



Mid-Ohio Regional  
Planning Commission

## Memorandum

**TO:** William Murdock, Executive Director  
Administrative Committee

**FROM:** Shawn Hufstedler, Chief of Staff & Finance Director

**DATE:** April 25, 2014

**SUBJECT:** Financial Report – March 2014

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### Summary

Overall, the financial position and statements remain close to net expectations, with total actual expenses and revenues less than budgeted by consistent amounts. The cash position was approximately \$1 million. Through the first quarter, the actual overhead and fringe rates were significantly more than budgeted (unfavorable) and are continuing to be monitored including consideration of budget reductions.

### Operating Income (Measurement focus: management of current operations)

There has been a decrease in net assets from operations on a year-to-date basis of \$10,688. This is primarily the result of using slightly more dues than the amount of recorded dues revenue at this point in the year. The dues usage is expected to even out as the year progresses.

### Change in Net Assets (Measurement focus: economic resources)

This measurement includes the effect on net assets of capital contributions and related depreciation in addition to income from operations. Due to building fund interest along with offsetting cost of sales of NSP properties and capital contributions depreciation, net assets have decreased by \$16,378 this year, including both operating and capital elements.

**Member Dues**

Member dues revenue was 7.3% of total year-to-date operating revenue. Uses of member dues were as follows:

	<b>Year-to-Date 2014</b>	
	<b><u>Budget</u></b>	<b><u>Actual</u></b>
Services to Members	\$ 68,413	\$ 62,348
Local Matching Funds	\$ 76,700	\$ 75,727
Development Fund	\$ 23,283	\$ 23,447
Building Lease	\$ 13,959	\$ 15,663
Member Services Coordination	\$ 19,386	\$ 27,062
Leasehold Improvements & Building Due Diligence	\$ 25,000	\$ 1,522
Other	\$ 14,425	\$ 11,665
<b>Total</b>	<b>\$ 241,166</b>	<b>\$ 217,434</b>

**Indirect (Overhead) and Fringe Benefit Variances**

**Indirect (Overhead)**

The actual indirect cost rate for the year-to-date was 57.7%, which is higher than the budgeted rate of 53.0%, creating an unfavorable variance for the year-to-date of \$53,920. This is a variance caused by lower than anticipated direct labor, which causes less overhead funding to be collected. This underabsorption is primarily the result of more than budgeted vacancies unfilled in direct departments during the first quarter of the year and increased usage of vacations and holidays as opposed to direct charges to projects.

**Fringe Benefits**

The actual fringe benefit cost rate for the year-to-date was 65.16% which is higher than the budgeted rate of 59.0%, creating an unfavorable variance for the year-to-date of \$60,489. The lower than anticipated direct labor charges mentioned above resulted in higher leave, sick and holiday fringe benefit costs. Additionally, health care costs are higher than expected, as significantly more employees were on MORPC's insurance than budgeted.

**Statement of Net Assets**

- Cash on hand was \$998,222 which was equal to 3.6 weeks worth of cash flow. The HOPE 3 Trustee also held cash of \$41,532 restricted to HOPE 3 costs and \$129,253 restricted to NSP costs. The building sale proceeds cash account returned to over \$2.9 million. The building maintenance fund held \$928,123.
- Accounts Receivable totaled \$2,004,836 which was less than the balance of \$2,303,284 a year ago.
- Accounts Payable was \$698,542 compared to the \$345,080 balance of a year ago. The higher balance is primarily the result of the timing of invoices received, with higher costs for housing and weatherization invoices coming in toward the end of March plus the payable for indirect costs for 2014 due to Franklin County.

**Expenses and Appropriations**

Year-to-date expenses totaled \$2,868,083 or 19.9% of the total year's operating appropriations of \$14,421,597 for the year as MORPC spent well within appropriations through the first 25% of the year.

**Mid Ohio Regional Planning Commission**  
**Statement of Revenue, Expenses, Change in Net Assets**  
**For the Three Months Ending March 31, 2014**

	March 2014			Year to Date 2014		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>OPERATING REVENUES:</b>						
<b>Environment, Mapping, Transportation</b>						
Jointly Funded Projects (MPO)	\$249,666	\$241,857	(\$7,809)	\$748,998	\$757,274	\$8,276
Infrastructure (OPWC/Members)	10,946	14,540	3,594	32,838	32,059	(779)
Special Projects	23,095	24,873	1,778	69,285	58,020	(11,265)
Ride Solutions	48,102	44,106	(3,996)	144,306	129,809	(14,497)
Local Transportation Projects	85,037	9,011	(76,026)	255,111	12,693	(242,418)
Other Environment Projects	60,629	62,427	1,798	181,887	108,700	(73,187)
<b>Total Environment, Mapping, Transport</b>	<b>477,475</b>	<b>396,814</b>	<b>(80,661)</b>	<b>1,432,425</b>	<b>1,098,555</b>	<b>(333,870)</b>
<b>Energy and Air Quality</b>						
Air Quality	26,450	35,304	8,854	79,350	92,485	13,135
Residential and Other Energy	388,700	268,002	(120,698)	1,166,100	663,891	(502,209)
<b>Total Energy and Air Quality</b>	<b>415,150</b>	<b>303,306</b>	<b>(111,844)</b>	<b>1,245,450</b>	<b>756,376</b>	<b>(489,074)</b>
<b>Housing &amp; Community Services</b>						
Residential Rehabilitation Programs	211,451	357,129	145,678	634,353	605,692	(28,661)
Homebuyer Counseling Program	36,688	38,922	2,234	110,064	114,816	4,752
Housing CHIP & CHIS Programs	5,489	9,981	4,492	16,467	18,388	1,921
Housing Advisory Board Programs	1,631	3,485	1,854	4,893	6,180	1,287
Other Housing Programs	444	1,191	747	1,332	5,515	4,183
<b>Total Housing &amp; Community Services</b>	<b>255,703</b>	<b>410,708</b>	<b>155,005</b>	<b>767,109</b>	<b>750,591</b>	<b>(16,518)</b>
<b>Member Dues</b>						
Development Fund	7,761	8,423	662	23,283	23,447	164
Services to Members	22,805	26,821	4,016	68,415	62,348	(6,067)
Member Dues Other	11,871	12,499	628	35,613	36,147	534
Member Dues Contingency		(8,411)	(8,411)		(9,167)	(9,167)
Member Dues Building	4,653	5,516	863	13,959	15,663	1,704
<b>Total Member Dues</b>	<b>47,090</b>	<b>44,848</b>	<b>(2,242)</b>	<b>141,270</b>	<b>128,438</b>	<b>(12,832)</b>
<b>Other</b>	<b>31,961</b>	<b>44,830</b>	<b>12,869</b>	<b>95,883</b>	<b>123,435</b>	<b>27,552</b>
<b>Total Operating Revenues</b>	<b>1,227,379</b>	<b>1,200,506</b>	<b>(26,873)</b>	<b>3,682,137</b>	<b>2,857,395</b>	<b>(824,742)</b>
<b>OPERATING EXPENSES:</b>						
Salaries and Fringe Benefits	556,081	530,972	(25,109)	1,668,243	1,608,151	(60,092)
Materials and Supplies	50,000	61,903	11,903	150,000	111,723	(38,277)
Services - Subcontractors	414,000	400,005	(13,995)	1,242,000	704,532	(537,468)
Services & Charges	209,067	211,535	2,468	627,201	430,172	(197,029)
Depreciation	5,000	4,502	(498)	15,000	13,505	(1,495)
<b>Total Operating Expenses</b>	<b>1,234,148</b>	<b>1,208,917</b>	<b>(25,231)</b>	<b>3,702,444</b>	<b>2,868,083</b>	<b>(834,361)</b>
<b>CHANGE IN NET ASSETS (1)</b>	<b>(6,769)</b>	<b>(8,411)</b>	<b>(1,642)</b>	<b>(20,307)</b>	<b>(10,688)</b>	<b>9,619</b>

(1) Net Income - Management Focus

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**Mid Ohio Regional Planning Commission**  
**Statement of Revenue, Expenses, Change in Net Assets**  
**For the Three Months Ending March 31, 2014**

	March 2014			Year to Date 2014		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>CHANGE IN NET ASSETS (1) -</b> FROM PAGE 1	<b>(\$6,769)</b>	<b>(\$8,411)</b>	<b>(\$1,642)</b>	<b>(\$20,307)</b>	<b>(\$10,688)</b>	<b>\$9,619</b>
<b>CAPITAL CONTRIBUTIONS</b>						
Contributed Assets	8,333		(8,333)	24,999		(24,999)
Contributed NSP Properties	25,000		(25,000)	75,000		(75,000)
Building Fund Interest	167	135	(32)	501	229	(272)
<b>Total Capital Contributions</b>	<b>33,500</b>	<b>135</b>	<b>(33,365)</b>	<b>100,500</b>	<b>229</b>	<b>(100,271)</b>
Depr. Expense - Contributed Assets	2,917	1,795	(1,122)	8,751	5,384	(3,367)
Depr. Expense - Leasehold Improvem	309	178	(131)	927	535	(392)
<b>Capital Contributions Net of Expense</b>	<b>30,274</b>	<b>(1,838)</b>	<b>(32,112)</b>	<b>90,822</b>	<b>(5,690)</b>	<b>(96,512)</b>
<b>CHANGE IN NET ASSETS (2)</b>	<b>23,505</b>	<b>(10,249)</b>	<b>(33,754)</b>	<b>70,515</b>	<b>(16,378)</b>	<b>(86,893)</b>
<b>Total Net Assets - Prior Year End</b>					<b>4,891,539</b>	
<b>Total Net Assets</b>					<b>4,875,161</b>	

(1) Net Income -Management Focus

(2) Net Income - Economic Focus (GASB 33)

**Mid Ohio Regional Planning Commission**  
STATEMENT OF NET ASSETS

	<u>03/31/14</u>	<u>03/31/13</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$998,221.98	\$1,231,046.57
Cash with Trustee (NSP1 Franklin Co)	129,253.14	131,532.97
Cash with Trustee (HOPE 3)	41,531.86	66,306.86
Cash - Building Sale Proceeds	2,902,615.19	2,301,933.60
Cash - Building Improvement Reserve	928,123.33	929,289.05
Accounts Receivable - Customers	2,004,836.21	2,303,283.53
<b>Prepaid Expenses</b>		
Other Prepaid Expenses	<u>203,273.55</u>	<u>129,433.93</u>
<b>Subtotal - Prepaid Expenses</b>	<b><u>203,273.55</u></b>	<b><u>129,433.93</u></b>
<b>Total Current Assets</b>	<b><u>7,207,855.26</u></b>	<b><u>7,092,826.51</u></b>
<b>Non-Current Assets</b>		
Forgivable Mortgages - HOPE 3/OHTF/FedHomeLoan	187,291.59	171,233.79
<b>Fixed Assets</b>		
Vehicles	27,991.29	18,644.04
Office Furnishings and Equipment	649,311.48	710,087.23
Building / Leasehold Improvements / Land	56,233.97	49,947.97
Contributed Assets	448,890.74	459,814.96
NSP 1 Properties	73,049.33	221,981.37
NSP 2 Properties		514,782.96
Accumulated Depreciation	<u>(979,184.88)</u>	<u>(987,860.32)</u>
<b>Subtotal Fixed Assets - Net</b>	<b><u>276,291.93</u></b>	<b><u>987,398.21</u></b>
<b>Total Non- Current Assets</b>	<b><u>463,583.52</u></b>	<b><u>1,158,632.00</u></b>
<b>Total Assets</b>	<b><u><u>\$7,671,438.78</u></u></b>	<b><u><u>\$8,251,458.51</u></u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$698,542.25	\$345,079.88
Accrued Payroll	291,852.18	255,262.81
Accrued Fringe Benefits	65,086.35	70,135.07
Other Accrued Liabilities	341,498.71	324,747.45
Accrued Annual and Separation Sick Leave	57,000.00	21,000.00
Deferred Income	926,932.90	833,692.96
Deferred Income - Indirect Reserve	(143,683.49)	(81,829.26)
Deferred Income - Fringe Benefit Reserve	<u>(155,626.50)</u>	<u>(59,557.09)</u>
<b>Total Current Liabilities</b>	<b><u>2,081,602.40</u></b>	<b><u>1,708,531.82</u></b>
<b>Non-current Liabilities</b>		
Accrued Annual and Separation Sick Leave	373,099.94	383,184.39
HOPE 3 Deferred Income	84,660.20	133,826.44
Other Mortgages-Deferred Income	133,303.81	102,933.25
Accrued Building Lease Expense	<u>123,611.47</u>	<u>168,118.50</u>
<b>Total Non-current Liabilities</b>	<b><u>714,675.42</u></b>	<b><u>788,062.58</u></b>
<b>Total Liabilities</b>	<b><u>2,796,277.82</u></b>	<b><u>2,496,594.40</u></b>
<b>NET ASSETS</b>		
Invested in Capital Assets, net of related debt	276,291.93	987,398.21
Unrestricted	<u>4,598,869.03</u>	<u>4,767,465.90</u>
<b>Total Net Assets</b>	<b><u>\$4,875,160.96</u></b>	<b><u>\$5,754,864.11</u></b>
<b>TOTAL</b>	<b><u><u>7,671,438.78</u></u></b>	<b><u><u>8,251,458.51</u></u></b>
<b>Current Ratio:</b>	<b>3.46%</b>	<b>4.15%</b>