	(91,211)
Prepaid Expenses	<u>142,861</u>	<u>154,426</u>	<u>(11,565)</u>	<u>104,265</u>	<u>38,596</u>
Total Current Assets	5,070,013	5,998,891	(928,878)	5,122,317	(52,304)
Non-Current Assets					
Forgivable Mortgages	15,606	18,106	(2,500)	23,882	(8,276)
Fixed Assets	1,492,968	1,030,333	462,635	695,481	797,487
Contributed Assets	249,669	249,669	0	249,669	0
Accumulated Depreciation	<u>(860,861)</u>	<u>(858,287)</u>	<u>(2,574)</u>	<u>(831,692)</u>	<u>(29,169)</u>
Total Non-Current Assets	897,382	439,820	457,561	137,340	760,042
Deferred Outflows of Resources					
GASB 68 Pension	3,687,608	3,687,608	0	3,687,608	0
GASB 75 OPEB	<u>754,849</u>	<u>754,849</u>	<u>0</u>	<u>754,849</u>	<u>0</u>
Total Deferred Outflows of Resources	<u>4,442,457</u>	<u>4,442,457</u>	<u>0</u>	<u>4,442,457</u>	<u>0</u>
Total Assets	<u>\$10,409,852</u>	<u>\$10,881,168</u>	<u>(\$471,317)</u>	<u>\$9,702,114</u>	<u>\$707,738</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$491,710	\$505,850	(\$14,140)	\$574,762	(\$83,052)
Accrued Payroll	178,277	329,460	(151,183)	345,288	(167,011)
Accrued Fringe Benefits	77,904	99,852	(21,948)	86,400	(8,495)
Other Accrued Liabilities	42,063	38,264	3,799	40,797	1,266
Accrued PTO & Sick Leave	100,000	100,000	0	100,000	0
Unearned Revenue	1,701,851	1,735,146	(33,295)	478,991	1,222,860
Unearned Revenue-Member Dues	142,763	275,296	(132,534)	101,302	41,461
Unearned Revenue-Indirect Reserve	14,656	59,961	(45,305)	5,382	9,274
Unearned Revenue-Fringe Benefit Reserve	<u>63,662</u>	<u>82,867</u>	<u>(19,205)</u>	<u>(115,849)</u>	<u>179,511</u>
Total Current Liabilities	2,812,886	3,226,696	(413,810)	1,617,073	1,195,813
Non-Current					
Accrued PTO & Sick Leave	568,913	590,808	(21,895)	460,212	108,701
HOPE 3 Deferred Income	0	0	0	351	(351)
Other Mortgages-Deferred Income	15,606	18,106	(2,500)	23,531	(7,925)
Accrued Building Lease Expense	0	0	0	0	0
GASB 68 Pension Liability	10,419,950	10,419,950	0	10,419,950	0
GASB 75 OPEB Liability	<u>4,863,198</u>	<u>4,863,198</u>	<u>0</u>	<u>4,863,198</u>	<u>0</u>
Total Non-Current	15,867,667	15,892,062	(24,395)	15,767,243	100,425
Deferred Inflows of Resources					
GASB 68 Pension	136,821	136,821	0	136,821	0
GASB 75 OPEB	<u>13,195</u>	<u>13,195</u>	<u>0</u>	<u>13,195</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>150,016</u>	<u>150,016</u>	<u>0</u>	<u>150,016</u>	<u>0</u>
Total Liabilities	18,830,569	19,268,775	(438,205)	17,534,332	1,296,238
Net Position					
Beginning Net Position	(7,832,218)	(7,832,218)	0	(4,617,866)	(3,214,352)
Current YTD Net Income	<u>(588,500)</u>	<u>(555,389)</u>	<u>(33,111)</u>	<u>(3,214,351)</u>	<u>2,625,851</u>
Total Net Position	<u>(8,420,718)</u>	<u>(8,387,606)</u>	<u>(33,111)</u>	<u>(7,832,218)</u>	<u>(588,500)</u>
Total Liabilities and Net Position	<u>\$10,409,852</u>	<u>\$10,881,168</u>	<u>(\$471,317)</u>	<u>\$9,702,114</u>	<u>\$707,738</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR ENDING DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 6,468,782	\$ 9,033,136	\$ (2,564,354)
Residential Services	3,169,254	5,969,441	(2,800,187)
Services to Members & Development	884,424	977,328	(92,904)
Other	<u>284,341</u>	<u>2,066,094</u>	<u>(1,781,753)</u>
Total Operating Revenues	\$ 10,806,802	\$ 18,045,999	\$ (7,239,197)
Expenses			
Salaries and benefits	\$ 7,224,904	\$ 8,003,742	\$ (778,838)
Materials and Supplies	145,646	683,744	(538,098)
Consultants, services and other	4,015,491	9,287,841	(5,272,350)
Depreciation	<u>29,169</u>	<u>103,672</u>	<u>(74,503)</u>
Total Expenses	\$ 11,415,209	\$ 18,078,999	\$ (6,663,790)
Operations income (loss)	\$ (608,407)	\$ (33,000)	(575,407)
Interest Income	<u>19,907</u>	<u>33,000</u>	<u>(13,093)</u>
Increase (decrease) in net position	<u>\$ (588,500)</u>	<u>\$ -</u>	<u>\$ (588,500)</u>