



# Metropolitan Planning Council

## MPC Audit & Finance Committee

# AGENDA

Wednesday, March 22, 2022; 1:00 – 2:00 P.M.

Zoom: <https://us06web.zoom.us/j/89313119240?pwd=TUxoUndEWTISOERsck9Qc0M2Y2xhdz09>

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### **Members:**

Ramiro Atristain (Chair); Darlene Hightower (President); Bruce Taylor; Todd Brown; Martha Linsley; Mary Ludgin; Jim Mann; Lee Mitchell

### **Staff:**

Gregory Gurley, COO and Shira Zisook, Operations Manager

### **Guests:**

Accountant - Bob Rehayem

### **Agenda:**

- I. Call to Order
- II. Approval of meeting minutes from November 2, 2022
- III. 2022 Year End Financial Updates/Report
- IV. 2023 Financial Audit Schedule/Update
- V. New Business
- VI. Adjourn



# Metropolitan Planning Council

## MPC Audit & Finance Committee

Wednesday, November 2, 2022; 1:00 -2:00 P.M.

## Meeting Minutes

### Members in Attendance:

Ramiro Atristain (Chair); Darlene Hightower (President); Martha Linsley; Mary Ludgin; and Jim Mann.

### Staff in Attendance:

Gregory Gurley, COO; Laura Reilly, VP of Philanthropy and Communications; and Kimberly Johnson, Senior Executive Assistant.

### Guests in Attendance:

Accountant - Bob Rehayem

#### **I. Call to Order – 1:06 pm**

Chair, Ramiro Atristain called the meeting to order.

#### **II. Approval of minutes from June 1, 2022**

Chair, Atristain invited members to approve the meeting minutes of October 20, 2021. Member Mann moved to approve the meeting minutes. The motion was seconded by Member Ludgin. Minutes approved as presented.

#### **III. Review 2022 YTD financial performance.**

Atristain provided a brief overview of MPCs 2022 YTD financial performance through September 30, 2022. Atristain noted two things – 1) the numbers do not reflect incoming dollars for the annual event; 2) the decrease in net assets due to the volatility in capital markets. Staff member Gurley also noted that we are under budget on expenses due to staff positions filled late in the year or not yet filled.

Member Mann asked about the lagging corporate dollars. Hightower responded – we are looking at a snapshot of revenue as of September 30, 2022, and the report does not reflect dollars from our annual event which were still coming in through October. Account Rehayem weighed in and stated – typically, Executive Advisor's contributions come in the 4<sup>th</sup> quarter.

Hightower further added, the Development team has developed a robust end-of-year giving campaign that includes solicitations to individuals in addition to what we're expecting to bring in from foundations and corporations. We've also had additional grants come in since September 30<sup>th</sup> and we anticipate outstanding pledges to collect. A brief discussion ensued around projected actuals in fundraising. Accountant



# Metropolitan Planning Council

Rehayem pointed out that the 2022 Spending Policy Transfer Allowance of \$500k has been approved but has not yet been taken.

#### **IV. 2023 Draft Budget Review**

Gurley provided a high-level review of the 2023 draft budget. Atristain, Gurley, Mann, and Hightower further discussed policy transfer, liquidating assets in the portfolio, fiscal sponsorship fee, and line of credit options. Hightower noted – we are asking this committee and the board to invest in the strategic plan by authorizing the transfer from the investment portfolio in FY 2023. We will also continue to ask foundations and corporations and other individuals to invest in MPC – we must also be willing to invest in ourselves.

Member Mann asked about the additional staffing dollars budgeted for 2023. Hightower responded that the open positions will be staggered across time in 2023, with hiring to start in Q2 through Q4. Regarding the transfer allowance, Mann recommended that we present the board with two separate items for approval – 1) Request the preapproved transfer cap from the investment portfolio, and 2) An independent investment in the strategic plan, which is a capital investment and will have ROI. Hightower and Atristain agreed with that approach.

Mann asked for clarification on the 2023 budgeted amount for the Foundations and Corporate revenue line items. Discussion ensued and clarification was provided regarding foundation dollars and program costs. Reilly provided more clarification regarding 2023 corporate revenue and stated, based on conversations with corporations and foundations, and through prospect research, we are identifying corporations and additional foundation dollars to increase revenue and we are projecting growth based on that research and conversations. Atristain pointed out, from a subjective view, that MPC is in a time of transition and that transition has had an impact on fundraising. Atristain also pointed out that the 2022 and draft 2023 budget projects a surplus, not a deficit. A brief discussion ensued around the percentage of dollars for programmatic and administrative costs.

Linsley asked, based on inflation, what assumptions were included and were comparative analyses completed for the 2023 budget related to salary and benefit increases for personnel. Gurley responded we were very intentional as an organization to look at our salary structure and tiers. Some staff members, based on their tenure and work performance will receive changes in titles or promotions, which are included in the budget. A standard percentage increase across the organization has also been included in the budget.

Hightower stated that we will provide a budget justification and more detail for the corporate revenue line item prior to the board meeting.

**V. New business** – No new business was reported.

**VI. Adjourn** – The meeting adjourned at 1:58 pm.

**2022 Operating Budget**  
**Metropolitan Planning Council**

REVENUE	2022 Budget	2022 YTD Actuals 12/31/2022
<b>Fundraising</b>		
Corporate	1,450,000	894,097
Foundations	1,980,000	2,558,753
Individuals	775,000	221,104
Government	90,000	123,262
<b>Sub-Total: Fundraising</b>	<b>4,295,000</b>	<b>3,797,216</b>
<b>Other</b>		
2022 Spending Policy Transfer Allowance (as needed)	500,297	
Use of cash balance	61,957	61,957
In-Kind Income		
<b>Total Revenue</b>	<b>4,857,254</b>	<b>3,859,173</b>
EXPENSE	2022 Budget	2022 YTD Actuals 12/31/2022
Personnel	3,462,139	2,840,551
Contract Workers & Professional Fees	400,913	467,994
Publications, Web	156,710	69,338
Publication Postage / Mailing Service		
Events & Meetings	161,250	138,418
Travel	40,090	17,184
Other Program Costs	9,000	23,597
Occupancy Costs	408,260	377,099
Office Expenses	284,444	303,941
<b>Sub-Total: Operations Expense</b>	<b>4,922,806</b>	<b>4,238,122</b>
<b>Depreciation</b>	<b>65,000</b>	<b>64,615</b>
<b>A/R Write Off</b>		
<b>In-Kind Expense</b>		
<b>Total Expense</b>	<b>4,987,806</b>	<b>4,302,737</b>

<b>Surplus/(Deficit) before ESIL</b>	<b>\$</b>	<b>(130,552)</b>	<b>\$</b>	<b>(443,564)</b>
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*Fiscally Sponsored Org (ESIL) Revenue	130,552	72,500
*Fiscally Sponsored Org (ESIL) Expenses		(723,032)

<b>Surplus/(Deficit) including ESIL</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(1,094,096)</b>
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\*The 2022 Budget did not take in to account the delay of the ESIL fiscal repsonsibility transfer

With the transfer delay we found it more accurate to separate out the ESIL Revenue and Expenses for FY2022

\*The 2022 deficit exist due to electing not to take the allotted spending transfer.

**Balance Sheet**  
**Metropolitan Planning Council**

	<b>12/31/2021</b>	<b>12/31/2022</b>
<b>Assets</b>	20,221,003	15,140,833
<b>Liabilities</b>	(430,786)	(272,031)
<b>Net Assets</b>	<b>19,790,218</b>	<b>14,868,802</b>

# Metropolitan Planning Council

## Balance Sheet As of December 31, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	<b>\$636,976.94</b>
Accounts Receivable	
11025 Accounts Receivable - Regular	133,061.31
11050 Accts Rec - Grant Pledges	425,000.00
<b>Total Accounts Receivable</b>	<b>\$558,061.31</b>
Other Current Assets	
11600 Restricted Inv - Mesirow	4,047,175.79
11700 Unrestricted Inv - Mesirow	9,379,119.46
12000 Prepays	<b>82,919.83</b>
12600 Other Receivable	0.00
13000 Undeposited Funds	70,626.81
<b>Total Other Current Assets</b>	<b>\$13,579,841.89</b>
<b>Total Current Assets</b>	<b>\$14,774,880.14</b>
Fixed Assets	
16000 Leasehold Improvements	397,151.48
16100 Office Furn., Fixtures & Equip	353,766.24
16400 Construction in Progress	0.00
16500 Accumulated Depreciation	-384,964.71
<b>Total Fixed Assets</b>	<b>\$365,953.01</b>
<b>TOTAL ASSETS</b>	<b>\$15,140,833.15</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	<b>\$272,031.05</b>
<b>Total Liabilities</b>	<b>\$272,031.05</b>
Equity	
3100 Retained Earnings	0.00
31000 Unrestricted Net Assets	0.00
30000 Fund Balance - Unrestricted	0.00
30110 Undesignated	6,460,145.01
31100 Board Des. Reserve Principal	5,954,970.52
<b>Total 31000 Unrestricted Net Assets</b>	<b>12,415,115.53</b>
33000 Restricted Net Assets	
30100 Board Designated Reserve Fund	0.00
32100 Temp Rest Program Fund Balances	2,468,804.00
32110 Unapp Endowment Earnings	2,898,120.00
33100 Endowment Principal	2,022,754.66
<b>Total 33000 Restricted Net Assets</b>	<b>7,389,678.66</b>
35000 *Unrestricted Net Assets	0.00
Net Income	-4,935,992.09
<b>Total Equity</b>	<b>\$14,868,802.10</b>

**Metropolitan Planning Council**  
**Combined Statement**  
January - December, 2022

	Total		
	Actual	Budget	Annual Budget
<b>Income</b>			
40000 Corporate Income	894,096.85	1,450,000.00	1,450,000.00
41000 Individual Income	221,103.95	775,000.00	775,000.00
42000 Foundation Income	2,558,753.00	1,980,000.00	1,980,000.00
43000 Government Income	123,261.78	90,000.00	90,000.00
<b>Total Income</b>	<b>\$ 3,797,215.58</b>	<b>\$ 4,295,000.00</b>	<b>\$ 4,295,000.00</b>
<b>Gross Profit</b>	<b>\$ 3,797,215.58</b>	<b>\$ 4,295,000.00</b>	<b>\$ 4,295,000.00</b>
<b>Expenses</b>			
60000 Direct Expense	3,557,063.95	4,230,102.00	4,230,102.00
65100 Rent & Utilities	377,099.91	408,260.00	408,260.00
65110 Indirect Costs	304,033.72	284,444.00	284,444.00
65260 Depreciation Expense	64,615.32	65,000.00	65,000.00
<b>Total Expenses</b>	<b>4,302,812.90</b>	<b>4,987,806.00</b>	<b>4,987,806.00</b>
<b>Net Operating Income before ESIL</b>	<b>-505,597.32</b>	<b>-692,806.00</b>	<b>-692,806.00</b>
<b>ESIL Sponsored Income (Loss)</b>			
44100 Other - Program Grants ESIL	72,500.00	130,552.00	130,552.00
63430 ESIL Expenses	-723,032.49	0.00	0.00
	<b>-650,532.49</b>	<b>130,552.00</b>	<b>130,552.00</b>
<b>Net Operating Income (Loss)</b>	<b>-1,156,129.81</b>	<b>-562,254.00</b>	<b>-562,254.00</b>
<b>Operating Income (Loss) Covered By -</b>			
49990 Use of Cash Surplus		61,957.00	61,957.00
49995 Spending Policy Transfer	0.00	500,297.00	500,297.00
	<b>0.00</b>	<b>562,254.00</b>	<b>562,254.00</b>
<b>Net Operating Income (Loss)</b>	<b>-1,156,129.81</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Income</b>			
48050 Investment Earnings	324,246.55		0.00
48700 Chg in Unrealized Gain/(Loss)	-3,225,934.82		0.00
48750 Realized Gain/(Loss) on Inv.	82,290.38		0.00
68000 Investment Expenses	-76,038.55		0.00
68100 Other Investment Activity	105.73		0.00
68150 WH Foreign Tax	-3,539.78		0.00
<b>Total Other Income</b>	<b>-\$ 2,898,870.49</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Other Expenses</b>			
47000 GAAP Reconciliation	873,750.00		0.00
48500 Rent Abatement Adjustment	7,241.79		0.00
<b>Total Other Expenses</b>	<b>\$ 880,991.79</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Net Other Income</b>	<b>-\$ 3,779,862.28</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Net Income</b>	<b>-\$ 4,935,992.09</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>