



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: April 27, 2023
Subject: Financial Statements for the nine months ended March 31, 2023

OVERALL COMMENTS:

Attached are the financial statements for the nine months ended March 31, 2023.

The budget column amounts in the attached reports are computed and are based on the amounts in the fiscal year 2023 budget approved at the meeting of the Commission during its meeting on August 3, 2022.

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.

BALANCE SHEET:

The balance sheet remains strong.

Accounts receivable consist of membership fee and program fee amounts related to FY 2023 that will be collected during the remainder of FY 2023.

BUDGET AND FUND SUMMARY:

Overall:

The overall activities and financial results for the nine-month period ended March 31, 2023, produced a surplus of \$152,094. The reasons for this surplus are explained in the **Income Statement** section of this report.

INCOME STATEMENT:

Revenues: Dividend Income

Interest rates have dramatically increased during the current fiscal year resulting in higher than anticipated earnings on MTC's money market fund and short-term government fund.

Expenses:

Personnel expense

There is one vacant position in the Audit Program resulting in an overall favorable variance for the combined salaries, retirement, employee insurance, and payroll taxes expense line items.

Travel expense

Travel expenses were budgeted tightly for FY 2023 not knowing how much travel there would be for MTC staff following the COVID pandemic. Travel has resumed to levels approaching pre-COVID pandemic levels.

Catering & Audio-Visual expense

Catering & Audio-Visual expenses were budgeted tightly for FY 2023 not knowing the level of attendance at MTC in-person committee meetings and summer seminar. Attendance at these meetings has bounced back to levels approximating the pre-COVID pandemic levels. Additionally, the post-pandemic manner of conducting meetings, with a focus on quality participation by remote attendees, has increased the audio-visual equipment and service expenses.

Consultant/Contractor Fees expense

There is an unfavorable variance due to use of consultants and catch-up payments for website hosting services:

- Migration from Microsoft Dynamics server-based accounting software to Microsoft Dynamics cloud-based accounting software. These services, which account for just under half this expense, have been largely completed.
- Follow up team-building training post all-staff development event in June 2022 and executive development and coaching for senior staff. No additional expenses are anticipated in this area for this fiscal year.
- Website migration and recovery, and catch-up payments for hosting services. Approximately one-fourth of this expense relates to the unanticipated required website CMS migration that began in December including catch-up payments for website hosting. During the migration and recovery process, we discovered that invoices for the last two years of website hosting services had not been received (and thus not paid) by the MTC (The MTC uses a third-party vendor for hosting and support for its public-facing website). Other than website hosting, no further expenses are expected this fiscal year.



Budget & Fund Summary

07/01/2022-03/31/2023

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
OPERATIONS BY PROGRAM & TOTAL						
General Operations Program						
Revenues	162,745	176,178	13,433	1,496,703	1,590,079	93,376
Expenses	155,319	161,126	(5,807)	1,495,471	1,599,089	(103,618)
Surplus/Deficit - Gen Operations	7,426	15,052	7,626	1,232	(9,010)	(10,242)
Administrative Services						
Revenues	-	-	-	-	-	-
Expenses	-	(6,898)	6,898	-	(4,054)	4,054
Surplus/Deficit - Admin Services	-	6,898	6,898	-	4,054	4,054
Audit Program						
Revenues	411,362	411,362	0	3,702,259	3,702,260	1
Expenses	410,343	385,545	24,798	3,700,596	3,576,309	124,288
Surplus/Deficit -Audit Program	1,019	25,817	24,798	1,662	125,951	124,288
Nexus Program						
Revenues	73,915	73,915	-	681,769	665,238	(16,531)
Expenses	72,788	71,575	1,213	664,797	664,490	307
Surplus/Deficit - Nexus Program	1,128	2,340	1,213	16,972	748	(16,224)
Training & Education						
Revenues	-	18,600	18,600	24,300	50,390	26,090
Expenses	542	2,045	(1,503)	27,287	35,200	(7,913)
Surplus/Deficit - Training & Education	(542)	16,555	17,097	(2,987)	15,190	18,177
Other Projects (SITAS)						
Revenues	-	-	-	-	-	-
Expenses	-	-	-	-	-	-
Surplus/Deficit - Other Programs	-	-	-	-	-	-
TOTAL OPERATIONS						
Revenues	648,022	672,315	24,293	5,905,031	6,021,225	116,194
Expenses	638,991	619,959	19,032	5,888,151	5,869,131	19,020
SURPLUS/DEFICIT	9,031	52,356	43,325	16,880	152,094	135,214



Income Statement
07/01/2022-03/31/2023

	Current Period			Year-To-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Member Assessments	132,633	132,633	-	1,193,700	1,193,700	-
Gen/Oper Support Fee-Audit	19,450	19,450	-	175,046	175,046	-
Gen/Oper Support Fee-Nexus	6,037	6,037	-	54,333	54,333	-
Audit Program Fee	411,362	411,362	0	3,702,259	3,702,260	1
Dividend Income	4,583	18,058	13,475	41,250	143,663	102,413
Special Project Fees	73,915	73,915	-	665,238	665,238	-
Miscellaneous Revenue	42	20	(22)	375	606	231
Training Program Fees	-	10,840	10,840	40,831	62,530	21,699
TOTAL REVENUES	\$ 648,022	\$ 672,315	\$ 24,293	\$ 5,905,031	\$ 6,021,225	\$ 116,194
EXPENSES						
Salaries	397,071	395,240	1,830	3,580,486	3,538,811	41,675
Retirement	40,495	39,162	1,333	365,180	350,154	15,025
Employee Insurance	94,199	87,864	6,335	848,601	760,292	88,309
Employers Medicare&Social Secu	14,944	17,775	(2,831)	134,777	149,722	(14,944)
Subscriptions, Publicat & Dues	8,858	11,130	(2,271)	79,725	96,051	(16,326)
Travel	13,754	4,768	8,986	132,688	165,089	(32,401)
Rent & Utilities	40,571	41,391	(820)	365,138	360,949	4,190
Consumable & Durable Supplies	1,841	1,410	431	18,277	14,624	3,653
Postage-General	525	42	483	7,046	8,420	(1,374)
Telephone Service	4,275	3,808	468	38,475	33,672	4,803
Internet Access	4,750	5,266	(516)	42,750	41,591	1,159
Training & Seminars	1,458	1,295	163	13,125	9,312	3,813
Catering & Audio Visual	-	755	(755)	90,500	121,424	(30,924)
Consulting/ Contract Fees	1,125	450	675	12,562	60,963	(48,401)
Investment Advisory Fees	4,750	3,500	1,250	42,750	31,678	11,072
Business Insurance	1,667	1,395	271	15,000	12,408	2,592
Maintenance	858	517	342	8,675	4,139	4,536
Miscellaneous	1,371	903	467	12,687	19,043	(6,355)
Software Licenses	5,000	3,288	1,712	45,000	58,081	(13,081)
Total Operation Expenses	638,533	619,959	18,574	5,884,029	5,860,814	23,215
Furniture & Equipment	458	4,125	(3,667)	4,125	8,317	(4,192)
EXCESS REVENUE (EXPENSES)	\$ 9,489	\$ 48,231	\$ 5,719	\$ 21,002	\$ 160,411	\$ 92,979



3/31/2023

ASSETS

Current Assets

Cash in Banks	739,679	
Investments	6,416,893	
Petty Cash	262	
Accounts Receivable	514,186	
Prepaid Health Insurance	73,977	
Prepaid Maintenance	20,096	
Prepaid Meeting Costs	34,201	
Prepaid Subscriptions	65,143	
Prepaid Other	-	
Total Current Assets		\$ 7,864,436

Office Furniture & Equipment	514,246	
Leasehold Improvements	429,396	
Less: Accum Depred & Amortization	(677,288)	
Total Property & Equipment		\$ 266,355

Other Assets

Expense Account Advances	5,200	
Rent Deposits	335	
Total Other Assets		\$ 5,535

TOTAL ASSETS		\$ 8,136,326
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LIABILITIES & FUND BALANCE

Current Liabilities

Accounts Payable		
Other Current Liabilities	107,984	
Accrued Vacation Pay	561,616	
Unearned Program Fees	1,936,911	
Total Current Liabilities		\$ 2,606,511

Fund Balance

Appropriated Fund Bal-Equipment Reserve	62,903	
Appropriated Fund Bal-Enterprise Automation Project	555,715	
Restricted Fund Balance-Cumulative	1,200,517	
Unappropriated Fund Balance-Cummula	3,558,587	
Unappropriated Fund Balance-Current	-	

Total Fund Balance		\$ 5,377,722
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Current Income	152,094	\$ 152,094
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TOTAL LIABILITIES & FUND BALANCE		\$ 8,136,326
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Revenue Summary
07/01/2022-03/31/2023

	Current Period			Year-To-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues By Program Type						
General Operations						
Member Assessments	132,633	132,633	-	1,193,700	1,193,700	-
Gen/Oper Support Fee-Audit	19,450	19,450	-	175,046	175,046	-
Gen/Oper Support Fee-Nexus	6,037	6,037	-	54,333	54,333	-
Investment Income	4,583	18,058	13,475	41,250	143,663	102,413
Seminar Fees	-	-	-	32,000	23,850	(8,150)
Miscellaneous Revenue	42	20	(22)	375	606	231
Total Revenues-General Operations	162,745	176,198	13,453	1,496,703	1,591,198	94,495
Audit Program						
Audit Program Fee	411,362	411,362	0	3,702,259	3,702,260	1
Total Revenues - Audit	411,362	411,362	0	3,702,259	3,702,260	1
Nexus Program						
Nexus Program Fees	73,915	73,915	-	665,238	665,238	-
Total Revenues - Nexus	73,915	73,915	-	665,238	665,238	-
Training & Education						
Audit Sampling School Fees	-	-	-	-	-	-
Income Tax Training School Fees	-	-	-	-	-	-
Market Based Sourcing	-	9,000	9,000	-	16,000	16,000
Partnership Summit	-	9,600	9,600	-	9,600	9,600
Nexus Schools	-	-	-	24,300	24,790	490
Total Revenues -Training & Education	-	18,600	18,600	24,300	50,390	26,090
TOTAL REVENUES	\$ 648,022	\$ 680,075	\$ 32,053	\$ 5,888,500	\$ 6,009,086	\$ 120,585



Expenditures Summary

07/01/2022-03/31/2023

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures by Program						
General Operations	155,319	161,126	(5,807)	1,495,471	1,599,089	(103,618)
Administrative Services	-	(332)	332	-	2,513	(2,513)
Audit	410,343	385,545	24,798	3,700,596	3,576,309	124,288
Nexus Program	72,788	71,575	1,213	664,797	664,490	307
Training & Education	542	2,045	(1,503)	27,287	35,200	(7,913)
Total Expenditures	\$ 638,991	\$ 619,959	\$ 19,032	\$ 5,888,151	\$ 5,877,601	\$ 10,551



Expenditure Details

07/01/2022-03/31/2023

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures By Program Type						
General Operations						
Personnel	103,141	108,609	(5,467)	928,273	940,911	(12,639)
Operating Expenses	24,198	26,110	(1,912)	315,384	400,673	(85,289)
Equipment	458	-	458	4,125	-	4,125
Administrative Services	27,521	26,407	1,115	247,690	257,505	(9,815)
Total Expenses - General Operations	155,319	161,126	(5,807)	1,495,471	1,599,089	(103,618)
Administrative Services						
Personnel	68,594	69,333	(739)	617,347	605,320	12,027
Operating Expenses	39,879	34,414	5,465	358,909	404,061	(45,152)
Equipment	-	-	-	-	8,317	(8,317)
Administrative Services	(108,473)	(104,079)	(4,394)	(976,255)	(1,015,185)	38,930
Total Expenses -Administrative Services	-	(332)	332	-	2,513	(2,513)
Audit						
Personnel	326,424	313,579	12,845	2,937,818	2,822,247	115,572
Operating Expenses	15,300	6,126	9,174	145,202	111,985	33,216
Equipment	-	-	-	-	-	-
Administrative Services	68,620	65,840	2,779	617,576	642,077	(24,500)
Total Expenses -Audit	410,343	385,545	24,798	3,700,596	3,576,309	124,288
Nexus Program						
Personnel	48,591	48,520	71	437,319	432,934	4,385
Operating Expenses	11,865	11,223	642	116,491	115,953	538
Equipment	-	-	-	-	-	-
Administrative Services	12,332	11,832	499	110,986	115,603	(4,617)
Total Expenses -Administrative Services	72,788	71,575	1,213	664,797	664,490	307
Training & Education						
Personnel	-	-	-	8,662	6,472	-
Operating Expenses	542	2,045	(1,503)	18,625	28,728	2,045
Equipment	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Total Direct Expenses-Training & Education	542	2,045	(1,503)	27,287	35,200	2,045
Grand Total						
Personnel	546,750	540,041	6,709	4,929,419	4,801,412	128,007
Operating Expenses	91,783	79,918	11,865	954,610	1,061,400	(106,790)
Equipment	458	-	458	4,125	8,317	(4,192)
Administrative Services	(0)	0	(0)	(3)	0	(3)
Total Expenditures	638,991	619,959	19,032	5,888,151	5,871,128	17,023