



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:** October 28, 2022

**SUBJECT:** Financial Report – September 2022

### Summary

As of September 30, 2022, our operating cash position was \$1,106,948 in the operating account. For the year-to-date ending September 30, 2022, the actual fringe and indirect rate variances were favorable. A net loss from all operations was recorded year-to-date as of September 30, 2022.

### Operating Income (Change in Net Position)

There has been a decrease in net position (loss from operations) for the year ending September 30, 2022. For illustrative purposes only, the decrease is (342,798) if you exclude the impact of the end of 2021 accounting adjustment to record unspent COTA local funds as 2021 revenue. The decrease is primarily the result of:

- Costs that have not been recovered in the weatherization programs (a loss of \$278,408);
- A \$70,064 net gain year-to-date in the Rapid 5 Project Fund, which is held at the Columbus Foundation, but is in the process of being transferred to the Rapid 5 nonprofit and will ultimately result in no gain or loss for MORPC;
- A \$37,124 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 related to leasehold improvements of (\$109,716).

When including the impact of the end of 2021 accounting adjustment (which is how MORPC reports net position on its ACFR), the decrease in net position is (\$3,845,845). The December 31, 2021 accounting adjustment records year-end unspent COTA local funds received in lieu of FTA Section 5307 funds as revenue in 2021, and thus reduces 2022 revenue accordingly (a reduction of \$3,503,047) (**this reduction is strictly due to the timing of the recording of revenue**).

**William Murdock, AICP**  
Executive Director

**Erik J. Janas**  
Chair

**Chris Amorose Grooms**  
Vice Chair

**Michelle Crandall**  
Secretary

## **Member Dues**

Member dues revenue was 10.9% of total 2022 operating revenue for the year-to-date ending September 30, 2022. Use of member dues was under budget by \$82,800, 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 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:

<b><u>Use of Member Dues</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance (Over) Under</u></b>
Services to Members	\$528,515	\$534,087	(\$5,572)
Local Matching Funds/Reserve	249,503	178,573	70,930
Development Fund	73,073	69,508	3,565
Building Lease	123,328	123,328	0
Diversity, Equity, & Inclusion	33,975	29,773	4,202
Leasehold Improvements & Building Due Diligence	185,625	0	185,625
Other	12,176	2,500	9,676
<b>Total</b>	<b><u>\$1,206,195</u></b>	<b><u>\$937,770</u></b>	<b><u>\$268,425</u></b>

## **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 \$56,613

### **Indirect (Overhead)**

The actual indirect cost variance for the year-to-date is 62.65% which is lower than the budgeted rate of 63.00%, resulting in a favorable variance for the year-to-date of \$50,101

## **Statement of Net Position**

- Operating cash on hand was \$1,106,948, which was equal to 17 days of cash flow. The building reserve account balance is \$452,869; operating reserve account is \$1,334,748; and management reserve is \$109,712. The building improvement/maintenance fund holds \$194,127. The entire cash balance for the building reserve and \$190,000 of building improvement/maintenance fund were transferred to the operating fund in early October to cover expenses from that fund associated with the now completed building renovation project.
- The Central Ohio Greenways Fund and the Rapid 5 Project Fund are administered and held by the Columbus Foundation and have balances of \$30,511 and \$70,064, respectively, as of

September 30, 2022. The ownership of the Rapid 5 Project Fund has since been transferred to the Rapid 5 nonprofit as donations made to the fund were to benefit the Rapid 5 project.

- Accounts Receivable totaled \$3,262,706 compared to \$1,419,966 as of September 30, 2021. The difference compared to last year is largely due to outstanding receivable for grants. We are working with our funders and expect collection to occur soon.
- Accounts Payable plus Other Accrued Liabilities totaled \$1,019,382 compared to \$657,383 as of September 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 \$2,495,127 as of September 30, 2022.

### **Expenses and Appropriations**

Expenses through quarter ending September 30, 2022 totaled \$10,902,435 or 49.27% of the total year's operating appropriations of \$22,127,185.

### **Operating Reserve**

The \$1,334,748 balance of the invested operating reserve as of September 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 39 days of expenditures, which is 35% less than the 60-day target threshold per the Operating Reserve Policy. The combined balance is less than in past quarters due to some funders paying MORPC's AR invoices in a delayed manner. Interest earned and allocated to the operating reserve year-to-date through September 30, 2022 was \$12,892.

**MORPC**  
**Statement of Net Position**  
**As of 09/30/22**

	<u>Balance at</u> <u>09/30/2022</u>	<u>Balance at</u> <u>08/31/2022</u>	<u>Monthly</u> <u>Difference</u>	<u>Balance at</u> <u>09/30/2021</u>	<u>Yearly</u> <u>Difference</u>
<b>Assets</b>					
<b>Current Assets</b>					
Cash	1,106,948	1,197,886	(90,938)	3,525,195	(2,418,247)
Cash-Designated for Building Improvement	194,127	194,108	19	193,922	205
Cash-Operating Reserve	1,334,748	1,332,344	2,403	1,100,584	234,164
Cash-Building Reserve	452,869	452,045	824	449,660	3,209
Cash-Management Reserve	109,712	109,506	206	108,906	806
Cash with Trustee NSP1 Franklin Co	-	-	-	-	-
Cash- Greenways Fund	30,511	31,982	(1,471)	92,624	(62,113)
Cash-Rapid 5 Project Fund	70,064	70,025	39	0	70,064
Accounts Receivable	3,262,706	3,053,559	209,147	1,419,966	1,842,740
Prepaid Expenses	125,119	146,019	(20,901)	141,969	(16,850)
Intangible Asset Building/Equipment	5,778,975	5,819,866	(40,891)	0	5,778,975
<b>Total Current Assets</b>	<u>12,465,779</u>	<u>12,407,341</u>	<u>58,438</u>	<u>7,032,826</u>	<u>5,432,953</u>
<b>Non-Current Assets</b>					
Forgivable Mortgages	3,255	3,255	0	11,181	(7,925)
Fixed Assets	2,159,811	2,170,885	(11,075)	2,027,340	132,471
Contributed Assets	249,669	249,669	0	249,669	0
Accumulated Depreciation	(846,456)	(830,894)	(15,563)	(669,627)	(176,829)
Intangible Asset Building/Equipment	0	0	0	0	0
<b>Total Non-Current Assets</b>	<u>1,566,278</u>	<u>1,592,915</u>	<u>(26,637)</u>	<u>1,618,562</u>	<u>(52,284)</u>
<b>Deferred Outflows of Resources</b>					
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)
<b>Total Deferred Outflows of Resources</b>	<u>1,486,580</u>	<u>1,486,580</u>	<u>0</u>	<u>2,257,091</u>	<u>(770,511)</u>
<b>Total Assets</b>	<u>15,518,637</u>	<u>15,486,836</u>	<u>\$31,801</u>	<u>10,908,479</u>	<u>4,610,158</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	441,613	327,293	\$114,320	\$135,566	\$306,047
Accrued Payroll	345,272	291,604	53,668	305,207	40,065
Accrued Fringe Benefits	99,298	88,558	10,740	85,120	14,178
Other Accrued Liabilities	33,200	29,558	3,643	31,490	1,710
Accrued PTO & Sick Leave	100,000	100,000	0	100,000	0
Unearned Revenue	3,676,232	3,842,059	(165,827)	4,269,841	(593,609)
Unearned Revenue-Member Dues	609,248	563,217	46,031	526,554	82,694
Unearned Revenue-Indirect Reserve	(52,977)	1,821	(54,798)	20,684	(73,661)
Unearned Revenue-Fringe Benefit Reserve	(37,557)	(46,330)	8,773	102,558	(140,115)
Accrued Building/Equipment Lease	136,023	175,623	(39,600)	0	136,023
PPP Forgivable Loan	0	0	0	0	0
<b>Total Current Liabilities</b>	<u>5,350,352</u>	<u>5,373,402</u>	<u>(23,050)</u>	<u>5,577,020</u>	<u>(226,668)</u>
<b>Non-Current</b>					
Accrued PTO & Sick Leave	528,849	511,335	17,514	553,665	(24,816)
HOPE 3 Deferred Income	0	0	0	0	0
Other Mortgages-Deferred Income	3,255	3,255	0	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)
<b>Total Non-Current</b>	<u>10,875,739</u>	<u>10,858,225</u>	<u>17,514</u>	<u>11,808,951</u>	<u>(933,211)</u>
<b>Deferred Inflows of Resources</b>					
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
<b>Total Deferred Inflows of Resources</b>	<u>4,538,857</u>	<u>4,538,857</u>	<u>0</u>	<u>2,953,205</u>	<u>1,585,652</u>
<b>Total Liabilities</b>	<u>20,764,948</u>	<u>20,770,485</u>	<u>(5,537)</u>	<u>20,339,176</u>	<u>425,773</u>
<b>Net Position</b>					
Beginning Net Position	(1,400,466)	(1,400,466)	0	(8,561,256)	7,160,790
Current YTD Net Income	(3,845,845)	(3,883,182)	37,337	(869,441)	(2,976,404)
<b>Total Net Position</b>	<u>(5,246,311)</u>	<u>(5,283,648)</u>	<u>37,337</u>	<u>(9,430,697)</u>	<u>4,184,386</u>
<b>Total Liabilities and Net Position</b>	<u>\$15,518,637</u>	<u>\$15,486,837</u>	<u>\$31,800</u>	<u>\$10,908,479</u>	<u>\$4,610,158</u>
<b>Total Net Position Excluding Impact of GASB 68 &amp; 75*</b>	<u>2,495,127</u>	<u>2,457,790</u>	<u>37,337 #</u>	<u>2,509,522</u>	<u>(14,395)</u>

\*This is for illustrative purposes only to aid the reader in the analysis of this report

MID-OHIO REGIONAL PLANNING COMMISSION

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

	Year-to-Date <u>Actual</u>	Year-to-Date <u>Budget</u>	Variance <u>over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 6,273,219	\$ 9,108,845	\$ (2,835,627)
Residential Services	\$ 3,187,585	\$ 5,934,052	\$ (2,746,467)
Services to Members & Development	\$ 759,197	\$ 771,067	\$ (11,870)
Other	\$ (3,165,636)	\$ 683,702	\$ (3,849,338)
<b>Total Operating Revenues</b>	<b>\$ 7,054,365</b>	<b>\$ 16,497,665</b>	<b>\$ (9,443,300)</b>
Expenses			
Salaries and benefits	\$ 5,786,930	\$ 6,823,716	\$ (1,036,786)
Materials and Supplies	\$ 226,597	\$ 350,524	\$ (123,927)
Consultants, services and other	\$ 4,369,538	\$ 9,184,526	\$ (4,814,988)
Depreciation and Amortization	\$ 519,370	\$ 138,899	\$ 380,470
<b>Total Expenses</b>	<b>\$ 10,902,435</b>	<b>\$ 16,497,665</b>	<b>\$ (5,595,230)</b>
Operations income (loss)	\$ (3,848,070)	\$ (0)	\$ (3,848,070)
Interest Income	\$ 2,225	\$ 1,226	\$ 999
Increase (decrease) in net position	<b>\$ (3,845,845)</b>	<b>\$ 1,226</b>	<b>\$ (3,847,071)</b>

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL - EXCLUDES THE IMPACT OF END OF 2021 ACCOUNTING ADJUSTMENT FOR REVENUE  
 FOR THE YEAR-TO-DATE ENDING September, 2022

	Year-to-Date <u>Actual</u>	Year-to-Date <u>Budget</u>	Variance <u>over / (under)</u>
Revenue			
Planning, Data & Transportation	\$ 6,273,219	\$ 9,108,845	\$ (2,835,627)
Residential Services	\$ 3,187,585	\$ 5,934,052	\$ (2,746,467)
Services to Members & Development	\$ 759,197	\$ 771,067	\$ (11,870)
Other	\$ 337,411	\$ 683,702	\$ (346,291)
<b>Total Operating Revenues</b>	<b>\$ 10,557,412</b>	<b>\$ 16,497,666</b>	<b>\$ (5,940,254)</b>
Expenses			
Salaries and benefits	\$ 5,786,930	\$ 6,823,716	\$ (1,036,786)
Materials and Supplies	\$ 226,597	\$ 350,524	\$ (123,927)
Consultants, services and other	\$ 4,369,538	\$ 9,184,526	\$ (4,814,988)
Depreciation and Amortization	\$ 519,370	\$ 138,899	\$ 380,470
<b>Total Expenses</b>	<b>\$ 10,902,435</b>	<b>\$ 16,497,665</b>	<b>\$ (5,595,230)</b>
Operations income (loss)	\$ (345,023)	\$ (0)	\$ (345,023)
Interest Income	\$ 2,225	\$ 1,226	\$ 999
Gain on Sale of Building	-	-	-
Increase (decrease) in net position	<b>\$ (342,798)</b>	<b>\$ 1,226</b>	<b>\$ (344,024)</b>

\*This version excludes for illustrative purposes only the impact of the end of 2021 accounting adjustment to record unspent COTA local funds as 2021 revenue.