



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

111 Liberty St., Suite 111
Columbus, Ohio 43215
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Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstедler, Chief Operating Officer

DATE: January 29, 2024

SUBJECT: Financial Report – December 2023

Summary

As of December 31, 2023, expenses totaled \$15,100,937 or 65% of the year's total budgeted expenses of \$23,231,714. The operating reserve (investment and cash accounts) was \$2,672,778. A net loss from all operations was recorded year-to-date as of December 31, 2023. The actual fringe and indirect rate variances were unfavorable.

Note that these financial statements are not final. Final year-end adjustments have not yet been posted.

Budget vs. Expenses

Expenses through quarter ending December 31, 2023, totaled \$15,100,937 or 65% of the year's total budgeted expenses of \$23,231,714.

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

- 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. Over-spending associated with Weatherization programs of \$262,285 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 \$631,496.
- Services to Members & Development is under-budget by \$11,292 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

- 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 \$465,068.
- 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 \$302,630.
- The Gohio Commute Program has had \$232,175 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 \$147,678 under budget.

Under-spending associated with Housing programs of \$1,079,100 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 \$374,688, \$499,063, and \$188,659 and \$16,690 total other miscellaneous programs. 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 December 31, 2023, the cash account held \$1,014,324, while the investment account had a balance of \$1,658,454. The investment account is held in STAROhio. Combining both accounts equated to \$2,672,778, or 42 days of budgeted expenses, which is less than the 60-day target threshold identified in the Operating Reserve Policy. The combined balance is less than in past quarters due to some funders paying MORPC invoices in a delayed manner. Interest earned and allocated to the operating reserve year-to-date through December 31, 2023, was \$83,773. In December 2023, a transfer of \$100,000 was made from the Management Reserve Account to the Operating Fund. The intention was to cover minor losses incurred in our programs, primarily the Columbia Gas Warm Choice program.

Operating Income (Change in Net Position)

There was a decrease in net position (loss from operations) for the year-to-date through December 31, 2023. The decrease was (\$1,164,787). The decrease was the result of:

- A (\$919,902) 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. As expected, this operating loss is due to the fact that revenue was recognized in prior years.
- A (\$173,879) net loss year-to-date for the Columbia Gas Warm Choice Program; and
- A (\$156,299) net loss year-to-date for depreciation related to leasehold improvements as expected.

The losses were partially offset by a gain of \$83,773 to investment income and other miscellaneous net gains of \$1,520.

Member Dues

Member dues revenue was \$1,446,701 for the year-to-date ending December 31, 2023. Use of member dues was under budget by \$11,292. 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	\$876,661	\$871,119	\$5,542
Local Matching Funds/Reserve	\$236,508	\$236,762	(\$254)
Development Fund	\$112,601	\$109,825	\$2,776
Building Lease	\$174,101	\$180,425	(\$6,324)
Diversity, Equity, & Inclusion	\$49,830	\$44,607	\$5,223
Other	\$8,291	\$3,963	\$4,329
Total	\$1,457,993	\$1,446,701	11,292

Fringe Benefit and Indirect (Overhead) Variances

Fringe Benefits

While fringe expenses were underbudget for the year, the direct labor shortage resulted in less fringe benefit funding than budgeted. The actual fringe benefit cost rate for the year-to-date is 60.06%, which is greater than the budgeted rate of 57.50%, creating an unfavorable variance for the year-to-date of \$101,627. The under-collection will be incorporated into the 2025 Indirect Cost Allocation Plan (ICAP) for collection in that year.

Indirect (Overhead)

While indirect expenses were underbudget for the year, the direct labor shortage resulted in less indirect funding than budgeted. The actual indirect cost variance for the year-to-date is 65.42%, which is greater than the budgeted rate of 62.50%, resulting in an unfavorable variance for the year-to-date of \$249,092. The under-collection will be incorporated into the 2025 ICAP for collection in that year.

Statement of Net Position

- On December 31, 2023, operating cash on hand was \$1,014,325 which was equal to 16 days of budgeted cash flow. The operating reserve investment account was \$1,658,453 and management reserve was \$16,213. (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. \$73 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 \$2,619,916 compared to \$3,354,687 as of December 31, 2023. The reduction can be attributed to more timely collection of outstanding receivables for grants from some funders.
- 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 \$4,817,120 as of December 31, 2023.

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR-TO-DATE ENDING December 31, 2023

	Year-to-Date Budget	Year-to-Date Actual	Variance under / (over)
Revenues			
Transportation	\$ 7,000,423	\$ 3,912,047	\$ 3,088,376
Infrastructure & Econ. Dev.	\$ 1,196,721	\$ 536,622	\$ 660,099
Planning & Sustainability	\$ 3,514,027	\$ 3,080,111	\$ 433,916
Weatherization	\$ 3,209,887	\$ 3,187,057	\$ 22,830
Housing	\$ 2,845,564	\$ 1,748,624	\$ 1,096,940
Services to Members & Development	\$ 1,221,486	\$ 1,210,194	\$ 11,292
Other	\$ 870,695	\$ 261,496	\$ 609,199
Potential Funding	\$ 3,372,911	\$ -	\$ 3,372,911
Total Operating Revenues	\$ 23,231,714	\$ 13,936,150	\$ 9,295,564
Expenses by Program Area			
Transportation	\$ 7,000,423	\$ 3,922,482	\$ 3,077,941
Infrastructure & Econ. Dev.	\$ 1,196,721	\$ 976,556	\$ 220,165
Planning & Sustainability	\$ 3,514,027	\$ 3,081,880	\$ 432,147
Weatherization	\$ 3,209,887	\$ 3,472,172	\$ (262,285)
Housing	\$ 2,845,564	\$ 1,748,618	\$ 1,096,946
Services to Members & Development	\$ 1,221,486	\$ 1,210,194	\$ 11,292
Other	\$ 870,695	\$ 689,035	\$ 181,660
Potential Funding	\$ 3,372,911	\$ -	\$ 3,372,911
Total Expenses by Program Area	\$ 23,231,714	\$ 15,100,937	\$ 8,130,777
Expenses by Account Category			
Salaries and Benefits	\$ 9,919,582	\$ 8,763,015	\$ 1,156,567
Materials and Supplies	\$ 201,977	\$ 137,325	\$ 64,652
Services, Charges, & Other	\$ 6,413,826	\$ 2,262,150	\$ 4,151,676
Subcontracted Services	\$ 6,508,098	\$ 2,957,922	\$ 3,550,176
Depreciation and Amortization	\$ 188,231	\$ 980,526	\$ (792,295)
Total Expenses by Account Category	\$ 23,231,714	\$ 15,100,937	\$ 8,130,777
Operations income (loss)	\$ 0	\$ (1,164,787)	\$ 1,164,787
Increase (decrease) in net position	\$ 0	\$ (1,164,787)	\$ 1,164,787

STATEMENT OF NET POSITION AS OF DECEMBER 31, 2023

	Balance at 12/31/2023 excludes impact of GASB 68 & 75	GASB 68 & 75 (Pension & OPEB) 12/31/2023	Balance at 12/31/2023 includes impact of GASB 68 & 75	Balance at 12/31/2022 includes impact of GASB 68 & 75	Yearly Difference
Assets					
Current Assets					
Cash	1,014,325		1,014,325	904,494	109,830
Cash-Designated for Building Improvement	73		73	4,534	(4,461)
Cash-Operating Reserve	1,658,454		1,658,454	1,574,681	83,773
Cash-Management Reserve	16,213		16,213	110,783	(94,570)
Cash-Greenways Fund	32,714		32,714	32,714	-
Cash-Rapid 5 Project Fund	-		-	-	-
Accounts Receivable	2,619,916		2,619,916	3,354,687	(734,771)
Prepaid Expenses	136,119		136,119	178,238	(42,119)
Total Current Assets	5,477,813		5,477,813	6,160,131	(682,318)
Non-Current Assets					
Forgivable Mortgages	-		-	2,255	(2,255)
Assets Net of Accumulated Depreciation	1,485,952		1,485,952	1,533,703	(47,751)
Fixed Assets	2,297,884		2,297,884	2,159,811	138,073
Contributed Assets	229,492		229,492	229,492	-
Accumulated Depreciation	(1,041,424)		(1,041,424)	(855,600)	(185,824)
Intangible Asset Building/Equipment Lease/IT Subscriptions Net of Accumulated Amortization	5,185,429		5,185,429	5,528,438	(343,009)
Total Non-Current Assets	6,671,381		6,671,381	7,064,396	(393,015)
Deferred Outflows of Resources - GASB 68 & 75	-	1,451,923	1,451,923	1,451,923	-
GASB 68 Pension		1,404,273	1,404,273	1,404,273	-
GASB 75 OPEB		47,650	47,650	47,650	-
Total Deferred Outflows of Resources	-	1,451,923	1,451,923	1,451,923	-
Total Assets	12,149,194	1,451,923	13,601,117	14,676,450	(1,075,333)
Liabilities					
Current Liabilities					
Accounts Payable	367,966		367,966	409,963	(41,998)
Accrued Payroll and Fringe Benefits	455,448		455,448	448,875	6,573
Accrued Payroll	241,756		241,756	227,071	14,685
Accrued Fringe Benefits	78,722		78,722	77,676	1,046
Other Accrued Liabilities	34,969		34,969	44,128	(9,159)
Accrued PTO & Sick Leave	100,000		100,000	100,000	-
Unearned Revenue	742,303		742,303	247,487	494,816
Unearned Revenue	869,399		869,399	423,089	446,310
Unearned Revenue-Member Dues	260,247		260,247	102,990	157,257
Unearned Revenue-Indirect Reserve	(229,473)		(229,473)	(150,574)	(78,899)
Unearned Revenue-Fringe Benefit Reserve	(157,870)		(157,870)	(128,018)	(29,852)
Accrued Building/Equipment Lease	531,335		531,335	501,688	29,647
Accrued IT Subscriptions	107,289		107,289	-	107,289
Total Current Liabilities	2,204,340		2,204,340	1,608,014	596,326
Non-Current					
Accrued PTO & Sick Leave	475,653		475,653	520,033	(44,380)
Other Mortgages-Deferred Income	-		-	2,255	(2,255)
Accrued Building/Equipment Lease	4,652,080		4,652,080	5,112,316	(460,236)
Accrued SBITA	-		-	-	-
GASB 68 & 75	-	2,000,733	2,000,733	2,000,733	-
Total Non-Current	5,127,734	2,000,733	7,128,467	7,635,338	(506,871)
Deferred Inflows of Resources - GASB 68 & 75	-	4,921,120	4,921,120	4,921,120	4,538,857
Total Deferred Inflows of Resources	-	4,921,120	4,921,120	4,921,120	-
Total Liabilities	7,332,073	6,921,853	14,253,926	14,164,471	89,455
Net Position					
Beginning Net Position	511,977		511,977	(1,400,466)	1,912,443
Current YTD Net Income	(1,164,787)		(1,164,787)	1,912,443	(3,077,230)
Total Net Position	4,817,120	(5,469,930)	(652,810)	511,977	(1,164,787)
Total Liabilities and Net Position	12,149,193	1,451,923	13,601,116	14,676,450	(1,075,334)