



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

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Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstedler
Chief Operating Officer

DATE: July 29, 2022

SUBJECT: Financial Report – June 2022

Summary

As of June 30, 2022, our operating cash position was \$2,174,560 in the operating account. For the year-to-date ending June 30, 2022, the actual fringe and indirect rate variances were favorable. A net loss from all operations was recorded year-to-date as of June 30, 2022.

Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year ending June 30, 2022 of (\$3,756,637). This is primarily the result of:

- A December 31, 2021 accounting adjustment that recorded year-end unspent COTA local funds received in lieu of FTA Section 5307 funds as revenue in 2021, and which has thus reduced 2022 revenue accordingly (a reduction of \$3,503,047) **(this reduction is strictly due to the timing of the recording of revenue)**;
- Costs that have not been recovered in the weatherization programs (a loss of \$173,197);
- A \$20,025 net gain year-to-date in the Rapid 5 Project Fund, which is held at the Columbus Foundation;
- A \$35,653 net loss year-to-date in the Central Ohio Greenways Fund, which is also held at the Columbus Foundation; and
- Total year-to-date depreciation of (\$71,742).

Member Dues

Member dues revenue was 8.5% of total 2022 operating revenue for the year-to-date ending June 30, 2022. Use of member dues was under budget by \$21,476, excluding the prior year dues budgeted for building due diligence and leasehold improvements. In 2022, a \$225,000 transfer of dues from the main operating account to the operating reserve will be made to replenish and further bolster the

William Murdock, AICP
Executive Director

Erik J. Janas
Chair

Chris Amorose Grooms
Vice Chair

Michelle Crandall
Secretary

operating reserve as approved in the 2021 revised budget. 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	\$352,344	\$361,318	(\$8,974)
Local Matching Funds	166,336	142,038	24,297
Development Fund	48,716	51,876	(3,160)
Building Lease	82,219	82,219	0
Diversity, Equity, & Inclusion	22,650	18,952	3,698
Leasehold Improvements & Building Due Diligence	123,750	0	123,750
Other	8,117	2,500	5,617
Total	\$804,130	\$658,904	\$145,226

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 54.88% which is lower than the budgeted rate of 57.00%, creating a favorable variance for the year-to-date of \$36,609.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 62.76% which is lower than the budgeted rate of 63.00%, resulting in a favorable variance for the year-to-date of \$29,368

Statement of Net Position

- Operating cash on hand is \$2,174,560, which was equal to 36 days of cash flow. The building reserve account balance is \$450,727; operating reserve account is \$1,328,500; and management reserve is \$109,177. The building improvement/maintenance fund holds \$194,079. The Central Ohio Greenways Fund and the new Rapid 5 Project Fund are administered and held by the Columbus Foundation and have balances of \$31,982 and \$70,025, respectively.
- Accounts Receivable totaled \$2,484,527 compared to \$1,519,916 as of June 30, 2021.
- Accounts Payable plus Other Accrued Liabilities totaled \$1,123,705 compared to \$838,661 as of June 30, 2021.
- The GASB Statement 68 Pension liability of \$5,315,024 and the GASB 75 OPEB (other postemployment benefits, i.e. retiree healthcare) asset of \$625,863 represent estimates of the Commission's proportional share of the unfunded liabilities/assets 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 Statements 68 and 75, net position would be approximately \$7.7 million greater, or a positive balance of \$2,584,335 as of June 30, 2022.

Expenses and Appropriations

Expenses through quarter ending June 30, 2022 totaled \$7,075,909 or 31.98% of the total year's revised operating appropriations of \$22,127,185.

Operating Reserve

The \$1,328,500 balance of the invested operating reserve as of June 30, 2022 is held in STAROhio. \$300,000 was transferred from the operating reserve to the operating account in December 2019. In October 2021, we transferred from the operating account back to the operating reserve \$225,000 of the corresponding maximum \$450,000 authorized for that purpose in the 2021 revised budget. An additional \$225,000 is to be transferred from the operating account to the operating reserve in 2022 to fully replenish and further bolster it.

Combining both the operating reserve balance and the operating cash balance equates to 58 days of expenditures, which is slightly less than the 60-day target threshold per the Operating Reserve Policy. Interest earned and allocated to the operating reserve year-to-date through June 30, 2021 was \$2,680.

MORPC
Statement of Net Position
As of 06/30/22

	<u>Balance at</u> <u>06/30/2022</u>	<u>Balance at</u> <u>05/31/2022</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>06/30/2021</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$ 2,174,560	\$ 2,705,266	\$ (530,706)	\$ 2,544,122	\$ (369,563)
Cash-Designated for Building Improvement	194,079	194,059	20	193,890	188
Cash-Operating Reserve	1,328,500	1,327,478	1,023	1,100,376	228,125
Cash-Building Reserve	450,727	450,309	418	449,575	1,153
Cash-Management Reserve	109,177	109,068	108	108,884	293
Cash with Trustee NSP1 Franklin Co	-	-	0	0	0
Cash- Greenways Fund	31,982	36,478	(4,496)	113,238	(81,255)
Cash-Rapid 5 Project Fund	70,025	321,367	(251,342)	0	70,025
Accounts Receivable	2,484,527	2,265,905	218,622	1,519,916	964,611
Prepaid Expenses	103,413	132,856	(29,443)	222,014	(118,602)
Intangible Asset Building/Equipment	246,757	287,444	(40,687)	0	246,757
Total Current Assets	7,193,746	7,830,231	(636,484)	6,252,016	941,731
Non-Current Assets					
Forgivable Mortgages	3,255	5,425	(2,170)	11,181	(7,925)
Fixed Assets	2,153,097	2,153,097	(0)	1,966,262	186,835
Contributed Assets	249,669	249,669	0	249,669	0
Accumulated Depreciation	(798,231)	(783,716)	(14,515)	(628,845)	(169,387)
Intangible Asset Building/Equipment	5,654,671	5,654,671	0	0	5,654,671
Total Non-Current Assets	7,262,460	7,279,146	(16,685)	1,598,266	5,664,194
Deferred Outflows of Resources					
GASB 68 Pension	1,050,632	1,050,632	0	1,334,304	(283,672)
GASB 75 OPEB	435,948	435,948	0	922,787	(486,839)
Total Deferred Outflows of Resources	1,486,580	1,486,580	0	2,257,091	(770,511)
Total Assets	15,942,787	16,595,956	(\$653,169)	10,107,373	5,835,414
Liabilities					
Current Liabilities					
Accounts Payable	471,968	755,337	(\$283,369)	\$243,208	\$228,760
Accrued Payroll	416,027	389,836	26,191	369,055	46,972
Accrued Fringe Benefits	104,887	101,666	3,221	96,748	8,139
Other Accrued Liabilities	30,824	27,181	3,643	29,651	1,173
Accrued PTO & Sick Leave	100,000	100,000	0	100,000	0
Unearned Revenue	3,586,761	3,814,642	(227,881)	2,961,941	624,820
Unearned Revenue-Member Dues	771,096	845,653	(74,557)	676,709	94,387
Unearned Revenue-Indirect Reserve	(46,693)	(64,066)	17,373	29,079	(75,772)
Unearned Revenue-Fringe Benefit Reserve	(29,394)	13,471	(42,865)	62,636	(92,030)
Accrued Building/Equipment Lease	254,626	294,029	(39,403)	0	254,626
PPP Forgiveable Loan	0	0	0	461,686	(461,686)
Total Current Liabilities	5,660,101	6,277,750	(617,649)	5,030,712	629,389
Non-Current					
Accrued PTO & Sick Leave	554,041	559,782	(5,741)	625,164	(71,123)
HOPE 3 Deferred Income	0	0	0	0	0
Other Mortgages-Deferred Income	3,255	5,425	(2,170)	11,181	(7,925)
Accrued Building/Equipment Lease	5,654,474	5,654,474	0	0	5,654,474
GASB 68 Pension Liability	5,315,024	5,315,024	0	6,592,842	(1,277,818)
GASB 75 OPEB Liability	(625,863)	(625,863)	0	4,651,263	(5,277,126)
Total Non-Current	10,900,931	10,908,842	(7,911)	11,880,449	(979,518)
Deferred Inflows of Resources					
GASB 68 Pension	2,514,671	2,514,671	0	2,016,480	498,191
GASB 75 OPEB	2,024,186	2,024,186	0	936,725	1,087,461
Total Deferred Inflows of Resources	4,538,857	4,538,857	0	2,953,205	1,585,652
Total Liabilities	21,099,889	21,725,449	(625,560)	19,864,366	1,235,523
Net Position					
Beginning Net Position	(1,400,466)	(1,400,466)	0	(8,561,256)	7,160,790
Current YTD Net Income	(3,756,637)	(3,729,028)	(27,609)	(1,195,737)	(2,560,901)
Total Net Position	(5,157,103)	(5,129,494)	(27,609)	(9,756,993)	4,599,890
Total Liabilities and Net Position	\$15,942,787	\$16,595,956	(\$653,169)	\$10,107,371	\$5,835,416

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR-TO-DATE ENDING JUNE, 2022

	Year-to-Date <u>Actual</u>	Year-to-Date <u>Budget</u>	Variance <u>over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 4,033,749	\$ 6,072,564	\$ (2,038,815)
Residential Services	\$ 2,034,447	\$ 3,956,035	\$ (1,921,588)
Services to Members & Development	\$ 516,865	\$ 514,045	\$ 2,820
Other	\$ (3,265,561)	\$ 455,802	\$ (3,721,363)
Total Operating Revenues	\$ 3,319,498	\$ 10,998,440	\$ (7,678,942)
Expenses			
Salaries and benefits	\$ 3,793,194	\$ 4,549,144	\$ (755,950)
Materials and Supplies	\$ 151,406	\$ 233,683	\$ (82,277)
Consultants, services and other	\$ 3,025,531	\$ 6,123,018	\$ (3,097,487)
Depreciation	\$ 105,778	\$ 92,600	\$ 13,178
Total Expenses	\$ 7,075,909	\$ 10,998,440	\$ (3,922,531)
Operations income (loss)	\$ (3,756,410)	\$ -	\$ (3,756,410)
Interest Income	\$ (227)	\$ 818	\$ (1,045)
Increase (decrease) in net position	\$ (3,756,637)	\$ 818	\$ (3,757,454)