



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 28, 2022

SUBJECT: Financial Report – December 2021

Summary

As of December 31, 2021, our cash position was \$2,434,140 in the operating account. For the year-to-date ending December 31, 2021, both the actual fringe rate variance and the indirect rate variance were unfavorable. A net loss from all operations was recorded year-to-date as of December 31, 2021.

Note that these financial statements are not final. 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, 2021 of (\$949,990). 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);
- The outstanding 2020 Payroll Protection Program loan balance of \$461,686 was forgiven by the SBA, and was recorded as current year revenue;
- Costs that have not been recovered in the weatherization programs (a loss of \$190,231);
- A \$46,994 net gain year-to-date in the Central Ohio Greenways Fund, which is held at the Columbus Foundation; and
- A reimbursement from our landlord, of previous costs incurred in 2020 for the downstairs office expansion, that exceeded current year costs incurred by \$39,869.

Regarding COTA local funds received in lieu of FTA Section 5307 funds, similar adjustments will be made for additional funds received in 2021 that will not be spent until 2022. These adjustments will be made during the year-end close process still to come.

William Murdock, AICP
Executive Director

Karen J. Angelou
Chair

Erik J. Janas
Vice Chair

Chris Amorose Groomes
Secretary

Member Dues

Member dues revenue was 8.9% of total 2021 operating revenue for the year-to-date ending December 31, 2021. Use of member dues was under budget by \$29,773 excluding the prior year dues budgeted for building due diligence and leasehold improvements. In October, a \$225,000 transfer of dues from the main operating account to the operating reserve was made to replenish the 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	\$508,416	\$499,391	\$9,025
Local Matching Funds	314,752	290,746	24,006
Development Fund	86,185	89,500	(3,315)
Building Lease	164,349	164,333	16
Member Services Coordination	184,116	178,714	5,402
Leasehold Improvements & Building Due Diligence	297,048	116,731	180,317
Other	46,900	52,261	(5,361)
Total	<u>\$1,601,766</u>	<u>\$1,391,676</u>	<u>\$210,090</u>

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 60.77% which is higher than the budgeted rate of 58.00%, creating an unfavorable variance for the year-to-date of (\$91,534).

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 62.60% which is higher than the budgeted rate of 62.00%, resulting in an unfavorable variance for the year-to-date of (\$88,706).

These variances may change with year-end entries, but both are expected to remain unfavorable for 2021.

Statement of Net Position

- Operating cash on hand is \$2,434,140 which was equal to 46 days of cash flow. The building reserve account balance is \$449,741; operating reserve account is \$1,325,820; and management reserve is \$108,926. The building improvement/maintenance fund holds \$193,977. The Central Ohio Greenways fund is administered and held by the Columbus Foundation and has a balance of \$79,261.
- Accounts Receivable totaled \$1,469,969 compared to \$1,238,514 as of December 31, 2020.

- Accounts Payable plus Other Accrued Liabilities totaled \$175,090 compared to \$866,142 as of December 31, 2020.
- The GASB Statement 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 Statements 68 and 75, net position would be nearly \$12 million greater, or a positive balance of \$2,509,557 as of December 31, 2021.

Expenses and Appropriations

Expenses through year ending December 31, 2021 totaled \$12,556,972 or 65.1% of the total year's revised operating appropriations of \$19,287,830.

Operating Reserve

The \$1,325,820 balance of the invested operating reserve as of December 31, 2021 is held in STAROhio and is net of the outstanding transfer-out of \$300,000 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.

Combining both the operating reserve balance and the operating cash balance equates to 72 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 December 31, 2021 was \$919.

MORPC
Statement of Net Position
As of 12/31/2021

	<u>Balance at</u> <u>12/31/2021</u>	<u>Balance at</u> <u>11/30/2021</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>12/31/2020</u>	<u>Yearly</u> <u>Difference</u>
Assets					
Current Assets					
Cash	\$ 2,434,140	\$ 2,568,498	\$ (134,358)	\$ 1,510,976	\$ 923,164
Cash-Designated for Building Improvement	193,977	193,956	21	199,875	(5,898)
Cash-Operating Reserve	1,325,820	1,325,736	84	1,099,901	225,919
Cash-Building Reserve	449,741	449,712	29	978,421	(528,680)
Cash-Management Reserve	108,926	108,919	7	108,834	92
Cash with Trustee NSP1 Franklin Co	0	0	0	0	0
Investments Greenways Fund	79,261	92,624	(13,363)	14,238	65,023
Accounts Receivable	1,469,969	2,087,095	(617,126)	1,238,514	231,455
Prepaid Expenses	<u>159,930</u>	<u>180,067</u>	<u>(20,137)</u>	<u>138,294</u>	<u>21,636</u>
Total Current Assets	6,221,764	7,006,607	(784,843)	5,289,053	932,711
Non-Current Assets					
Forgivable Mortgages	7,681	10,181	(2,500)	15,606	(7,925)
Fixed Assets	2,047,264	2,047,264	(0)	1,635,497	411,767
Contributed Assets	249,669	249,669	0	249,669	0
Accumulated Depreciation	<u>(711,954)</u>	<u>(697,845)</u>	<u>(14,109)</u>	<u>(860,861)</u>	<u>148,907</u>
Total Non-Current Assets	1,592,660	1,609,269	(16,609)	1,039,910	552,750
Deferred Outflows of Resources					
GASB 68 Pension	1,334,304	1,334,304	0	1,334,304	0
GASB 75 OPEB	<u>922,787</u>	<u>922,787</u>	<u>0</u>	<u>922,787</u>	<u>0</u>
Total Deferred Outflows of Resources	<u>2,257,091</u>	<u>2,257,091</u>	<u>0</u>	<u>2,257,091</u>	<u>0</u>
Total Assets	<u>10,071,515</u>	<u>10,872,967</u>	<u>(\$801,452)</u>	<u>8,586,054</u>	<u>1,485,461</u>
Liabilities					
Current Liabilities					
Accounts Payable	133,181	429,214	(\$296,033)	\$804,079	(\$670,898)
Accrued Payroll	185,952	354,142	(168,190)	178,402	7,550
Accrued Fringe Benefits	70,752	95,912	(25,160)	72,652	(1,900)
Other Accrued Liabilities	41,909	38,436	3,473	62,063	(20,154)
Accrued PTO & Sick Leave	100,000	100,000	0	100,000	0
Unearned Revenue	4,009,260	4,146,269	(137,009)	531,915	3,477,345
Unearned Revenue-Member Dues	312,764	388,603	(75,839)	82,273	230,491
Unearned Revenue-Indirect Reserve	(709)	(6,209)	5,500	62,204	(62,913)
Unearned Revenue-Fringe Benefit Reserve	12,002	65,493	(53,491)	19,910	(7,908)
PPP Forgivable Loan	<u>0</u>	<u>0</u>	<u>0</u>	<u>461,686</u>	<u>(461,686)</u>
Total Current Liabilities	4,865,111	5,611,860	(746,749)	2,375,184	2,489,927
Non-Current					
Accrued PTO & Sick Leave	512,659	572,546	(59,887)	559,210	(46,551)
HOPE 3 Deferred Income	0	0	0	0	0
Other Mortgages-Deferred Income	7,681	10,181	(2,500)	15,606	(7,925)
Accrued Building Lease Expense	0	0	0	0	0
GASB 68 Pension Liability	6,592,842	6,592,842	0	6,592,842	0
GASB 75 OPEB Liability	<u>4,651,263</u>	<u>4,651,263</u>	<u>0</u>	<u>4,651,263</u>	<u>0</u>
Total Non-Current	11,764,445	11,826,831	(62,386)	11,818,921	(54,476)
Deferred Inflows of Resources					
GASB 68 Pension	2,016,480	2,016,480	0	2,016,480	0
GASB 75 OPEB	<u>936,725</u>	<u>936,725</u>	<u>0</u>	<u>936,725</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>2,953,205</u>	<u>2,953,205</u>	<u>0</u>	<u>2,953,205</u>	<u>0</u>
Total Liabilities	19,582,761	20,391,896	(809,135)	17,147,310	2,435,451
Net Position					
Beginning Net Position	(8,561,256)	(8,561,256)	0	(7,832,218)	(729,038)
Current YTD Net Income	<u>(949,990)</u>	<u>(957,673)</u>	<u>7,683</u>	<u>(729,039)</u>	<u>(220,951)</u>
Total Net Position	<u>(9,511,246)</u>	<u>(9,518,929)</u>	<u>7,683</u>	<u>(8,561,256)</u>	<u>(949,990)</u>
Total Liabilities and Net Position	<u>\$10,071,515</u>	<u>\$10,872,967</u>	<u>(\$801,452)</u>	<u>\$8,586,054</u>	<u>\$1,485,461</u>

MID-OHIO REGIONAL PLANNING COMMISSION

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

	Year-to-Date <u>Actual</u>	Year-to-Date <u>Budget</u>	Variance <u>over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 7,180,103	\$ 10,249,247	\$ (3,069,144)
Residential Services	3,578,500	5,953,469	(2,374,969)
Services to Members & Development	984,199	990,714	(6,515)
Other	(153,026)	2,090,800	(2,243,826)
Total Operating Revenues	\$ 11,589,777	\$ 19,284,230	\$ (7,694,453)
Expenses			
Salaries and benefits	\$ 7,335,508	\$ 7,701,718	\$ (366,210)
Materials and Supplies	192,588	479,386	(286,798)
Consultants, services and other	4,930,326	10,995,158	(6,064,832)
Depreciation	98,551	111,568	(13,017)
Total Expenses	\$ 12,556,972	\$ 19,287,830	\$ (6,730,858)
Operations income (loss)	\$ (967,196)	\$ (3,600)	(963,596)
Interest Income	17,206	3,600	13,606
Increase (decrease) in net position	\$ (949,990)	\$ -	\$ (949,990)