



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: July 27, 2023
Subject: Financial Statements for the year ended June 30, 2023

OVERALL COMMENTS:

Attached are the financial statements for the year ended June 30, 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 (\$69,765) consists of membership fee, program fee, and June 2023 Nexus School registration fee amounts that were all collected during July 2023.

The unearned program fees (\$234,980) are comprised of FY 2024 program fees received prior to the new fiscal year which began on July 1, 2023.

BUDGET AND FUND SUMMARY:

Overall:

The overall activities and financial results for the year ended June 30, 2023, produced a surplus of \$2,305. Significant items related to 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.

Training Program Fees

Three schools were budgeted in FY 2023: one Nexus School, one Statistical Sampling School and one Income Tax School. Only two schools were held, both Nexus, resulting in less revenue than budgeted.

Expenses:

Personnel expense

There was one auditor position in the Audit Program vacant for the entire fiscal year 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 completed.

- Follow up team-building training post all-staff development event in June 2022 and executive development and coaching for senior staff.
- 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).



Budget & Fund Summary
07/01/22-06/30/2023

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
OPERATIONS BY PROGRAM & TOTAL				
General Operations Program				
Revenues	162,745	168,819	1,984,938	2,118,119
Expenses	155,319	191,255	1,987,680	2,242,113
Surplus/Deficit - Gen Operations	7,426	(22,437)	(2,742)	(123,994)
				(121,252)
Administrative Services				
Revenues	-	-	-	-
Expenses	0	3,853	0	2,724
Surplus/Deficit - Admin Services	(0)	(3,853)	(0)	(2,724)
				(2,724)
Audit Program				
Revenues	411,362	411,362	4,936,345	4,936,346
Expenses	410,344	431,306	4,935,379	4,812,438
Surplus/Deficit -Audit Program	1,018	(19,943)	966	123,908
				122,941
Nexus Program				
Revenues	73,915	73,915	903,515	886,984
Expenses	72,788	71,526	887,660	899,954
Surplus/Deficit - Nexus Program	1,128	2,390	15,855	(12,970)
				(28,825)
Training & Education				
Revenues	134,275	6,520	174,575	80,010
Expenses	133,022	15,877	176,236	82,029
Surplus/Deficit - Training & Education	1,253	(9,356)	(1,661)	(2,018)
				(357)
Other Projects (SITAS)				
Revenues	-	-	-	-
Expenses	-	-	-	-
Surplus/Deficit - Other Programs	-	-	-	-
				-
TOTAL OPERATIONS				
Revenues	782,297	660,617	7,999,373	8,034,718
Expenses	771,473	713,816	7,985,869	8,032,413
SURPLUS/DEFICIT	10,825	(53,199)	13,504	2,305
				(11,199)



Income Statement

07/01/22-06/30/2023

	Current Period		Year-To-Date	
	Budget	Actual	Budget	Actual
REVENUES				
Member Assessments	132,633	118,850	1,591,600	1,577,817
Gen/Oper Support Fee-Audit	19,450	19,450	233,394	233,394
Gen/Oper Support Fee-Nexus	6,037	6,037	72,444	72,444
Audit Program Fee	411,362	411,362	4,936,345	4,936,345
Dividend Income	4,583	15,232	55,000	198,976
Nexus Program	73,915	73,915	886,984	886,984
Training Program Fees	134,275	15,770	191,106	104,300
TOTAL REVENUES	\$ 782,297	\$ 660,617	\$ 7,999,373	\$ 8,034,718
				\$ 35,345

EXPENSES				
Salaries	437,751	400,365	4,818,193	4,728,384
Retirement	44,916	39,530	491,756	467,850
Employee Insurance	103,069	74,466	1,142,938	1,014,481
Employers Medicare&Social Secu	14,985	15,620	179,792	197,422
Subscriptions, Publicat & Dues	8,858	20,989	106,300	143,560
Travel	30,754	16,598	192,650	243,108
Rent & Utilities	40,571	41,433	486,851	485,126
Consumable & Durable Supplies	2,091	1,560	24,200	27,222
Postage-General	1,125	137	9,421	9,259
Printing	521	1,829	3,300	3,650
Telephone Service	4,275	2,625	51,300	43,888
Internet Access	4,750	4,080	58,667	54,803
Training & Seminars	1,458	1,938	17,500	14,354
Catering & Audio Visual	-	36,578	122,250	271,961
Consulting/Contract- Exp.	-	1,731	-	6,825
Consulting/ Contract Fees	1,125	3,400	15,937	68,684
Investment Advisory Fees	4,750	3,700	57,000	43,190
Business Insurance	1,667	1,652	20,000	16,850
Maintenance	858	1,236	11,250	7,462
Miscellaneous	1,371	895	17,150	23,582
Software Licenses	5,000	7,323	60,000	97,739
Total Operation Expenses	771,015	677,685	7,980,373	7,987,965
Furniture & Equipment	458	5,500	5,500	44,448
EXCESS REVENUE (EXPENSES)	\$ 10,824	\$ (22,568)	\$ 13,500	\$ 2,305
				\$ 81,884



6/30/2023

ASSETS

Current Assets

Cash in Banks	736,251	Cash changed
Investments	5,112,206	
Petty Cash	562	
Accounts Receivable	69,765	A/R changed
Prepaid Rent	355	
Prepaid Health Insurance	73,216	
Prepaid Maintenance	12,574	
Prepaid Meeting Costs	41,371	
Prepaid Subscriptions	67,161	
Prepaid Other	-	
Total Current Assets	\$ 6,113,460	

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 \$ 6,385,350

LIABILITIES & FUND BALANCE

Current Liabilities

Accounts Payable	38,461	
Other Current Liabilities	107,584	
Accrued Vacation Pay	561,616	
Unearned Program Fees	234,980	
Unearned Registration Fees	26,550	
Total Current Liabilities	\$ 969,192	

Fund Balance

Appropriated Fund Bal-Equipment Reserve	99,034	
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 \$ 5,413,853

Current Income 2,305 \$ 2,305

TOTAL LIABILITIES & FUND BALANCE \$ 6,385,350



Revenue Summary
07/01/22-06/30/2023

	Current Period		Year-To-Date	
	Budget	Actual	Budget	Actual
Revenues By Program Type				
General Operations				
Member Assessments				
Gen/Oper Support Fee-Audit	132,633	118,850	1,591,600	1,577,817
Gen/Oper Support Fee-Nexus	19,450	19,450	233,394	233,394
Investment Income	6,037	6,037	72,444	72,444
Seminar Fees	4,583	15,232	55,000	198,976
Miscellaneous Revenue	-	-	32,000	23,850
	42	-	500	606
Total Revenues-General Operations	162,745	159,569	1,984,938	2,107,088
				(13,783)
Audit Program				
Audit Program Fee	411,362	411,362	4,936,345	4,936,346
Total Revenues - Audit	411,362	411,362	4,936,345	4,936,346
				1
Nexus Program				
Nexus Program Fees	73,915	73,915	886,984	886,984
Total Revenues - Nexus	73,915	73,915	886,984	886,984
				(0)
Training & Education				
Audit Sampling School Fees	134,275	-	16,000	-
Legal Seminars	-	9,250	-	12,150
Income Tax Training School Fees	134,275	-	134,275	-
Market Based Sourcing	-	(8,740)	-	18,760
Partnership Summit	-	300	-	17,100
Nexus Schools	-	14,960	24,300	44,150
Total Revenues -Training & Education	268,550	15,770	174,575	92,160
				(16,000)
				12,150
				(134,275)
				18,760
				17,100
				19,850
				(82,415)
TOTAL REVENUES	\$ 916,572	\$ 660,617	\$ 7,982,842	\$ 8,022,578
				\$ 39,736



Expenditure Details

07/01/22-06/30/2023

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures By Program Type						
General Operations						
Personnel	103,141	103,620	(479)	1,240,449	1,255,101	(14,652)
Operating Expenses	24,198	54,511	(30,313)	411,478	597,437	(185,959)
Equipment	458	-	458	5,500	-	5,500
Administrative Services	27,521	33,124	(5,603)	330,253	389,575	(59,322)
Total Expenses - General Operations	155,319	191,255	(35,936)	1,987,680	2,242,113	(254,433)
Administrative Services						
Personnel	68,594	70,297	(1,703)	823,129	813,345	9,784
Operating Expenses	39,879	39,336	542	480,212	557,953	(77,741)
Equipment	-	-	-	-	8,317	(8,317)
Administrative Services	(108,473)	(105,781)	(2,692)	(1,301,674)	(1,376,890)	75,216
Total Expenses -Administrative Services	0	3,853	(3,853)	1,667	2,724	(1,058)
Audit						
Personnel	326,425	306,485	19,940	3,917,094	3,761,721	155,373
Operating Expenses	15,299	27,371	(12,071)	194,850	183,807	11,043
Equipment	-	36,131	(36,131)	-	36,131	(36,131)
Administrative Services	68,620	61,319	7,301	823,435	830,779	(7,344)
Total Expenses -Audit	410,344	431,306	(20,961)	4,935,379	4,812,438	122,940
Nexus Program						
Personnel	48,591	43,106	5,485	583,092	573,931	9,161
Operating Expenses	11,865	17,082	(5,217)	156,586	169,487	(12,901)
Equipment	-	-	-	-	-	-
Administrative Services	12,332	11,338	994	147,982	156,536	(8,554)
Total Expenses -Administrative Services	72,788	71,526	1,262	887,660	899,954	(12,294)
Training & Education						
Personnel	55,130	6,472	48,658	73,286	12,944	6,472
Operating Expenses	77,892	9,404	68,487	102,950	69,085	9,404
Equipment	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Total Direct Expenses-Training & Education	133,022	15,877	117,145	176,236	82,029	15,877
Grand Total						
Personnel	601,882	529,980	71,902	6,637,050	6,404,098	232,952
Operating Expenses	169,133	147,705	21,428	1,346,076	1,577,768	(231,693)
Equipment	458	36,131	(35,673)	5,500	44,448	(38,948)
Administrative Services	(0)	0	(0)	(4)	(0)	(4)
Total Expenditures	771,473	713,816	57,657	7,988,621	8,026,314	(37,693)