



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: November 20, 2020
Subject: Financial Statements for the three months ended September 30, 2020

OVERALL COMMENTS:

Attached are the financial statements for the three months ended September 30, 2020.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2021 budget approved at the meeting of the Commission during its teleconference on July 29, 2020. Notably membership fee amounts and Audit and Nexus Program fee amounts in both the budgeted and actual columns of the financial statements reflect the full FY 2021 fee amounts as approved at the April 2020 Executive Committee meeting and thus prior to the July 15, 2020 approval of the 10% COVID-19 fee credit to the Executive Committee. The financial statement impact of the 10% COVID-19 fee credit is limited to the balance sheet and has no effect on nor is it reflected in any way in the FY 2021 monthly income statements. The application of the 10% COVID-19 fee credit reduced unrestricted fund reserves by \$696,122. That \$696,122 covered the fee credit related to membership and Audit Program fees. The application of the 10% COVID-19 fee credit reduced restricted fund reserves by \$81,024. That \$81,024 covered the fee credit related to Nexus Program fees.

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:

Total Operations – Actual Surplus of \$25,905

The activities and financial results in the three-month period ended September 30, 2020 were affected by the 2020 corona virus pandemic.

Actual revenue is \$153,558 less than budgeted for the three months ended September 30, 2020. Mitigating this unfavorable revenue situation was a significant reduction or total elimination of expenses for several key items resulting in a \$204,525 favorable variance in total expenses:

- Vacant auditor position
- Vacant audit program administrative assistant position
- Almost \$0.00 of actual travel expenses
- \$0.00 of actual physical meeting related expenses

INCOME STATEMENT - Revenues:

The following table provides the detail behind the favorable or unfavorable variances in program related fee revenue for FY 2021:

Fees for the Fiscal Year (12 months) ending June 30, 2021						
Description	As Budgeted	Final/ Actual	Variance	Variance per Month	Number of months revenue recognized in Sept. 2020 YTD Financial Report	Computed Variance: Favorable or (Unfavorable)
Membership Fees						
Delaware (participating as a sovereignty state effective 07/01/2020)	0	21,175	21,175	1,765	3	\$5,294
Georgia (no longer participating as a sovereignty state effective 07/01/2020)	106,912	0	(106,912)	(8,909)	3	(\$26,728)
SUBTOTAL	\$106,912	\$21,175	(\$85,737)	(\$7,145)		(\$21,434)
General Operations Surcharge - Audit						
Delaware (participating as a sovereignty state effective 07/01/2020)	23,652	0	(23,652)	(1,971)	3	(\$5,913)
Wisconsin (no longer participating in the Joint Audit Program effective 07/01/2020)	43,800	0	(43,800)	(3,650)	3	(\$10,950)
SUBTOTAL	67,452	0	(67,452)	(5,621)		(\$16,863)
Audit Program Fees (Net of General Operations Surcharge)						
Georgia (no longer participating in Joint Audit)	131,400	0	(131,400)	(10,950)	3	(\$32,850)

Program effective 07/01/2020)						
Wisconsin (no longer participating in Joint Audit Program effective 07/01/2020)	219,000	0	(219,000)	(18,250)	3	(\$54,750)
SUBTOTAL	350,400	0	(350,400)	(29,200)		(\$87,600)
General Operations Surcharge - Nexus						
Georgia (no longer participating as a Sovereignty State but remains in Nat'l Nexus Program)	0	5,167	5,167	431	3	\$1,292
SUBTOTAL	0	5,167	5,167	431		1,292
TOTAL	\$524,764	\$26,342	(\$498,422)	(\$41,535)		(\$124,606)

INCOME STATEMENT - Expenditures:

Salaries, Retirement, and Employee Insurance & Benefits show favorable variances for the three months ended September 30, 2020. These favorable variances are primarily due to two vacancies in the audit program and the group health insurance rate increase was not effective until September 1, 2020.

Travel has a \$76,321 favorable variance due to elimination of travel in the three-month period ended September 30 due to the 2020 corona virus pandemic.

Conferences and Meetings has a \$72,000 favorable variance due to elimination of physical meetings during the three-month period ended September 30 due to the 2020 corona virus pandemic.



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Budget and Fund Summary
 For the Three Months Ending Wednesday, September 30, 2020

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 Period: Three

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
OPERATIONS BY PROGRAM & TOTAL				
GENERAL OPERATIONS PROGRAM				
Revenues	\$147,779	\$136,527	\$473,336	\$407,377
Expenses	151,618	141,857	490,054	397,819
SURPLUS/DEFICIT - GEN OPERATIONS	(3,839)	(5,330)	(16,718)	9,558
				(865,959)
				92,235
				26,276
ADMINISTRATIVE SERVICES				
Revenues	0		0	0
Expenses				
SURPLUS/DEFICIT - ADMIN. SERVICES				
AUDIT PROGRAM				
Revenues and Transfers	411,379	382,179	1,234,138	1,146,538
Expenses	409,920	379,162	1,237,760	1,140,609
SURPLUS/DEFICIT - AUDIT	1,459	3,017	(3,622)	5,929
				(87,600)
				97,151
				9,551
NEXUS PROGRAM				
Revenues and Transfers	67,520	67,520	202,561	202,561
Expenses	65,586	63,850	204,757	191,511
SURPLUS/DEFICIT - NEXUS PROGRAM	1,934	3,670	(2,196)	11,050
				13,246
				13,246
TRAINING & EDUCATION				
Revenues and Transfers	842	435	2,525	633
Expenses	(842)	(435)	(2,525)	(633)
SURPLUS/DEFICIT - TRAINING & EDUCATION				
				1,892
				1,892
OTHER PROJECTS (SITAS)				
Revenues and Transfers				
Expenses				
SURPLUS/DEFICIT - OTHER PROJECTS				
TOTAL OPERATIONS				
Revenues and Transfers	626,678	586,227	1,910,034	1,756,476
Expenses	627,965	585,304	1,935,096	1,730,571
SURPLUS/DEFICIT - TOTAL OPERATIONS	(1,287)	923	(25,062)	25,905
				(153,558)
				204,525
				50,967



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Three Months Ending 9/30/2020

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
REVENUES					
MEMBER ASSESSMENTS	\$115,303	\$108,158	\$345,908	\$324,473	(\$21,435)
OPERATIONS SUPPORT SURCHARGE-AUDIT	22,010	16,389	66,029	49,166	(16,863)
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,425	5,856	16,275	17,567	1,292
AUDIT PROGRAM FEES	411,379	382,179	1,234,138	1,146,538	(87,600)
INVESTMENT INCOME	5,000	6,090	15,000	16,136	1,136
NEXUS PROGRAM FEES	67,520	67,520	202,561	202,561	0
CONFERENCE FEES	0	0	30,000	0	(30,000)
MISCELLANEOUS REVENUE	42	36	125	36	(89)
TOTAL REVENUES	\$626,679	\$586,228	\$1,910,036	\$1,756,477	(\$153,559)
EXPENSES					
SALARIES	\$370,149	\$365,023	\$1,110,446	\$1,095,070	\$15,376
RETIREMENT (401 plan)	38,878	37,368	116,635	112,104	4,531
EMPLOYEE MOVING ALLOWANCE	0	5,000	0	5,000	(5,000)
EMPLOYEE INSUR & BENEFITS	91,625	82,933	274,876	242,393	32,483
EMPLOYER PAYROLL TAXES	12,913	13,692	38,738	41,061	(2,323)
ADVERTISING	63	0	188	0	188
SUBSCRIPTIONS & PUBLICATIONS	8,508	7,683	25,525	15,368	10,157
TRAVEL	25,271	(315)	78,912	2,591	76,321
TRAVEL-MEMBERS	104	0	312	0	312
RENT AND UTILITIES	38,638	38,262	115,914	115,280	634
CONSUMABLE & DURABLE SUPPLIES	2,183	813	7,750	11,476	(3,726)
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,450	439	6,150	1,580	4,570
PRINTING	283	0	1,450	0	1,450
TELEPHONE SERVICE&VIDEO CONFERENCING	4,516	3,006	13,549	13,730	(181)
INTERNET ACCESS	4,992	3,671	14,975	12,348	2,627
EMPLOYEE TRAINING	2,196	1,654	6,588	2,611	3,977
CONFERENCES & MEETINGS	5,167	0	72,000	0	72,000
CONSULTANT/CONTRACTOR FEES	958	1,006	2,875	3,019	(144)
CONSULTING FEES/LEGAL	125	0	375	0	375
INVESTMENT ADVISORY FEES	4,333	3,750	13,000	11,496	1,504
BUSINESS INSURANCE	1,500	3,516	4,500	6,472	(1,972)
MAINTENANCE	1,525	0	4,575	3,165	1,410
MISCELLANEOUS	1,504	950	4,512	3,493	1,019
AUDIT & PAYROLL SERVICES	6,417	6,373	7,250	7,133	117
SOFTWARE LICENCES	4,667	10,479	14,000	25,180	(11,180)
TOTAL OPERATION EXPENSES	\$627,965	\$585,303	\$1,935,095	\$1,730,570	\$204,525
EXCESS REVENUE (EXPENSES)	(\$1,286)	\$925	(\$25,059)	\$25,907	\$50,966



MULTISTATE TAX COMMISSION
Balance Sheet
For the Three Months Ending 9/30/2020

ASSETS

CURRENT ASSETS

Cash in Banks	\$449,600
Investments	8,229,933
Petty Cash	300
Accounts Receivable - Program Fees	2,183,456
Prepaid Health Insurance	79,884
Prepaid Maintenance	13,919
Prepaid Rent	38,127
Prepaid Meeting Costs	45,209
Prepaid Subscriptions	47,423
Prepaid Other	120

TOTAL CURRENT ASSETS **\$11,087,971**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	593,813
Leasehold Improvements	429,396
Less: Accum Depred & Amortization	(631,248)

TOTAL PROPERTY AND EQUIPMENT **\$391,962**

OTHER ASSETS

Expense Account Advances	\$5,600
Rent Deposits	2,200

TOTAL OTHER ASSETS **\$7,800**

TOTAL ASSETS **\$11,487,733**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$36,032
Other Current Liabilities	187,784
Accrued Vacation Pay	446,325
Payroll Taxes Payable	(4)
Unearned Program Fees	5,227,632

TOTAL CURRENT LIABILITIES **\$5,897,769**

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715
Appropriated Fund Bal-Equipment Reserve	120,206
Restricted Fund Balance-Cumm	1,224,717
Unappropriated Fund Balance-Cummula	3,663,421
Unappropriated Fund Balance-Current	25,905

TOTAL FUND BALANCE **\$5,589,964**

TOTAL LIABILITIES & FUND BALANCE **\$11,487,733**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
For the Three Months Ending 9/30/2020

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 Period:Three

	Current Period		Variance	Year-to-Date		Variance
	Budget	Actual		Budget	Actual	
REVENUES BY PROGRAM TYPE						
GENERAL OPERATIONS						
MEMBER ASSESSMENTS	\$115,303	\$108,158	(\$7,145)	\$345,908	\$324,473	(\$21,435)
OPERATIONS SUPPORT SURCHARGE-AUDIT	22,010	16,389	(5,621)	66,029	49,166	(16,863)
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,425	5,856	431	16,275	17,567	1,292
INVESTMENT INCOME	5,000	6,090	1,090	15,000	16,136	1,136
CONFERENCE FEES	0	0	0	30,000	0	(30,000)
MISCELLANEOUS REVENUE	42	36	(6)	125	36	(89)
TOTAL REVENUES-GENERAL OPERATIONS	\$147,780	\$136,529	(\$11,251)	\$473,337	\$407,378	(\$65,959)
ADMINISTRATIVE SERVICES						
AUDIT PROGRAM						
AUDIT PROGRAM FEES	411,379	382,179	(29,200)	1,234,138	1,146,538	(87,600)
TOTAL REVENUES-AUDIT	\$411,379	\$382,179	(\$29,200)	\$1,234,138	\$1,146,538	(\$87,600)
NEXUS PROGRAM						
NEXUS PROGRAM FEES	67,520	67,520	0	202,561	202,561	0
TOTAL REVENUES- NEXUS	\$67,520	\$67,520	\$0	\$202,561	\$202,561	\$0
TRAINING & EDUCATION						
SITAS						
TOTAL REVENUES	626,679	586,228	(40,451)	1,910,036	1,756,477	(153,559)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Three Months Ending 9/30/2020

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
				Variance
EXPENDITURES BY PROGRAM				
GENERAL OPERATIONS	\$151,618	\$141,857	\$490,054	\$397,819
AUDIT	409,920	379,162	1,237,760	1,140,609
NEXUS PROGRAM	65,586	63,850	204,757	191,511
TRAINING & EDUCATION	842	435	2,525	633
TOTAL EXPENDITURES	\$627,966	\$585,304	\$1,935,096	\$1,730,572
EXPENDITURES BY MAJOR TYPE				
PERSONNEL	\$513,565	\$504,016	\$1,540,696	\$1,495,628
OPERATING EXPENSES	114,400	81,287	394,400	234,943
TOTAL EXPENDITUES	\$627,965	\$585,303	\$1,935,096	\$1,730,571
				\$92,235
				97,151
				13,246
				1,892
				\$204,524
				\$45,068
				159,457
				\$204,525

Year to date comparison of Budget to Actual Revenue and Expenses as of September 30, 2020

