



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

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Columbus, Ohio 43215
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Memorandum

TO: William Murdock
Executive Committee

FROM: Shawn Hufstedler
Chief Operating Officer

DATE: October 27, 2023

SUBJECT: Financial Report – September 2023

Summary

As of September 30, 2023, expenses totaled \$11,069,530 and were well within appropriations. The operating reserve (investment and cash accounts) was \$3,471,740. A net loss from all operations was recorded year-to-date. The actual fringe and indirect rate variances were unfavorable.

Budget vs. Expenses

Expenses through quarter ending September 30, 2023, totaled \$11,069,530 or 48% of the year's total budgeted expenses of \$23,231,714.

From a programmatic perspective, expenses differed from the budget for the following reasons:

- Over-spending associated with Weatherization programs of \$223,620 can be attributed to greater spending than budgeted at this point in the year for the Home Weatherization Assistance Program (HWAP), which is over-budget by \$313,937. HWAP over-spending compared to the original budget can be attributed to dramatic funding increases in the second half of the calendar year as a result of award amounts being greater than anticipated for its typical service area and MORPC receiving additional funding to expand its service area. New funds established by the Bipartisan Infrastructure Bill (BIL) are also expected to become available before the end of year.
- Services to Members & Development is over-budget by \$28,905 due to greater than anticipated spending at this point in the year from the Services to Members Program. This can be attributed to the timing of payroll expenses for positions funded by multiple funding sources and is expected to be offset by underspending in the fourth quarter.

William Murdock, AICP
Executive Director

Chris Amorose Groomes
Interim Chair

Michelle Crandall
Interim Vice Chair

Ben Kessler
Interim Secretary

- Under-spending associated with Transportation programs of \$2,604,344 can be attributed to:
 - Less spending than budgeted by \$1,581,367 for the FTA Section 5310 Program for Enhanced Mobility of Seniors and Individuals with Disabilities. MORPC funds subgrants related to this program for vehicle purchases and other expenses. Subgrant payments are highly variable and vehicle purchases have in many cases been delayed due to market supply issues.
 - The Growth and Major Economic Development Planning Program (related to the Intel Project) started later than originally anticipated and is under-budget by \$390,612.
 - Transportation programs have experienced greater personnel turnover than anticipated. Expenses associated with Core and other ODOT funded programs have fallen short of their budget by \$263,517.
 - The Gohio Commute Program has had \$186,176 less in expenses than budgeted. This program equips commuters and companies with resources to help them explore commuting options available in Central Ohio, such as ride-matching, emergency ride home service, and incentive campaigns.
 - Work associated with the newly awarded Safe Streets for All Grant started later than anticipated and is \$150,000 under budget.
- Under-spending associated with Housing programs of \$940,347 can be attributed to less spending than originally projected for the HUD Healthy Homes Production Program Grant, Ohio Dept. of Health Lead-Safe Home Fund, and the Franklin County Home Repair Program. The respective under-spending amounts compared to the budget at this point in the year are \$486,737, \$318,236, and \$245,610. MORPC budgeted at the higher end of the potential range for housing work in 2023, the start date from HUD for HHPP projects occurred later than anticipated, and ODH Lead-Safe Home Fund and Franklin County Home Repair Program both experienced gaps in funding between previous and current funding rounds.

MORPC also budgeted in the annual budget \$3,372,911 for potential programs/projects that have not been funded at this time (and for which there have not been any expenses).

Operating Cash/Reserve

MORPC's operating reserve consists of operating cash and investment accounts. As of September 30, 2023, the cash account held \$1,836,539, while the investment account had a balance of \$1,635,200. The investment account is held in STAROhio. Combining both accounts equated to \$3,471,740, or 55 days of budgeted expenses, which is close to the 60-day target threshold identified in the Operating Reserve Policy. Interest earned and allocated to the operating reserve year-to-date through September 30, 2023, was \$60,519.

Operating Income (Change in Net Position)

There was a decrease in net position (loss from operations) for the year-to-date through September 30, 2023. The decrease was (\$1,053,868). The decrease was the result of:

- A (\$800,955) net loss year-to-date for programs funded by COTA in lieu of COVID and NTD (National Transit Database) funding, and TID (Transportation Improvement District) funding. This operating loss is due to the fact that revenue was recognized in prior years.
- A (\$206,622) net loss year-to-date for the Columbia Gas Warm Choice Program; and
- A (\$117,004) net loss year-to-date for depreciation related to leasehold improvements.

The losses were partially offset by a gain of \$64,807 to investment income and other miscellaneous gains of \$5,906.

Member Dues

Member dues revenue was \$1,118,838 for the year-to-date ending September 30, 2023. Use of member dues was over budget by \$22,343. Use of all current year member dues was as follows:

<u>Use of Member Dues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Services to Members	\$657,496	\$699,644	(\$42,148)
Local Matching Funds/Reserve	\$177,381	\$170,818	\$6,563
Development Fund	\$84,451	\$79,589	\$4,862
Building Lease	\$130,576	\$131,122	(\$547)
Diversity, Equity, & Inclusion	\$37,373	\$31,945	\$5,428
Other	\$6,219	\$2,719	\$3,501
Total	\$1,093,495	\$1,118,838	(\$22,343)

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 58.73%, which is greater than the budgeted rate of 57.50%, creating an unfavorable variance for the year-to-date of \$36,752.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 65.53%, which is greater than the budgeted rate of 62.50%, resulting in an unfavorable variance for the year-to-date of \$172,157.

Statement of Net Position

- On September 30, 2023, operating cash on hand was \$1,836,539 which was equal to 29 days of budgeted cash flow. The operating reserve investment account was \$1,635,200 and management reserve was \$115,071. The remaining cash balance for the building reserve and essentially all the building improvement/maintenance fund were transferred to the operating cash account in 2022 to cover expenses from that fund associated with the now completed building renovation project. \$72 remains in the building improvement/maintenance fund as interest income exceeded expectations in the fourth quarter of 2022, resulting in the cash amount being slightly above the transfer authority granted in the 2023 budget. The intention was to reduce the balance to \$0.
- The Central Ohio Greenways Fund is administered and held by the Columbus Foundation and had a balance of \$32,714.
- Accounts Receivable totaled \$2,363,874 compared to \$3,261,661 as of September 30, 2022. The reduction can be attributed to more timely collection of outstanding receivables for grants from our funders.
- Accounts Payable plus Other Accrued Liabilities totaled \$901,814 compared to \$1,156,799 as of September 30, 2022. The reduction can be attributed to more timely payment by MORPC of vendor invoices as a result of the implementation of electronic workflow for invoice review.
- The GASB Statement 68 Pension liability and the GASB Statement 75 OPEB (other postemployment benefits, i.e. retiree healthcare) asset have a net liability of \$5,469,930 and 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 per State of Ohio law. Excluding the impact of GASB Statements 68 and 75, net position would be approximately \$5.5 million greater, or a positive balance of \$4,928,040 as of September 30, 2023.



MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL FOR THE YEAR-TO-DATE ENDING SEPTEMBER 30, 2023

	Year-to-Date Budget	Year-to-Date Actual	Variance under / (over)
Revenues			
Transportation	\$ 5,250,317	\$ 2,645,973	\$ 2,604,344
Infrastructure & Econ. Dev.	\$ 897,541	\$ 258,490	\$ 639,051
Planning & Sustainability	\$ 2,635,520	\$ 2,567,317	\$ 68,203
Weatherization	\$ 2,407,415	\$ 2,317,849	\$ 89,566
Housing	\$ 2,134,173	\$ 1,193,832	\$ 940,341
Services to Members & Development	\$ 916,115	\$ 945,019	\$ (28,905)
Other	\$ 653,021	\$ 87,182	\$ 565,840
Potential Funding	\$ 2,529,683	\$ -	\$ 2,529,683
Total Operating Revenues	\$ 17,423,786	\$ 10,015,662	\$ 7,408,124
Expenses by Program Area			
Transportation	\$ 5,250,317	\$ 2,645,973	\$ 2,604,344
Infrastructure & Econ. Dev.	\$ 897,541	\$ 668,009	\$ 229,532
Planning & Sustainability	\$ 2,635,520	\$ 2,567,397	\$ 68,124
Weatherization	\$ 2,407,415	\$ 2,631,036	\$ (223,620)
Housing	\$ 2,134,173	\$ 1,193,826	\$ 940,347
Services to Members & Development	\$ 916,115	\$ 945,019	\$ (28,905)
Other	\$ 653,021	\$ 418,271	\$ 234,750
Potential Funding	\$ 2,529,683	\$ -	\$ 2,529,683
Total Expenses by Program Area	\$ 17,423,786	\$ 11,069,530	\$ 6,354,256
Expenses by Account Category			
Salaries and Benefits	\$ 7,439,686	\$ 6,553,598	\$ 886,088
Materials and Supplies	\$ 151,483	\$ 117,735	\$ 33,748
Services, Charges, & Other	\$ 4,810,370	\$ 1,716,011	\$ 3,094,359
Subcontracted Services	\$ 4,881,073	\$ 2,086,863	\$ 2,794,210
Depreciation and Amortization	\$ 141,173	\$ 595,323	\$ (454,150)
Total Expenses by Account Category	\$ 17,423,786	\$ 11,069,530	\$ 6,354,255
Operations income (loss)	\$ 0	\$ (1,053,868)	\$ 1,053,869
Increase (decrease) in net position	\$ 0	\$ (1,053,868)	\$ 1,053,869

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2023

	Balance at 09/30/2023 excludes impact of GASB 68 & 75	GASB 68 & 75 (Pension & OPEB) 09/30/2023	Balance at 09/30/2023 includes impact of GASB 68 & 75	Balance at 09/30/2022 includes impact of GASB 68 & 75	Yearly Difference
Assets					
Current Assets					
Cash	1,836,539		1,836,539	1,106,948	729,591
Cash-Designated for Building Improvement	72		72	194,127	(194,055)
Cash-Operating Reserve	1,635,200		1,635,200	1,334,748	300,452
Cash-Building Reserve	-		-	452,869	(452,869)
Cash-Management Reserve	115,071		115,071	109,712	5,359
Cash-Greenways Fund	32,714		32,714	30,511	2,202
Cash-Rapid 5 Project Fund	-		-	70,064	(70,064)
Accounts Receivable	2,363,874		2,363,874	3,261,661	(897,787)
Prepaid Expenses	125,585		125,585	129,903	(4,317)
Total Current Assets	6,109,055		6,109,055	6,690,544	(581,489)
Non-Current Assets					
Forgivable Mortgages	-		-	3,255	(3,255)
Assets Net of Accumulated Depreciation	1,518,902		1,518,902	1,563,023	(44,121)
Intangible Asset Building/Equipment Lease Net of Accumulated Amortization	5,176,966		5,176,966	5,739,899	(562,932)
Total Non-Current Assets	6,695,868		6,695,868	7,306,177	(610,309)
Deferred Outflows of Resources - GASB 68 & 75	-	1,451,923	1,451,923	1,486,580	(34,657)
Total Deferred Outflows of Resources	-	1,451,923	1,451,923	1,486,580	(34,657)
Total Assets	12,804,923	1,451,923	14,256,846	15,483,300	(1,226,454)
Liabilities					
Current Liabilities					
Accounts Payable	166,551		166,551	441,613	(275,062)
Accrued Payroll and Fringe Benefits	607,998		607,998	577,770	30,228
Accrued Payroll	380,076		380,076	345,272	34,804
Accrued Fringe Benefits	107,502		107,502	99,298	8,204
Other Accrued Liabilities	20,419		20,419	33,200	(12,781)
Accrued PTO & Sick Leave	100,000		100,000	100,000	-
Unearned Revenue	1,319,717		1,319,717	4,215,379	(2,895,662)
Unearned Revenue	1,101,415		1,101,415	3,682,187	(2,580,772)
Unearned Revenue-Member Dues	516,521		516,521	623,726	(107,205)
Unearned Revenue-Indirect Reserve	(217,027)		(217,027)	(52,977)	(164,050)
Unearned Revenue-Fringe Benefit Reserve	(81,193)		(81,193)	(37,557)	(43,636)
Accrued Building/Equipment Lease	127,266		127,266	137,416	(10,150)
Total Current Liabilities	2,221,531		2,221,531	5,372,178	(3,150,647)
Non-Current					
Accrued PTO & Sick Leave	520,922		520,922	528,849	(7,927)
Other Mortgages-Deferred Income	-		-	3,255	(3,255)
Accrued Building/Equipment Lease	5,134,431		5,134,431	5,614,005	(479,574)
GASB 68 & 75	-	2,000,733	2,000,733	4,689,161	(2,688,428)
Total Non-Current	5,655,353	2,000,733	7,656,086	10,835,270	(3,179,184)
Deferred Inflows of Resources - GASB 68 & 75	-	4,921,120	4,538,857	4,538,857	4,538,857
Total Deferred Inflows of Resources	-	4,921,120	4,921,120	4,538,857	382,263
Total Liabilities	7,876,884	6,921,853	14,798,737	20,746,305	(5,947,568)
Net Position					
Beginning Net Position	511,978		511,978	(1,400,466)	1,912,444
Current YTD Net Income	(1,053,868)		(1,053,868)	(3,862,539)	2,808,671
Total Net Position	4,928,040	(5,469,930)	(541,890)	(5,263,005)	4,721,115
Total Liabilities and Net Position	12,804,924	1,451,923	14,256,847	15,483,300	(1,226,453)