



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: August 4, 2022
Subject: Financial Statements for the year ended June 22, 2022

OVERALL COMMENTS:

Attached are the financial statements for the year ended June 22, 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 \$347,776 surplus is primarily explained by the large positive impact on revenue with California joining the Commission as a Sovereignty Member on October 1, 2021.

Audit Program:

The \$23,582 surplus is primarily the result of Georgia rejoining the Audit Program effective July 1, 2022.

Training Program:

No training schools were held in the year ended June 30, 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 June 30, 2022.

Seminar Fees for the summer seminar were \$4,645 versus the budgeted \$25,500. The per registrant fee for the remote annual seminar 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 seminar 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.

Travel has a \$62,247 unfavorable variance related to an all-MTC staff professional development event (2-days) followed by an audit staff training program (2 days) held the first week of June at a hotel in Leesburg, Virginia. This expenditure was approved by the Executive Committee at its meeting on November 11, 2021, following the influx of significant unbudgeted revenue in FY 2022. That unanticipated and additional revenue arose due to California joining as a Sovereignty member on October 1, 2021, and Georgia rejoining the Audit Program.

Catering and Audio-visual has a \$43,356 favorable variance because no in-person committee meetings and no in-person annual seminar were held in the summer of 2021.

Consultant/Contractor Fees has a \$56,369 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
- Team building training for MTC staff
- E-learning producer/video editor/consultant for certain training courses



MULTISTATE TAX COMMISSION
Budget and Fund Summary
For the Twelve Months Ending Thursday, June 30, 2022

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Period: Twelve

	Budget	Current Period Actual	Variance	Budget	Year-to Date Actual	Variance
OPERATIONS BY PROGRAM & TOTAL						
GENERAL OPERATIONS PROGRAM						
Revenues	\$144,027	\$189,860	\$45,833	\$1,753,828	\$2,184,909	\$431,081
Expenses	138,886	176,711	(37,825)	1,753,341	1,837,133	(83,792)
SURPLUS/DEFICIT - GEN OPERATIONS	5,141	13,149	8,008	487	347,776	347,289
ADMINISTRATIVE SERVICES						
Revenues						
Expenses						
SURPLUS/DEFICIT - ADMIN. SERVICES						
AUDIT PROGRAM						
Revenues and Transfers	390,610	394,485	3,875	4,687,320	4,733,817	46,497
Expenses	389,807	480,203	(90,396)	4,685,189	4,710,235	(25,046)
SURPLUS/DEFICIT - AUDIT	803	(85,718)	(86,521)	2,131	23,582	21,451
NEXUS PROGRAM						
Revenues and Transfers	69,137	71,726	2,589	829,648	837,574	7,926
Expenses	68,359	79,630	(11,271)	829,310	848,024	(18,714)
SURPLUS/DEFICIT - NEXUS PROGRAM	778	(7,904)	(8,682)	338	(10,450)	(10,788)
TRAINING & EDUCATION						
Revenues and Transfers	24,000		(24,000)	173,000	4,700	(168,300)
Expenses	22,160	531	21,629	172,728	31,540	141,188
SURPLUS/DEFICIT - TRAINING & EDUCATION	1,840	(531)	(2,371)	272	(26,840)	(27,112)
OTHER PROJECTS (SITAS)						
Revenues and Transfers						
Expenses						
SURPLUS/DEFICIT - OTHER PROJECTS						
TOTAL OPERATIONS						
Revenues and Transfers	627,775	656,071	28,296	7,443,796	7,761,000	317,204
Expenses	619,213	737,076	(117,862)	7,440,568	7,426,931	13,637
SURPLUS/DEFICIT - TOTAL OPERATIONS	8,562	(81,004)	(89,566)	3,228	334,069	330,841



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Twelve Months Ending 6/30/2022

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Period:Twelve

	Budget	Current Period Actual	Variance	Budget	Year-to Date Actual	Variance
REVENUES						
MEMBER ASSESSMENTS	\$116,456	\$162,510	\$46,054	\$1,397,466	\$1,811,792	\$414,326
OPERATIONS SUPPORT SURCHARGE-AUDIT	17,475	18,245	770	209,698	218,943	9,245
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,889	5,889	0	70,664	70,664	0
AUDIT PROGRAM FEES	390,610	394,485	3,875	4,687,320	4,733,817	46,497
INVESTMENT INCOME	5,083	5,363	280	61,000	85,575	24,575
NEXUS PROGRAM FEES	68,221	69,155	934	818,648	829,855	11,207
SEMINAR FEES	0	0	0	25,500	4,645	(20,855)
MISCELLANEOUS REVENUE	42	425	383	500	1,010	510
TRAINING PROGRAM FEES	24,000	0	(24,000)	173,000	4,700	(168,300)
TOTAL REVENUES	\$627,776	\$656,072	\$28,296	\$7,443,796	\$7,761,001	\$317,205
EXPENSES						
SALARIES	\$375,080	\$367,238	\$7,842	\$4,473,442	\$4,383,495	\$89,947
RETIREMENT (401 plan)	40,145	36,689	3,456	479,019	451,484	27,535
EMPLOYEE INSUR & BENEFITS	91,586	82,174	9,412	1,100,387	999,402	100,985
EMPLOYER PAYROLL TAXES	12,470	14,034	(1,564)	147,896	170,797	(22,901)
ADVERTISING	42	0	42	500	636	(136)
SUBSCRIPTIONS & PUBLICATIONS	6,733	9,736	(3,003)	80,800	110,733	(29,933)
TRAVEL	16,244	92,198	(75,954)	173,825	236,072	(62,247)
TRAVEL-MEMBERS	417	0	417	5,000	0	5,000
RENT AND UTILITIES	39,882	40,472	(590)	478,579	476,376	2,203
CONSUMABLE & DURABLE SUPPLIES	2,350	5,491	(3,141)	24,300	27,386	(3,086)
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,087	169	918	10,150	3,636	6,514
PRINTING	1,221	137	1,084	3,300	1,212	2,088
TELEPHONE SERVICE&VIDEO CONFERENCING	4,688	2,537	2,151	56,250	43,308	12,942
INTERNET ACCESS	4,423	5,223	(800)	53,070	54,325	(1,255)
EMPLOYEE TRAINING	1,300	10,919	(9,619)	15,600	23,405	(7,805)
CATERING & AUDIO-VISUAL	4,683	0	4,683	148,800	105,444	43,356
CONSULTANTS/CONTRACTOR-EXPENSES	0	1,618	(1,618)	0	3,628	(3,628)
CONSULTANT/CONTRACTOR FEES	3,325	22,267	(18,942)	15,700	72,069	(56,369)
CONSULTING FEES/LEGAL	42	0	42	500	820	(320)
401 &457 PLAN TRUSTEES FEES	0	0	0	0	3,000	(3,000)
INVESTMENT ADVISORY FEES	4,333	4,400	(67)	52,000	57,735	(5,735)
BUSINESS INSURANCE	1,583	0	1,583	19,000	20,042	(1,042)
MAINTENANCE	858	191	667	10,300	4,353	5,947
MISCELLANEOUS	1,638	2,932	(1,294)	16,150	14,737	1,413
AUDIT & PAYROLL SERVICES	417	1,028	(611)	20,000	18,037	1,963
SOFTWARE LICENCES	4,167	2,706	1,461	50,000	84,888	(34,888)
TOTAL OPERATION EXPENSES	\$618,714	\$702,159	(\$83,445)	\$7,434,568	\$7,367,020	\$67,548
FURNITURE & EQUIPMENT	\$500	\$34,917	(\$34,417)	\$6,000	\$59,912	(\$53,912)
EXCESS REVENUE (EXPENSES)	\$8,562	(\$81,004)	(\$89,566)	\$3,228	\$334,069	\$330,841



MULTISTATE TAX COMMISSION
Balance Sheet
For the Twelve Months Ending 6/30/2022

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ASSETS

CURRENT ASSETS

Cash in Banks	\$816,670
Investments	5,476,645
Petty Cash	262
Prepaid Health Insurance	85,414
Prepaid Maintenance	7,364
Prepaid Rent	39,985
Prepaid Meeting Costs	3,109
Prepaid Subscriptions	78,669

TOTAL CURRENT ASSETS **\$6,508,117**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	582,486
Leasehold Improvements	429,396
Less: Accum Depred & Amortization	(637,469)

TOTAL PROPERTY AND EQUIPMENT **\$374,414**

OTHER ASSETS

Expense Account Advances	\$4,800
Rent Deposits	335

TOTAL OTHER ASSETS **\$5,135**

TOTAL ASSETS **\$6,887,666**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$61,513
Other Current Liabilities	130,822
Accrued Vacation Pay	534,989
Unearned Program Fees	222,097
Unearned Registration Fees	15,750

TOTAL CURRENT LIABILITIES **\$965,171**

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	334,069

TOTAL FUND BALANCE **\$5,862,584**

Add Back Asset Exp from Budget Rept	59,912
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TOTAL LIABILITIES & FUND BALANCE **\$6,887,666**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
For the Twelve Months Ending 6/30/2022

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Period: Twelve

	Budget	Current Period Actual	Variance	Budget	Year-to Date Actual	Variance
REVENUES BY PROGRAM TYPE						
GENERAL OPERATIONS						
MEMBER ASSESSMENTS	\$116,456	\$162,510	\$46,054	\$1,397,466	\$1,811,792	\$414,326
OPERATIONS SUPPORT SURCHARGE-AUDIT	17,475	18,245	770	209,698	218,943	9,245
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,889	5,889	0	70,664	70,664	0
INVESTMENT INCOME	4,167	2,792	(1,375)	50,000	77,855	27,855
SEMINAR FEES	0	0	0	25,500	4,645	(20,855)
MISCELLANEOUS REVENUE	42	425	383	500	1,010	510
TOTAL REVENUES-GENERAL OPERATIONS	\$144,029	\$189,861	\$45,832	\$1,753,828	\$2,184,909	\$431,081
ADMINISTRATIVE SERVICES						
AUDIT PROGRAM						
AUDIT PROGRAM FEES	390,610	394,485	3,875	4,687,320	4,733,817	46,497
TOTAL REVENUES-AUDIT	\$390,610	\$394,485	\$3,875	\$4,687,320	\$4,733,817	\$46,497
NEXUS PROGRAM						
INVESTMENT INCOME	917	2,572	1,655	11,000	7,719	(3,281)
NEXUS PROGRAM FEES	68,221	69,155	934	818,648	829,855	11,207
TOTAL REVENUES- NEXUS	\$69,138	\$71,727	\$2,589	\$829,648	\$837,574	\$7,926
TRAINING & EDUCATION						
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	0	0	15,750	0	(15,750)
INCOME TAX TRAINING SCHOOLS FEES	0	0	0	133,250	0	(133,250)
NEXUS SCHOOLS	24,000	0	(24,000)	24,000	0	(24,000)
LEGAL TRAINING SCHOOL	0	0	0	0	4,700	4,700
TOTAL REVENUES- TRAINING & EDUCATION	\$24,000	\$0	(\$24,000)	\$173,000	\$4,700	(\$168,300)
SITAS						
TOTAL REVENUES	627,777	656,073	28,296	7,443,796	7,761,000	317,204



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Twelve Months Ending 6/30/2022

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Period: Twelve

	Current Period		Variance	Year-to-Date		Variance
	Budget	Actual		Budget	Actual	
EXPENDITURES BY PROGRAM						
GENERAL OPERATIONS	\$138,886	\$176,711	(\$37,825)	\$1,753,341	\$1,837,133	(\$83,792)
AUDIT	389,807	480,203	(90,396)	4,685,189	4,710,235	(25,046)
NEXUS PROGRAM	68,359	79,630	(11,271)	829,310	848,024	(18,714)
TRAINING & EDUCATION	22,160	531	21,629	172,728	31,540	141,188
TOTAL EXPENDITURES	<u>\$619,212</u>	<u>\$737,075</u>	<u>(\$117,863)</u>	<u>\$7,440,568</u>	<u>\$7,426,932</u>	<u>\$13,636</u>
EXPENDITURES BY MAJOR TYPE						
PERSONNEL	\$519,282	\$500,134	\$19,148	\$6,200,744	\$6,005,178	\$195,566
OPERATING EXPENSES	99,431	202,024	(102,593)	1,233,824	1,361,841	(128,017)
FURNITURE & EQUIPMENT	500	34,917	(34,417)	6,000	59,912	(53,912)
TOTAL EXPENDITURES	<u>\$619,213</u>	<u>\$737,075</u>	<u>(\$117,862)</u>	<u>\$7,440,568</u>	<u>\$7,426,931</u>	<u>\$13,637</u>



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Twelve Months Ending 6/30/2022

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Period:Twelve

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
EXPENDITURES BY PROGRAM TYPE				
GENERAL OPERATIONS				
PERSONNEL	\$91,350	\$89,724	\$1,096,205	\$1,063,609
OPERATING EXPENSES	23,429	42,720	367,847	450,628
EQUIPMENT	500	6,970	6,000	14,121
ADMINISTRATIVE SERVICES	23,607	37,297	283,289	308,775
TOTAL EXPENSES - GENERAL OPERATIONS	\$138,886	\$176,711	\$1,753,341	\$1,837,133
ADMINISTRATIVE SERVICES				
PERSONNEL	\$62,229	\$63,282	\$746,747	\$710,571
OPERATING EXPENSES	35,882	74,870	430,585	515,899
EQUIPMENT	0	12,405	0	19,746
ADMIN. SERVICES ALLOCATION	(98,111)	(150,557)	(1,177,332)	(1,246,216)
TOTAL EXPS - ADMIN. SERVICES	\$0	\$0	\$0	\$0
AUDIT				
PERSONNEL	\$310,610	\$300,386	\$3,727,315	\$3,675,752
OPERATING EXPENSES	15,898	70,484	198,284	225,000
EQUIPMENT	0	13,254	0	13,254
ADMIN. SERVICES ALLOCATION	63,289	96,079	759,590	796,229
TOTAL EXPS - AUDIT	\$389,807	\$480,203	\$4,685,189	\$4,710,235
NEXUS PROGRAM				
PERSONNEL	\$46,733	\$46,742	\$560,799	\$555,246
OPERATING EXPENSES	10,422	13,419	134,058	142,281
EQUIPMENT	0	2,288	0	9,284
ADMIN. SERVICES ALLOCATION	11,204	17,181	134,453	141,212
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$68,359	\$79,630	\$829,310	\$848,023
TRAINING & EDUCATION				
PERSONNEL	\$8,360	\$0	\$69,678	\$0
OPERATING EXPENSES	13,800	531	103,050	28,033
EQUIPMENT	0	0	0	3,506
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$22,160	\$531	\$172,728	\$31,539
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	\$619,212	\$737,075	\$7,440,568	\$7,426,930
				\$13,638

MULTISTATE TAX COMMISSION						
VARIANCES IN FEE REVENUE FOR FY 2022						
Description	Fees For the Fiscal Year (12 months) ending June 30, 2022			Variance per month	Number of months revenue recognized in JUNE, 2022 YTD Financial Report	Computed Variance: Favorable or (Unfavorable)
	As Budgeted	Final/Actual	Variance			
Membership Fees						
California (joined as a Sovereignty state effective 10/01/2021)	0	414,326	414,326	46,036	9	\$414,326
Subtotal	\$0	\$414,326	\$414,326	\$46,036		\$414,326
General Operations Surcharge - Audit						
Georgia (participating in the Audit Program - income tax only effective 07/01/2021)	0	9,245	9,245	770	12	\$9,245
Subtotal	0	9,245	9,245	770		\$9,245
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	12	\$46,497
Subtotal	0	46,497	46,497	3,875		\$46,497
General Operations Surcharge -Nexus						
Subtotal	0	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	12	\$11,204
Subtotal	0	11,204	11,204	934		11,204
	\$0	\$481,272	\$481,272	\$51,615	TOTAL	\$481,272

Year to date comparison of Budget to Actual Revenue and Expenses as of June 30, 2022

