



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: April 22, 2022
Subject: Financial Statements for the eight months ended February 28, 2022

OVERALL COMMENTS:

Attached are the financial statements for the eight months ended February 28, 2022.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2022 budget approved at the meeting of the Commission during its teleconference on August 4, 2021.

Membership assessments, Joint Audit Program fees, and Nexus Program fees are recognized ratably throughout the year.

Administrative Services expenses are allocated based on the relative expenses of each department that receives an allocation.

Favorable variances (for revenue or expense items) are shown as positive numbers and unfavorable variances (for revenue or expense items) are shown as negative numbers.

BUDGET AND FUND SUMMARY – An Overview:

General Operations Program:

The \$226,854 surplus is substantially explained by the large positive impact on revenue of California joining the Commission as a Sovereignty Member on October 1, 2021.

Audit Program:

The \$94,991 surplus is primarily the result of two items:

- Georgia rejoining the Audit Program effective July 1, 2022
- Travel expenses are still well below the budgeted amount because of the continuing effects of the COVID-19 pandemic.

Training Program:

No training schools were held in the eight-month period ended February 28, 2022. But there are ongoing expenses related to the annual cost of the meeting registration service used by the MTC and costs related to the development of certain e-learning training courses.

INCOME STATEMENT - Revenues:

The attached spreadsheet "Variances In Program Fee Revenue For FY 2022" provides the detail behind the favorable variances in membership and program related fee revenue for FY 2022 through February 28, 2022.

Conference Fees for the summer annual conference were \$4,645 versus the budgeted \$25,500. The per registrant fee for the remote annual conference was set at a much lower level than the budgeted per registrant fee for the anticipated in-person July 2021 annual conference. Thus, there is a \$20,855 unfavorable variance in conference fee revenue. That is offset with the below budget catering and audio-visual expenses as described in the next section.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, Employee Insurance & Benefits, and Employer Payroll Taxes taken together are substantially as budgeted. There is only one vacant position as of February 28, 2022. That position became vacant when Tom Shimkin, Legislative Adviser, retired in December 2021. The effects of that vacancy are minor for the eight months being reported on.

Travel has a \$28,343 favorable variance due to continuing reduced travel related to effects of the coronavirus pandemic.

Catering and Audio-visual has a \$10,345 favorable variance because no in-person committee meetings and no in-person annual conference were held in the summer of 2021.

Consultant/Contractor Fees has a \$14,613 unfavorable variance due to the use of consultants in several areas:

- Migration from Microsoft Dynamics server-based accounting software to Microsoft Dynamics cloud-based accounting software
- Training for MTC management staff
- E-learning producer/video editor/consultant for certain training courses



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Budget and Fund Summary
For the Eight Months Ending Monday, February 28, 2022

	Current Period		Variance	Year-to Date		Variance
	Budget	Actual		Budget	Actual	
OPERATIONS BY PROGRAM & TOTAL						
GENERAL OPERATIONS PROGRAM						
Revenues	\$144,027	\$186,880	\$42,853	\$1,422,774	\$245,055	
Expenses	138,887	135,065	3,822	1,195,920	(13,626)	
SURPLUS/DEFICIT - GEN OPERATIONS	5,140	51,815	46,675	226,854	231,429	
ADMINISTRATIVE SERVICES						
Revenues						
Expenses						
SURPLUS/DEFICIT - ADMIN. SERVICES						
AUDIT PROGRAM						
Revenues and Transfers	390,610	394,485	3,875	3,155,878	30,998	
Expenses	389,807	380,523	9,284	3,060,887	62,572	
SURPLUS/DEFICIT - AUDIT	803	13,962	13,159	94,991	93,570	
NEXUS PROGRAM						
Revenues and Transfers	69,137	73,247	4,110	558,040	4,941	
Expenses	68,359	69,872	(1,513)	555,252	(2,379)	
SURPLUS/DEFICIT - NEXUS PROGRAM	778	3,375	2,597	2,788	2,562	
TRAINING & EDUCATION						
Revenues and Transfers	550	9,784	(9,234)	4,400	(16,717)	
Expenses	(550)	(9,784)	(9,234)	(4,400)	(16,717)	
SURPLUS/DEFICIT - TRAINING & EDUCATION						
OTHER PROJECTS (SITAS)						
Revenues and Transfers						
Expenses						
SURPLUS/DEFICIT - OTHER PROJECTS						
TOTAL OPERATIONS						
Revenues and Transfers	603,775	654,612	50,837	4,855,697	5,136,691	280,994
Expenses	597,603	595,244	2,359	4,863,027	4,833,176	29,851
SURPLUS/DEFICIT - TOTAL OPERATIONS	6,172	59,368	53,196	(7,330)	303,515	310,845



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Eight Months Ending 2/28/2022

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
REVENUES					
MEMBER ASSESSMENTS	\$116,456	\$162,490	\$931,644	\$1,161,814	\$230,170
OPERATIONS SUPPORT SURCHARGE-AUDIT	17,475	18,245	139,799	145,962	6,163
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,889	5,889	47,109	47,109	0
AUDIT PROGRAM FEES	390,610	394,485	3,124,880	3,155,878	30,998
INVESTMENT INCOME	5,083	4,285	40,667	67,462	26,795
NEXUS PROGRAM FEES	68,221	69,155	545,765	553,237	7,472
CONFERENCE FEES	0	0	25,500	4,645	(20,855)
MISCELLANEOUS REVENUE	42	64	333	585	252
TOTAL REVENUES	\$603,776	\$654,613	\$4,855,697	\$5,136,692	\$280,995
EXPENSES					
SALARIES	\$368,494	\$358,549	\$2,947,949	\$2,944,771	\$3,178
RETIREMENT (401 plan)	39,451	36,709	315,611	304,359	11,252
EMPLOYEE INSUR & BENEFITS	90,782	84,471	726,252	678,312	47,940
EMPLOYER PAYROLL TAXES	12,196	14,365	97,566	114,495	(16,929)
ADVERTISING	42	0	333	0	333
SUBSCRIPTIONS & PUBLICATIONS	6,733	8,414	53,867	74,330	(20,463)
TRAVEL	12,344	7,077	101,850	73,507	28,343
TRAVEL-MEMBERS	417	0	3,333	0	3,333
RENT AND UTILITIES	39,882	40,060	319,053	315,996	3,057
CONSUMABLE & DURABLE SUPPLIES	1,850	3,786	16,000	16,011	(11)
POSTAGE, POST EQUIP RENTAL & FREIGHT	588	392	6,500	2,451	4,049
PRINTING	21	8	767	8	759
TELEPHONE SERVICE&VIDEO CONFERENCING	4,687	3,993	37,500	29,864	7,636
INTERNET ACCESS	4,423	4,100	35,380	34,730	650
EMPLOYEE TRAINING	1,300	0	10,400	9,045	1,355
CATERING & AUDIO-VISUAL	83	360	61,167	50,822	10,345
CONSULTANTS/CONTRACTOR-EXPENSES	0	0	0	850	(850)
CONSULTANT/CONTRACTOR FEES	1,125	3,422	9,000	23,613	(14,613)
CONSULTING FEES/LEGAL	42	42	333	820	(487)
401 & 457 PLAN TRUSTEES FEES	0	0	0	3,000	(3,000)
INVESTMENT ADVISORY FEES	4,333	5,000	34,667	39,412	(4,745)
BUSINESS INSURANCE	1,583	1,927	12,667	14,264	(1,597)
MAINTENANCE	858	562	6,867	2,928	3,939
MISCELLANEOUS	1,288	2,378	10,300	7,907	2,393
AUDIT & PAYROLL SERVICES	417	237	18,333	16,400	1,933
SOFTWARE LICENCES	4,167	15,501	33,333	53,507	(20,174)
TOTAL OPERATION EXPENSES	\$597,106	\$591,311	\$4,859,028	\$4,811,402	\$47,626
FURNITURE & EQUIPMENT	\$500	\$3,932	\$4,000	\$21,776	(\$17,776)
EXCESS REVENUE (EXPENSES)	\$6,170	\$59,370	(\$7,331)	\$303,514	\$310,845



MULTISTATE TAX COMMISSION
Balance Sheet
For the Eight Months Ending 2/28/2022

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ASSETS

CURRENT ASSETS

Cash in Banks	\$807,473	
Investments	7,508,532	
Petty Cash	262	
Accounts Receivable - Program Fees	349,384	
Prepaid Health Insurance	68,999	
Prepaid Maintenance	14,657	
Prepaid Rent	335	
Prepaid Meeting Costs	23,429	
Prepaid Subscriptions	29,718	
Prepaid Other	5,000	
		<hr/>

TOTAL CURRENT ASSETS **\$8,807,789**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	544,350	
Leasehold Improvements	429,396	
Less: Accum Depr'd & Amortization	(637,469)	
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TOTAL PROPERTY AND EQUIPMENT **\$336,278**

OTHER ASSETS

Expense Account Advances	\$5,000	
Rent Deposits	335	
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TOTAL OTHER ASSETS **\$5,335**

TOTAL ASSETS **\$9,149,402**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$8,005	
Other Current Liabilities	129,871	
Accrued Vacation Pay	549,667	
Payroll Taxes Payable	183	
Unearned Program Fees	2,607,770	
Unearned Registration Fees	100	
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TOTAL CURRENT LIABILITIES **\$3,295,596**

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715	
Appropriated Fund Bal-Equipment Reserve	120,206	
Restricted Fund Balance-Cumm	1,210,053	
Unappropriated Fund Balance-Cummula	3,642,540	
Unappropriated Fund Balance-Current	303,515	
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TOTAL FUND BALANCE **\$5,832,030**

Add Back Asset Exp from Budget Rept	21,776	
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TOTAL LIABILITIES & FUND BALANCE **\$9,149,402**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
 For the Eight Months Ending 2/28/2022

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
REVENUES BY PROGRAM TYPE					
GENERAL OPERATIONS					
MEMBER ASSESSMENTS	\$116,456	\$162,490	\$931,644	\$1,161,814	\$230,170
OPERATIONS SUPPORT SURCHARGE-AUDIT	17,475	18,245	139,799	145,962	6,163
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,889	5,889	47,109	47,109	0
INVESTMENT INCOME	4,167	193	33,333	62,658	29,325
CONFERENCE FEES	0	0	25,500	4,645	(20,855)
MISCELLANEOUS REVENUE	42	64	333	585	252
TOTAL REVENUES-GENERAL OPERATIONS	\$144,029	\$186,881	\$1,177,718	\$1,422,773	\$245,055
ADMINISTRATIVE SERVICES					
AUDIT PROGRAM					
AUDIT PROGRAM FEES	390,610	394,485	3,124,880	3,155,878	30,998
TOTAL REVENUES-AUDIT	\$390,610	\$394,485	\$3,124,880	\$3,155,878	\$30,998
NEXUS PROGRAM					
INVESTMENT INCOME	917	4,092	7,333	4,804	(2,529)
NEXUS PROGRAM FEES	68,221	69,155	545,765	553,237	7,472
TOTAL REVENUES- NEXUS	\$69,138	\$73,247	\$553,098	\$558,041	\$4,943
TRAINING & EDUCATION					
SITAS					
TOTAL REVENUES	603,777	654,613	4,855,696	5,136,692	280,996



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Eight Months Ending 2/28/2022

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	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
				Variance
EXPENDITURES BY PROGRAM				
GENERAL OPERATIONS	\$138,887	\$135,065	\$1,182,294	\$1,195,920
AUDIT	389,807	380,523	3,123,459	3,060,887
NEXUS PROGRAM	68,359	69,872	552,873	555,252
TRAINING & EDUCATION	550	9,784	4,400	21,117
TOTAL EXPENDITURES	\$597,603	\$595,244	\$4,863,026	\$4,833,176
				\$29,850
EXPENDITURES BY MAJOR TYPE				
PERSONNEL	\$510,922	\$494,095	\$4,087,378	\$4,041,938
OPERATING EXPENSES	86,181	97,217	771,650	769,462
FURNITURE & EQUIPMENT	500	3,932	4,000	21,776
TOTAL EXPENDITURES	\$597,603	\$595,244	\$4,863,028	\$4,833,176
				(17,776)
				\$29,852



MULTISTATE TAX COMMISSION
Expenditure Details
 For the Eight Months Ending 2/28/2022

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
				Variance
EXPENDITURES BY PROGRAM TYPE				
GENERAL OPERATIONS				
PERSONNEL	\$91,350	\$82,060	\$730,804	\$733,920
OPERATING EXPENSES	23,429	26,206	258,631	264,448
EQUIPMENT	500	1,315	4,000	3,932
ADMINISTRATIVE SERVICES	23,607	25,485	188,859	193,620
TOTAL EXPENSES - GENERAL OPERATIONS	\$138,886	\$135,066	\$1,182,294	\$1,195,920
ADMINISTRATIVE SERVICES				
PERSONNEL	\$62,229	\$57,117	\$497,831	\$473,796
OPERATING EXPENSES	35,882	42,882	287,056	299,986
EQUIPMENT	0	2,617	0	7,342
ADMIN. SERVICES ALLOCATION	(98,111)	(102,617)	(784,888)	(781,123)
TOTAL EXPS - ADMIN. SERVICES	\$0	(\$1)	(\$1)	\$1
AUDIT				
PERSONNEL	\$310,610	\$308,282	\$2,484,877	\$2,465,074
OPERATING EXPENSES	15,899	6,859	132,190	96,264
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	63,299	65,382	506,393	499,549
TOTAL EXPS - AUDIT	\$389,808	\$380,523	\$3,123,460	\$3,060,887
NEXUS PROGRAM				
PERSONNEL	\$46,733	\$46,635	\$373,866	\$369,147
OPERATING EXPENSES	10,422	11,487	89,372	91,156
EQUIPMENT	0	0	0	6,996
ADMIN. SERVICES ALLOCATION	11,204	11,750	89,635	87,954
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$68,359	\$69,872	\$552,873	\$555,253
TRAINING & EDUCATION				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	550	9,784	4,400	17,610
EQUIPMENT	0	0	0	3,506
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$550	\$9,784	\$4,400	\$21,116
SPECIAL PROJECTS (SITAS)				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	0
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL SPECIAL PROJECTS (SITAS)	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$597,603	\$595,244	\$4,863,026	\$4,833,177
				\$29,849

**MULTISTATE TAX COMMISSION
VARIANCES IN FEE REVENUE FOR FY 2022**

Description	Fees For the Fiscal Year (12 months) ending June 30, 2022			Number of months revenue recognized in FEBRUARY, 2022 YTD Financial Report	Computed Variance: Favorable or (Unfavorable)
	As Budgeted	Final/Actual	Variance		
			Variance per month		
Memberships Fees					
California (joined as a Sovereignty state effective 10/01/2021)	0	414,306	414,306	46,034	5
Subtotal	\$0	\$414,306	\$414,306	\$46,034	\$230,170
General Operations Surcharge - Audit					
Georgia (participating in the Audit Program - income tax only effective 07/01/2021)	0	9,245	9,245	770	8
Subtotal	0	9,245	9,245	770	\$6,163
Audit Program Fees (Net of General Operations Surcharge)					
Georgia (participating in the Audit Program - income tax only effective 07/01/2021)	0	46,497	46,497	3,875	8
Subtotal	0	46,497	46,497	3,875	\$30,998
General Operations Surcharge - Nexus					
Subtotal	0	0	0	0	0
Nexus Program Fees (Net of General Operations Surcharge)					
Delaware (participating as a Nexus State effective 07/01/2021)	0	\$11,204	11,204	934	8
Subtotal	0	11,204	11,204	934	7,469
	\$0	\$481,252	\$481,252	\$51,613	TOTAL
					\$274,801

Year to date comparison of Budget to Actual Revenue and Expenses as of February 28, 2022

