



MID-OHIO REGIONAL
MORPC
PLANNING COMMISSION

111 Liberty Street, Suite 100
Columbus, Ohio 43215
morpc.org

T. 614. 228.2663
TTY. 1.800.750.0750
info@morpc.org

Memorandum

TO: William Murdock, Executive Director
Executive Committee

FROM: Shawn Hufstedler
Chief Operating Officer

DATE: January 30, 2023

SUBJECT: Financial Report – December 2022

Summary

As of December 31, 2022, expenses totaled \$14,772,940 or 67.2% of the year's total budgeted expenses of \$21,996,884. The operating reserve (investment and cash accounts) was \$2,441,696. A net loss from all operations was recorded year-to-date as of December 31, 2022. The actual fringe and indirect rate variances were favorable.

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, 2022 totaled \$14,772,940 or 67.2% of the year's total budgeted expenses of \$21,996,884.

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

- Underspending associated with Weatherization programs of \$1,738,671 can be attributed to lower production than originally anticipated with the Columbia Gas Warm Choice Program, and to a lesser extent with the HWAP Program.
- Underspending with Housing programs of \$1,255,063 can be attributed to lower utilization than originally projected with new housing programs (i.e., Ohio Dept. of Health Lead-Safe Home Fund and HUD Healthy Homes Production Program Grant).
- Greater turnover than anticipated is associated with underspending in various programs.

Additionally, MORPC budgeted \$2,462,156 for potential programs/projects that have not been funded at this time.

William Murdock, AICP
Executive Director

Erik J. Janas
Chair

Chris Amorose Groomes
Vice Chair

Michelle Crandall
Secretary

Operating Cash/Reserve

MORPC's operating reserve consists of operating cash and investment accounts. The \$1,574,681 balance of the investment account as of December 31, 2022 is held in STAROhio. \$300,000 was transferred from the operating investment account to the operating cash account in December 2019. In October 2021, MORPC transferred from the operating cash account back to the operating investment account \$225,000 of the corresponding maximum \$450,000 authorized for that purpose in the 2021 revised budget. An additional \$225,000 was transferred from the operating cash account to the operating investment account in December 2022 to fully replenish and further bolster the investment account.

Combining both the operating investment account of \$1,574,681 and the operating cash account of \$904,494 as of December 31 equated to \$2,479,175, or 41 days of budgeted expenses, which is 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 December 31, 2022 was \$17,812.

Operating Income (Change in Net Position)

There was a decrease in net position (loss from operations) for the year ending December 31, 2022. For illustrative purposes only, the decrease was (\$131,223) if you exclude the impact of the end of 2021 accounting adjustment to record unspent COTA local funds as 2021 revenue. The decrease was primarily the result of:

- A \$37,124 net loss year-to-date in the Central Ohio Greenways Fund, which is held at the Columbus Foundation and relates to funds received and recorded as revenue in 2021; and
- Total year-to-date depreciation related to leasehold improvements of (\$151,561).

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 was (\$3,634,270). 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)**. The 2022 year-end entries related to these transactions have not yet been booked.

Member Dues

Member dues revenue was \$1,360,760 for the year-to-date ending December 31, 2022. Use of member dues was under budget by \$84,009, excluding the prior year dues budgeted for building due diligence and leasehold improvements. The under-budget amount will be recorded as a gain to our net income during the year-end close process. In December 2022, a \$225,000 transfer of dues from the operating cash account to the operating investment account was made to replenish and further bolster the operating investment account as approved in the 2021 revised budget and budgeted and appropriated in 2022. Use of all current year and prior year member dues, including building due diligence and office improvement activities, was as follows:

<u>Use of Member Dues</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance (Over) Under</u>
Services to Members	\$704,687	\$742,702	(\$38,015)
Local Matching Funds/Reserve	\$332,671	\$231,096	\$101,575
Development Fund	\$97,431	\$93,275	\$4,156
Building Lease	\$164,437	\$164,437	\$0
Diversity, Equity, & Inclusion	\$45,300	\$42,740	\$2,560
Leasehold Improvements & ---- ----Building Due Diligence	\$247,500	\$0	\$247,500
Other	\$16,234	\$2,500	\$13,734
Total	\$1,608,260	\$1,276,750	\$331,510

Fringe Benefit and Indirect (Overhead) Variances

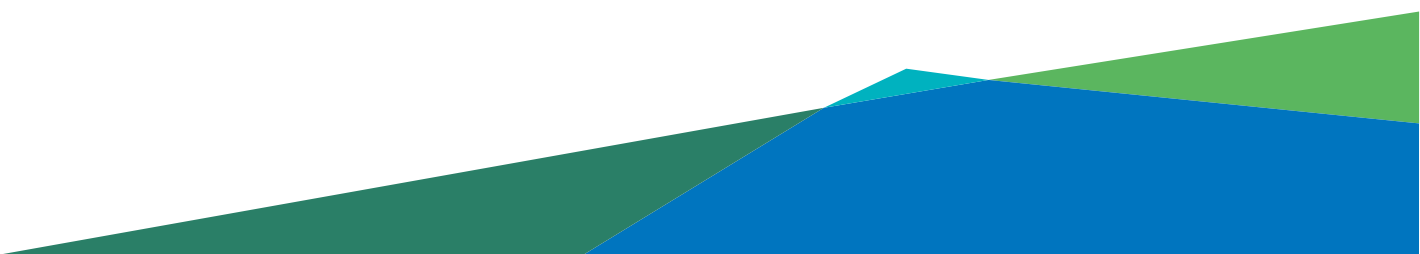
Fringe Benefits

The actual fringe benefit cost rate for the year-to-date is 55.85%, which is lower than the budgeted rate of 57.00%, creating a favorable variance for the year-to-date of \$40,933.

Indirect (Overhead)

The actual indirect cost variance for the year-to-date is 61.73% which is lower than the budgeted rate of 63.00%, resulting in a favorable variance for the year-to-date of \$96,435.

Statement of Net Position

- Operating cash on hand was \$904,494, which was equal to 15 days of budgeted cash flow. The operating reserve account is \$1,574,681; the building reserve account balance is \$0; and management reserve is \$110,783. The building improvement/maintenance fund holds \$4,534. The remaining cash balance for the building reserve and \$190,000 of 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.
 - The Central Ohio Greenways Fund is administered and held by the Columbus Foundation and had a balance of \$30,511 as of December 31, 2022. The Rapid 5 Project Fund had also been administered and held by the foundation, but ownership of the fund was transferred to the Rapid 5 nonprofit in early September as donations made to the fund were to benefit the Rapid 5 project.
 - Accounts Receivable totaled \$3,147,814 compared to \$1,469,969 as of December 31, 2021. The difference compared to the prior year was primarily due to outstanding receivables for grants. We are working with our funders and expect collection to occur soon.
 - Accounts Payable plus Other Accrued Liabilities totaled \$654,246 compared to \$531,794 as of December 31, 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 \$2,706,702 as of December 31, 2022
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MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL FOR THE YEAR-TO-DATE ENDING
 DECEMBER 2022 (in thousands) - EXCLUDES THE IMPACT OF END OF 2021 ACCOUNTING ADJUSTMENT
 FOR REVENUE

	Year-to-Date Actual	Year-to-Date Budget	Variance over / (under)
Revenues			
Transportation	6,028	7,076	(1,048)
Infrastructure & Econ. Dev.	1,057	1,539	(482)
Planning & Sustainability	1,169	1,217	(49)
Weatherization	3,166	4,900	(1,734)
Housing	1,623	2,858	(1,236)
Services to Members & Development	1,046	1,028	18
Other	553	916	(363)
Potential Funding	0	2,462	(2,462)
Total Operating Revenues	14,642	21,997	(7,355)
Expenses by Program Area			
Transportation	6,028	7,076	(1,048)
Infrastructure & Econ. Dev.	1,057	1,539	(482)
Planning & Sustainability	1,206	1,217	(11)
Weatherization	3,162	4,900	(1,739)
Housing	1,603	2,858	(1,255)
Services to Members & Development	1,046	1,028	18
Other	671	916	(245)
Potential Funding	0	2,462	(2,462)
Total Expenses by Program Area	14,773	21,997	(7,224)
Expenses by Account Category			
Salaries and Benefits	7,766	9,098	(1,332)
Materials and Supplies	245	242	3
Services, Charges, & Other	3,182	6,553	(3,371)
Subcontracted Services	2,906	5,918	(3,012)
Depreciation and Amortization	673	185	488
Total Expenses by Account Category	14,773	21,997	(7,224)
Operations income (loss)	(131)	0	(131)
Increase (decrease) in net position	(131)	0	(131)

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL FOR THE YEAR-TO-DATE ENDING DECEMBER 2022 (in thousands)

	Year-to-Date Actual	Year-to-Date Budget	Variance over / (under)
Revenues			
Transportation	6,028	7,076	(1,048)
Infrastructure & Econ. Dev.	1,057	1,539	(482)
Planning & Sustainability	1,169	1,217	(49)
Weatherization	3,166	4,900	(1,734)
Housing	1,623	2,858	(1,236)
Services to Members & Development	1,046	1,028	18
Other	(2,950)	916	(3,866)
Potential Funding	0	2,462	(2,462)
Total Operating Revenues	11,139	21,997	(10,858)
Expenses by Program Area			
Transportation	6,028	7,076	(1,048)
Infrastructure & Econ. Dev.	1,057	1,539	(482)
Planning & Sustainability	1,206	1,217	(11)
Weatherization	3,162	4,900	(1,739)
Housing	1,603	2,858	(1,255)
Services to Members & Development	1,046	1,028	18
Other	671	916	(245)
Potential Funding	0	2,462	(2,462)
Total Expenses by Program Area	14,773	21,997	(7,224)
Expenses by Account Category			
Salaries and Benefits	7,766	9,098	(1,332)
Materials and Supplies	245	242	3
Services, Charges, & Other	3,182	6,553	(3,371)
Subcontracted Services	2,906	5,918	(3,012)
Depreciation and Amortization	673	185	488
Total Expenses by Account Category	14,773	21,997	(7,224)
Operations income (loss)	(3,634)	0	(3,634)
Increase (decrease) in net position	(3,634)	0	(3,634)

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENT OF NET POSITION AS OF DECEMBER 31, 2022 (in thousands)

	Balance at 12/31/2022 excludes impact of GASB 68 & 75	GASB 68 & 75 12/31/2022	Balance at 12/31/2022 includes impact of GASB 68 & 75	Balance at 12/31/2021 includes impact of GASB 68 & 75	Yearly Difference
Assets					
Current Assets					
Cash	904		904	2,434	(1,530)
Cash-Designated for Building Improvement	5		5	194	(189)
Cash-Operating Reserve	1,575		1,575	1,326	249
Cash-Building Reserve	0		0	450	(450)
Cash-Management Reserve	111		111	109	2
Cash-Greenways Fund	31		31	79	(49)
Accounts Receivable	3,148		3,148	1,470	1,678
Prepaid Expenses	189		189	160	29
Total Current Assets	5,962		5,962	6,222	(260)
Non-Current Assets					0
Forgivable Mortgages	2		2	8	(5)
Assets Net of Accumulated Depreciation	1,534		1,534	1,585	(51)
Intangible Asset Building/Equipment Lease Net of Accumulated Amortization	5,654		5,654	0	5,654
Total Non-Current Assets	7,190		7,190	1,593	5,598
Deferred Outflows of Resources - GASB 68 & 75		1,487	1,487	2,257	(771)
Total Deferred Outflows of Resources	0		1,487	2,257	(771)
Total Assets	13,152		14,639	10,072	4,567
Liabilities					
Current Liabilities					
Accounts Payable	203		203	133	70
Accrued Payroll and Fringe Benefits	451		451	399	52
Unearned Revenue	3,637		3,637	4,333	(696)
Accrued Building/Equipment Lease	1		1	0	1
Total Current Liabilities	4,293		4,293	4,865	(573)
Non-Current					
Accrued PTO & Sick Leave	497		497	513	(16)
Other Mortgages-Deferred Income	2		2	8	(5)
Accrued Building/Equipment Lease	5,654		5,654	0	5,654
GASB 68 & 75	0	4,689	4,689	11,244	(6,555)
Total Non-Current	6,153		10,842	11,764	(922)
Deferred Inflows of Resources - GASB 68 & 75		4,539	4,539	4,539	4,539
Total Deferred Inflows of Resources	0		4,539	2,953	1,586
Total Liabilities	10,446		19,674	19,583	91
Net Position					
Beginning Net Position	(1,400)		(1,400)	(8,561)	7,161
Current YTD Net Income	(3,634)		(3,634)	(950)	(2,684)
Total Net Position	2,707	(7,741)	(5,035)	(9,511)	4,477
Total Liabilities and Net Position	13,152		14,639	10,072	4,567