



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: November 16, 2023
Subject: Financial Statements for the three months ended September 30, 2023

OVERALL COMMENTS:

Attached are the financial statements for the three months ended September 30, 2023.

The budget column amounts in the attached reports are computed and are based on the amounts in the fiscal year 2024 budget approved at the meeting of the Commission during its meeting on July 26, 2023.

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 actual 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 2024 that will be collected during the remainder of FY 2024.

Unearned program fees are the portion of the FY 2024 membership fee and program fee amounts that will be recognized as revenue over the remainder of the current fiscal year.

BUDGET AND FUND SUMMARY:

Overall:

The MTC is operating at a surplus for the three months ended September 30, 2023, as explained in the Income Statement section below.

INCOME STATEMENT:

Overall:

The MTC is operating with an overall surplus substantially related to the favorable variances in dividend income and personnel related expenses as noted below. Details regarding variances in membership and program revenues for the three months ended September 30, 2023, are shown in the attached spreadsheet.

Revenues: Dividend Income

Interest rates remain higher than expected and this produced higher than anticipated earnings on MTC's money market fund and short-term government fund.

Expenses: Personnel Related

There are vacant positions (three in the Audit Program and one in the National Nexus Program) resulting in a favorable variance overall for the salaries, retirement, employee insurance, and payroll taxes line items.

Expenses: Catering & Audio-Visual

There is an unfavorable variance for these expenses due to the continued upward trend of the costs for holding committee meetings and the Annual Seminar. The actual costs that are included in this line item were for the 2023 MTC summer committee meetings and Annual Seminar held in Austin, Texas.



Budget & Fund Summary
07/01/23 - 09/30/23

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
OPERATIONS BY PROGRAM & TOTAL						
General Operations Program						
Revenues	180,716	188,931	8,215	569,148	598,347	29,198
Expenses	177,335	174,753	2,582	588,606	633,835	(45,228)
Surplus/Deficit - Gen Operations	3,381	14,178	10,797	(19,458)	(35,488)	(16,030)
Administrative Services						
Revenues	-	-	-	-	-	-
Expenses	-	(2)	2	(0)	350	(350)
Surplus/Deficit - Admin Services	-	2	2	0	(350)	(350)
Audit Program						
Revenues	444,097	445,150	1,053	1,332,292	1,318,286	(14,006)
Expenses	441,894	398,144	43,750	1,332,682	1,211,383	121,299
Surplus/Deficit - Audit Program	2,203	47,006	44,803	(390)	106,903	107,293
Nexus Program						
Revenues	77,570	77,570	-	232,711	232,711	(0)
Expenses	75,782	62,449	13,333	234,346	220,682	13,664
Surplus/Deficit - Nexus Program	1,788	15,121	13,333	(1,635)	12,029	13,664
Training & Education						
Revenues	-	2,300	2,300	-	7,050	7,050
Expenses	125	95	30	379	2,305	(1,926)
Surplus/Deficit - Training & Education	(125)	2,205	2,330	(379)	4,745	5,124
Other Projects (SITAS)						
Revenues	-	-	-	-	-	-
Expenses	-	-	-	-	-	-
Surplus/Deficit - Other Programs	-	-	-	-	-	-
TOTAL OPERATIONS						
Revenues	702,384	713,151	10,767	2,134,151	2,152,644	18,492
Expenses	710,953	635,461	75,492	2,169,331	2,068,577	100,754
SURPLUS/DEFICIT	(8,569)	77,690	86,259	(35,179)	84,067	119,246



Income Statement
07/01/23 - 09/30/23

	Current Period		Year-To-Date			
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Member Assessments	142,167	142,167	0	426,500	426,500	(0)
Gen/Oper Support Fee-Audit	21,373	20,622	(751)	64,118	61,865	(2,253)
Gen/Oper Support Fee-Nexus	6,302	6,302	-	18,906	18,905	(0)
Audit Program Fee	444,097	445,150	1,053	1,332,292	1,318,286	(14,006)
Dividend Income	10,833	19,041	8,207	32,500	47,695	15,195
Nexus Program	77,570	77,570	-	232,711	232,711	(0)
Training Program Fees	-	2,300	2,300	-	6,350	6,350
TOTAL REVENUES	\$ 702,384	\$ 713,151	\$ 10,767	\$ 2,134,151	\$ 2,152,644	\$ 18,492

EXPENSES						
Salaries	442,504	400,094	42,409	1,295,878	1,218,994	76,884
Retirement	43,264	39,559	3,705	129,793	120,550	9,243
Employee Insurance	94,212	88,563	5,649	282,636	259,499	23,137
Employers Medicare&Social Secu	16,302	15,812	491	48,911	48,316	595
Subscriptions, Publicat & Dues	11,500	9,883	1,617	34,500	31,448	3,052
Travel	24,625	7,970	16,655	78,875	54,062	24,813
Rent & Utilities	41,899	41,047	852	125,697	124,029	1,668
Consumable & Durable Supplies	1,942	1,043	898	7,025	6,396	629
Postage-General	1,192	190	1,001	5,375	1,555	3,820
Telephone Service	4,058	3,787	271	12,175	12,620	(445)
Internet Access	4,708	1,692	3,016	14,125	12,585	1,540
Training & Seminars	1,792	1,107	685	5,375	4,817	559
Catering & Audio Visual	83	-	83	77,250	104,827	(27,577)
Consulting/ Contract Fees	1,000	800	200	3,000	2,050	950
Investment Advisory Fees	4,375	-	4,375	13,125	8,232	4,893
Business Insurance	1,542	3,218	(1,677)	4,625	7,390	(2,765)
Maintenance	833	197	637	2,500	1,084	1,416
Miscellaneous	1,012	1,927	(915)	3,038	5,096	(2,059)
Audit & Payroll Services	7,958	4,328	3,631	8,875	4,908	3,967
Software Licenses	5,000	14,243	(9,243)	15,000	24,379	(9,379)
Total Operation Expenses	710,495	635,461	75,034	2,170,455	2,053,189	117,267
Furniture & Equipment	458	1,375	(917)	1,375	15,388	(14,013)
EXCESS REVENUE (EXPENSES)	\$ (8,569)	\$ 76,315	\$ (63,349)	\$ (37,679)	\$ 84,067	\$ (84,761)



09/30/23

ASSETS

Current Assets

Cash in Banks	1,443,546	Cash changed
Investments	7,159,901	
Petty Cash	595	
Accounts Receivable	3,346,684	A/R changed
Prepaid Rent	710	
Prepaid Health Insurance	81,926	
Prepaid Maintenance	6,287	
Prepaid Meeting Costs	36,679	
Prepaid Subscriptions	37,511	
Prepaid Other	3,875	
Total Current Assets	\$ 12,117,713	

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 \$ 12,389,603

LIABILITIES & FUND BALANCE

Current Liabilities

Accounts Payable	(4,000)	
Other Current Liabilities	108,067	
Accrued Vacation Pay	561,616	
Unearned Program Fees	6,181,520	
Unearned Registration Fees	15,400	
Total Current Liabilities	\$ 6,862,603	

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 113,148 \$ 113,148

TOTAL LIABILITIES & FUND BALANCE \$ 12,389,603



Revenue Summary
07/01/23 - 09/30/23

	Current Period			Year-To-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues By Program Type						
General Operations						
Member Assessments	142,167	142,167	0	426,500	426,500	(0)
Gen/Oper Support Fee-Audit	21,373	20,622	(751)	64,118	61,865	(2,253)
Gen/Oper Support Fee-Nexus	6,302	6,302	-	18,906	18,905	(0)
Investment Income	10,833	19,041	8,207	32,500	47,695	15,195
Seminar Fees	-	-	-	27,000	39,830	12,830
Miscellaneous Revenue	42	-	(42)	125	501	376
Total Revenues-General Operations	180,716	188,131	7,415	569,148	595,297	26,148
Audit Program						
Audit Program Fee	444,097	445,150	1,053	1,332,292	1,318,286	(14,006)
Total Revenues - Audit	444,097	445,150	1,053	1,332,292	1,318,286	(14,006)
Nexus Program						
Nexus Program Fees	77,570	77,570	-	232,711	232,711	(0)
Total Revenues - Nexus	77,570	77,570	-	232,711	232,711	(0)
Training & Education						
Audit Sampling School Fees	-	-	-	-	-	-
Legal Seminars	-	800	800	-	3,050	3,050
Income Tax Training School Fees	-	-	-	-	-	-
Market Based Sourcing	-	-	-	-	1,500	1,500
Partnership Summit	-	1,500	1,500	-	1,800	1,800
Nexus Schools	-	-	-	-	-	-
Total Revenues -Training & Education	-	2,300	2,300	-	6,350	6,350
TOTAL REVENUES	\$ 702,384	\$ 713,151	\$ 10,767	\$ 2,134,151	\$ 2,152,644	\$ 18,492



Expenditures Summary
07/01/23 - 09/30/23

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures by Program						
General Operations	177,335	174,753	2,582	588,606	633,835	(45,228)
Administrative Services	(0)	(2)	2	0	351	(351)
Audit	441,894	398,144	43,750	1,332,682	1,211,383	121,299
Nexus Program	75,782	62,449	13,333	234,346	220,682	13,664
Training & Education	125	95	30	379	2,305	(1,926)
Total Expenditures	\$ 695,137	\$ 635,440	\$ 59,697	\$ 2,156,014	\$ 2,068,555	\$ 87,459



Expenditure Details

07/01/23 - 09/30/23

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures By Program Type						
General Operations						
Personnel	107,807	110,657	(2,850)	323,421	332,140	(8,720)
Operating Expenses	39,724	31,853	7,871	175,773	190,003	(14,230)
Equipment	458	-	458	1,375	-	1,375
Administrative Services	29,346	32,243	(2,897)	88,038	111,691	(23,653)
Total Expenses - General Operations	177,335	174,753	2,582	588,606	633,835	(45,228)
Administrative Services						
Personnel	70,631	72,802	(2,170)	211,894	217,072	(5,178)
Operating Expenses	42,609	43,670	(1,061)	127,826	131,932	(4,106)
Equipment	-	-	-	-	15,388	(15,388)
Administrative Services	(113,240)	(116,473)	3,233	(339,721)	(364,042)	24,321
Total Expenses -Administrative Services	(0)	(2)	2	0	351	(351)
Audit						
Personnel	351,122	320,405	30,717	1,053,366	960,652	92,714
Operating Expenses	19,350	5,013	14,337	65,050	37,267	27,783
Equipment	-	-	-	-	-	-
Administrative Services	71,422	72,726	(1,304)	214,266	213,464	802
Total Expenses -Audit	441,894	398,144	43,750	1,332,682	1,211,383	121,299
Nexus Program						
Personnel	51,119	40,164	10,955	153,356	137,493	15,863
Operating Expenses	12,191	10,781	1,410	43,573	44,301	(729)
Equipment	-	-	-	-	-	-
Administrative Services	12,472	11,504	969	37,417	38,887	(1,470)
Total Expenses -Administrative Services	75,782	62,449	13,333	234,346	220,682	13,664
Training & Education						
Personnel	-	-	-	-	-	-
Operating Expenses	125	95	30	375	2,305	95
Equipment	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Total Direct Expenses-Training & Education	125	95	30	379	2,305	95
Grand Total						
Personnel	580,679	544,028	36,651	1,742,042	1,647,359	94,683
Operating Expenses	113,999	91,412	22,587	412,597	405,809	6,788
Equipment	458	-	458	1,375	15,388	(14,013)
Administrative Services	0	-	0	0	(0)	0
Total Expenditures	695,137	635,440	59,697	2,156,014	2,068,555	87,459

**MULTISTATE TAX COMMISSION
VARIANCES IN FEE REVENUE FOR FY 2024**

Description	Fees For the Fiscal Year (12 months) ending June 30, 2024			Computed Variance: Favorable or (Unfavorable)
	As Budgeted	Final/Actual	Variance	
Memberships Fees	0	0	0	3
Subtotal	\$0	\$0	\$0	\$0
General Operations Surcharge - Audit				
Philadelphia, PA (new participant in the Audit Program for FY 2024 - income to be recognized October 1)	9,012	0	(9,012)	3
Subtotal	9,012	0	(9,012)	(751)
Subtotal				(\$2,253)
Audit Program Fees (Net of General Operations Surcharge)				
Minnesota (new participant in the Audit Program - income tax only -- effective 07/01/2023)	0	50,064	50,064	3
Louisiana (changed participation in the Audit Program - income tax only -- effective 07/01/2023)	238,400	143,040	(95,360)	3
Philadelphia, PA (new participant in the Audit Program for FY 2024 - income to be recognized October 1)	45,057	0	(45,057)	3
Correction of budgeted fee computation for Rhode Island (sales & use tax auditing for year 2 of the 3-year phase-in)	158,774	193,104	34,330	3
Subtotal	442,231	386,208	(56,023)	(4,669)
Subtotal				(\$14,006)
General Operations Surcharge -Nexus				
	0	\$0	0	3
Subtotal	0	0	0	0
Nexus Program Fees (Net of General Operations Surcharge)				
	0	\$0	0	3
Subtotal	0	0	0	0
Subtotal	\$451,243	\$386,208	(\$65,035)	TOTAL
				(\$16,259)