



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: April 30, 2021

SUBJECT: Financial Report – March 2021

Summary

As of March 31, 2021 our cash position was \$2,702,536 in the operating account. For the year-to-date ending March 31, 2021, both the actual fringe rate variance and the indirect rate variance were 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, 2021 of (\$1,299,878). This is primarily the result of:

- a December 31, 2020 accounting adjustment that recorded year-end unspent COTA local funds received in lieu of FTA Section 5307 funds as revenue in 2020, and which has thus reduced 2021 revenue accordingly (a reduction of \$1,178,183),
- costs that have not been recovered in the weatherization programs (a loss of \$88,867), and
- expenses incurred for the office renovation project (\$41,804).

In April 2021, we submitted an application to the U.S. Small Business Administration requesting that the federal government forgive the \$461,686 Payroll Protection Program loan we received in 2020, as we did not reduce staffing last year. The request was approved.

Member Dues

Member dues revenue was 19.2% of total 2021 operating revenue for the year-to-date ending March 31, 2021. Use of member dues was under budget by \$6,443 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	\$127,104	\$121,429	\$ 5,675
Local Matching Funds	78,688	74,331	4,357
Development Fund	21,547	23,554	(2,007)
Building Lease	41,087	41,087	-
Member Services Coordination	46,029	39,722	6,307
Leasehold Improvements & Building Due Diligence	74,262	38,033	36,229
Other	11,725	19,347	(7,622)
Total	\$400,442	\$357,503	\$ 42,939

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 59.83% which is higher than the budgeted rate of 58.00%, creating an unfavorable variance for the year-to-date of \$(15,409).

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 63.58% which is higher than the budgeted rate of 62.00%, resulting in an unfavorable variance for the year-to-date of \$(30,808).

Statement of Net Position

- Operating cash on hand is \$2,702,536 which was equal to 54 days of cash flow. The building reserve account balance is \$449,488; operating reserve account is at \$1,100,165; and management reserve is \$108,862. The building improvement/maintenance fund holds \$193,855.
- Accounts Receivable totaled \$1,605,640 compared to \$1,410,020 as of March 31, 2020.
- Accounts Payable plus Other Accrued Liabilities totaling \$239,734 were \$151,830 less than the \$391,564 balance as of March 31, 2021.
- The GASB 68 Pension liability of \$6,592,842 and the GASB 75 OPEB (other postemployment benefits, i.e. retiree healthcare) liability of \$4,651,263 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 \$12 million greater, or a positive balance of \$2,079,084, as of March 31, 2021.

Expenses and Appropriations

Expenses through the first quarter of 2021 totaled \$2,961,016 or 16.1% of the total year's operating appropriations of \$18,415,630.

Operating Reserve

The \$1,100,165 balance of the invested operating reserve as of March 31, 2021 is held in STAROhio and is net of 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 2021 and is under evaluation.

Combining both the operating reserve balance and the operating cash balance equates to 75 days of expenditures, which is greater than the 60-day target threshold per the Operating Reserve Policy. Interest earned and allocated to the operating reserve year-to-date through March 31, 2021 was \$264.

MORPC
Statement of Net Position
As of 03/31/2021

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	<u>Balance at</u> <u>03/31/2021</u>	<u>Balance at</u> <u>02/28/2021</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>03/31/2020</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$2,702,536	\$1,468,614	\$1,233,922	\$1,588,121	\$1,114,415
Cash-Designated for Building Improvement	193,855	193,842	13	554,335	(360,480)
Cash-Operating Reserve	1,100,165	1,100,091	74	1,096,605	3,560
Cash-Building Reserve	449,488	449,458	30	1,075,204	(625,716)
Cash-Management Reserve	108,862	108,854	8	108,491	371
Cash with Trustee NSP1 Franklin Co	0	0	0	38,673	(38,673)
Investments Greenways Fund	14,238	14,238	0	12,789	1,449
Accounts Receivable	1,605,640	2,128,283	(522,643)	1,410,020	195,620
Prepaid Expenses	<u>94,695</u>	<u>107,913</u>	<u>(13,218)</u>	<u>126,903</u>	<u>(32,208)</u>
Total Current Assets	6,269,479	5,571,293	698,186	6,011,141	258,338
Non-Current Assets					
Forgivable Mortgages	15,606	15,606	0	23,531	(7,925)
Fixed Assets	1,918,730	1,884,538	34,192	695,481	1,223,249
Contributed Assets	249,669	249,669	(0)	249,669	0
Accumulated Depreciation	<u>(868,581)</u>	<u>(866,008)</u>	<u>(2,573)</u>	<u>(838,556)</u>	<u>(30,025)</u>
Total Non-Current Assets	1,315,424	1,283,805	31,619	130,125	1,185,299
Deferred Outflows of Resources					
GASB 68 Pension	1,334,304	1,334,304	0	3,687,608	(2,353,304)
GASB 75 OPEB	<u>922,787</u>	<u>922,787</u>	<u>0</u>	<u>754,849</u>	<u>167,938</u>
Total Deferred Outflows of Resources	<u>2,257,091</u>	<u>2,257,091</u>	<u>0</u>	<u>4,442,457</u>	<u>(2,185,366)</u>
Total Assets	<u>\$9,841,994</u>	<u>\$9,112,189</u>	<u>\$729,805</u>	<u>\$10,583,723</u>	<u>(\$741,729)</u>
Liabilities					
Current Liabilities					
Accounts Payable	\$199,252	\$412,803	(\$213,551)	\$353,439	(\$154,187)
Accrued Payroll	282,969	214,762	68,207	256,909	26,060
Accrued Fringe Benefits	92,546	80,738	11,808	83,854	8,692
Other Accrued Liabilities	40,482	37,009	3,473	38,125	2,357
Accrued PTO & Sick Leave	100,000	100,000	0	100,000	0
Unearned Revenue	2,666,295	1,705,938	960,357	1,193,414	1,472,881
Unearned Revenue-Member Dues	973,411	1,074,064	(100,653)	962,627	10,784
Unearned Revenue-Indirect Reserve	36,171	67,498	(31,327)	(27,525)	63,696
Unearned Revenue-Fringe Benefit Reserve	28,094	(19,544)	47,638	(102,313)	130,407
PPP Forgivable Loan	<u>461,686</u>	<u>461,686</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	4,880,906	4,134,954	745,952	2,858,530	2,022,376
Non-Current					
Accrued PTO & Sick Leave	609,306	588,002	21,304	488,544	120,762
HOPE 3 Deferred Income	0	0	0	0	0
Other Mortgages-Deferred Income	15,606	15,606	0	23,531	(7,925)
Accrued Building Lease Expense	0	0	0	0	0
GASB 68 Pension Liability	6,592,842	6,592,842	0	10,419,950	(3,827,108)
GASB 75 OPEB Liability	<u>4,651,263</u>	<u>4,651,263</u>	<u>0</u>	<u>4,863,198</u>	<u>(211,935)</u>
Total Non-Current	11,869,017	11,847,713	21,304	15,795,223	(3,926,206)
Deferred Inflows of Resources					
GASB 68 Pension	2,016,480	2,016,480	0	136,821	1,879,659
GASB 75 OPEB	<u>936,725</u>	<u>936,725</u>	<u>0</u>	<u>13,195</u>	<u>923,530</u>
Total Deferred Inflows of Resources	<u>2,953,205</u>	<u>2,953,205</u>	<u>0</u>	<u>150,016</u>	<u>2,803,189</u>
Total Liabilities	19,703,128	18,935,871	767,257	18,803,769	899,359
Net Position					
Beginning Net Position	(8,561,256)	(8,561,256)	(0)	(7,832,218)	(729,038)
Current YTD Net Income	<u>(1,299,878)</u>	<u>(1,262,426)</u>	<u>(37,453)</u>	<u>(387,829)</u>	<u>(912,049)</u>
Total Net Position	<u>(9,861,135)</u>	<u>(9,823,682)</u>	<u>(37,453)</u>	<u>(8,220,047)</u>	<u>(1,641,088)</u>
Total Liabilities and Net Position	<u>\$9,841,994</u>	<u>\$9,112,189</u>	<u>\$729,805</u>	<u>\$10,583,723</u>	<u>(\$741,729)</u>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR-TO-DATE ENDING MARCH 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 1,559,522	\$ 1,501,843	\$ 57,679
Residential Services	942,875	1,111,926	(169,051)
Services to Members & Development	245,139	165,119	80,020
Other	(1,086,887)	286,784	(1,373,671)
Total Operating Revenues	\$ 1,660,649	\$ 3,065,672	\$ (1,405,023)
Expenses			
Salaries and benefits	\$ 1,887,817	\$ 1,283,620	\$ 604,197
Materials and Supplies	26,893	72,964	(46,071)
Consultants, services and other	1,038,585	1,705,760	(667,175)
Depreciation	7,721	6,928	793
Total Expenses	\$ 2,961,016	\$ 3,069,272	\$ (108,256)
Operations income (loss)	\$ (1,300,365)	\$ (3,600)	(1,296,765)
Interest Income	486	3,600	(3,114)
Increase (decrease) in net position	\$ (1,299,879)	\$ 0	\$ (1,299,879)