



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: May 2, 2024
Subject: Financial Statements for the nine months ended March 31, 2024

OVERALL COMMENTS:

Attached are the financial statements for the nine months ended March 31, 2024.

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 Audit 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 nine months ended March 31, 2024, as explained in the Income Statement section below.

Training and Education:

Two invoices paid in March (a prepaid annual amount for registration services by Cvent and prepaid annual costs for learning management software) resulted in the deficit in Training and Education.

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 nine months ended March 31, 2024, 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 were vacant positions for varying lengths of time in this nine-month period (three in the Audit Program, one in the National Nexus Program, and one in Administrative Services) 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, and the 2023 MTC fall committee meetings.



Budget & Fund Summary

07/01/23 - 03/31/24

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
OPERATIONS BY PROGRAM & TOTAL						
General Operations Program						
Revenues	180,716	198,765	18,049	1,653,445	1,793,989	140,545
Expenses	169,835	162,206	7,630	1,651,119	1,740,022	(88,902)
Surplus/Deficit - Gen Operations	10,881	36,559	25,678	2,325	53,968	51,642
Administrative Services						
Revenues	-	-	-	-	-	-
Expenses	-	(0)	0	(0)	2,639	(2,639)
Surplus/Deficit - Admin Services	-	0	0	0	(2,639)	(2,639)
Audit Program						
Revenues	444,097	443,183	(914)	3,996,876	3,977,387	(19,489)
Expenses	441,894	409,951	31,943	3,991,046	3,640,804	350,242
Surplus/Deficit -Audit Program	2,203	33,232	31,029	5,830	336,582	330,752
Nexus Program						
Revenues	77,570	77,570	-	698,133	698,133	(0)
Expenses	75,782	64,492	11,290	696,040	647,020	49,020
Surplus/Deficit - Nexus Program	1,788	13,078	11,290	2,093	51,113	49,020
Training & Education						
Revenues	-	900	900	-	31,629	31,629
Expenses	125	26,113	(25,988)	1,129	47,721	(46,592)
Surplus/Deficit - Training & Education	(125)	(25,213)	(25,088)	(1,129)	(16,092)	(14,963)
Other Projects (SITAS)						
Revenues	-	-	-	-	-	-
Expenses	-	-	-	-	-	-
Surplus/Deficit - Other Programs	-	-	-	-	-	-
TOTAL OPERATIONS						
Revenues	702,384	719,518	17,135	6,348,454	6,492,709	144,255
Expenses	703,453	662,823	40,631	6,450,508	6,081,551	368,957
SURPLUS/DEFICIT	(1,069)	56,696	57,765	(102,054)	411,158	513,212



Income Statement

07/01/23 - 03/31/24

	Current Period			Year-To-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Member Assessments	142,167	142,167	-	1,279,500	1,279,500	(0)
Gen/Oper Surcharge-Audit	21,373	21,373	-	192,353	190,100	(2,253)
Gen/Oper Surcharge-Nexus	6,302	6,302	-	56,717	56,716	(0)
Audit Program Fee	444,097	443,183	(914)	3,996,876	3,977,387	(19,489)
Dividend Income	10,833	28,024	17,190	97,500	218,634	121,134
Nexus Program	77,570	77,570	-	698,133	698,133	(0)
Training Program Fees	-	900	900	-	30,350	30,350
TOTAL REVENUES	\$ 702,384	\$ 719,518	\$ 17,135	\$ 6,348,454	\$ 6,492,709	\$ 144,255
EXPENSES						
Salaries	442,504	399,322	43,181	3,950,900	3,608,266	342,634
Retirement	43,264	39,585	3,680	389,377	357,509	31,868
Employee Insurance	94,212	85,449	8,763	847,907	778,825	69,082
Employers Medicare&Social Secu	16,302	16,102	201	146,725	144,793	1,932
Subscriptions, Publicat & Dues	11,500	11,294	206	104,167	85,934	18,232
Travel	24,625	9,791	14,834	228,917	157,392	71,524
Rent & Utilities	41,899	32,538	9,361	377,092	367,656	9,436
Consumable & Durable Supplies	1,942	8,952	(7,010)	18,675	26,686	(8,011)
Postage-General	1,192	123	1,069	12,525	2,922	9,603
Telephone Service	4,058	1,341	2,717	36,525	36,385	140
Internet Access	4,708	4,491	217	42,375	42,267	108
Catering & Audio Visual	83	242	(159)	127,750	176,443	(48,693)
Consulting/ Contract Fees	1,000	17,350	(16,350)	9,000	47,735	(38,735)
Investment Advisory Fees	4,375	-	4,375	39,375	35,922	3,453
Business Insurance	1,542	1,757	(216)	13,875	17,935	(4,060)
Maintenance	833	203	631	7,500	10,083	(2,583)
Miscellaneous	1,012	9,245	(8,233)	9,113	22,205	(13,093)
Audit & Payroll Services	458	9,887	(9,429)	19,125	25,257	(6,132)
Software Licenses	5,000	15,088	(10,088)	45,000	103,604	(58,604)
Total Operation Expenses	702,995	662,761	40,233	6,448,882	6,062,309	386,573
Furniture & Equipment	458	4,125	(3,667)	4,125	19,017	(14,892)
EXCESS REVENUE (EXPENSES)	\$ (1,069)	\$ 52,632	\$ (19,432)	\$ (104,553)	\$ 411,383	\$ (227,426)



03/31/24

ASSETS

Current Assets

Cash in Banks	435,507	
Investments	7,482,867	
Petty Cash	339	
Accounts Receivable	184,379	
Prepaid Maintenance	31,769	
Prepaid Subscriptions	50,255	
Prepaid Other	-	
Total Current Assets		\$ 8,185,115

Office Furniture & Equipment	484,853	
Leasehold Improvements	348,065	
Less: Accum Depred & Amortization	(678,205)	
Total Property & Equipment		\$ 154,713

Other Assets

Expense Account Advances	2,400	
Rent Deposits	335	
Total Other Assets		\$ 2,735

TOTAL ASSETS		\$ 8,342,563
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LIABILITIES & FUND BALANCE

Current Liabilities

Accounts Payable	(0)	
Other Current Liabilities	2,519	
Accrued Vacation Pay	600,812	
Unearned Program Fees	2,078,503	
Unearned Registration Fees	880	
Total Current Liabilities		\$ 2,682,713

Fund Balance

Appropriated Fund Bal-Equipment Reserve	99,034	
Appropriated Fund Bal-Enterprise Automation Project	555,715	
Restricted Fund Balance-Cumulative	1,187,505	
Unappropriated Fund Balance-Cumulative	3,377,357	
Unappropriated Fund Balance-Current	-	
Total Fund Balance		\$ 5,219,611

Current Income	440,238	\$ 440,238
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TOTAL LIABILITIES & FUND BALANCE		\$ 8,342,563
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Revenue Summary

07/01/23 - 03/31/24

	Current Period			Year-To-Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues By Program Type						
General Operations						
Member Assessments	142,167	142,167	-	1,279,500	1,279,500	(0)
Gen/Oper Support Fee-Audit	21,373	21,373	-	192,353	190,100	(2,253)
Gen/Oper Support Fee-Nexus	6,302	6,302	-	56,717	56,716	(0)
Investment Income	10,833	28,024	17,190	97,500	218,634	121,134
Seminar Fees	-	-	-	27,000	40,205	13,205
Miscellaneous Revenue	42	-	(42)	375	1,684	1,309
Total Revenues-General Operations	180,716	197,865	17,149	1,653,445	1,786,839	133,395
Audit Program						
Audit Program Fee	444,097	443,183	(914)	3,996,876	3,977,387	(19,489)
Total Revenues - Audit	444,097	443,183	(914)	3,996,876	3,977,387	(19,489)
Nexus Program						
Nexus Program Fees	77,570	77,570	-	698,133	698,133	(0)
Total Revenues - Nexus	77,570	77,570	-	698,133	698,133	(0)
Training & Education						
Audit Sampling School Fees	-	-	-	-	17,400	17,400
Legal Seminars	-	900	900	-	7,150	7,150
Income Tax Training School Fees	-	-	-	-	-	-
Market Based Sourcing	-	-	-	-	4,000	4,000
Partnership Summit	-	-	-	-	1,800	1,800
Nexus Schools	-	-	-	-	-	-
Total Revenues -Training & Education	-	900	900	-	30,350	30,350
TOTAL REVENUES	\$ 702,384	\$ 719,518	\$ 17,135	\$ 6,348,454	\$ 6,492,709	\$ 144,255



Expenditures Summary

07/01/23 - 03/31/24

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures by Program						
General Operations	169,835	162,206	7,630	1,651,119	1,740,022	(88,902)
Administrative Services	(0)	61	(61)	(0)	2,864	(2,864)
Audit	441,894	409,951	31,943	3,991,046	3,640,804	350,242
Nexus Program	75,782	64,492	11,290	696,040	647,020	49,020
Training & Education	125	26,113	(25,988)	1,129	47,721	(46,592)
Total Expenditures	\$ 687,637	\$ 662,823	\$ 24,814	\$ 6,339,334	\$ 6,078,431	\$ 260,903



Expenditure Details

07/01/23 - 03/31/24

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
Expenditures By Program Type						
General Operations						
Personnel	107,807	107,092	715	970,262	985,622	(15,360)
Operating Expenses	32,224	25,044	7,181	412,619	442,195	(29,576)
Equipment	458	-	458	4,125	-	4,125
Administrative Services	29,346	30,070	(724)	264,113	312,205	(48,092)
Total Expenses - General Operations	169,835	162,206	7,630	1,651,119	1,740,022	(88,902)
Administrative Services						
Personnel	70,631	64,410	6,221	635,683	631,500	4,183
Operating Expenses	42,609	53,122	(10,513)	383,479	431,384	(47,905)
Equipment	-	-	-	-	19,017	(19,017)
Administrative Services	(113,240)	(117,533)	4,293	(1,019,162)	(1,081,551)	62,389
Total Expenses -Administrative Services	(0)	(0)	0	(0)	350	(350)
Audit						
Personnel	351,122	324,646	26,476	3,160,099	2,861,969	298,130
Operating Expenses	19,350	9,770	9,580	188,150	125,582	62,569
Equipment	-	-	-	-	-	-
Administrative Services	71,422	75,534	(4,112)	642,797	653,254	(10,457)
Total Expenses -Audit	441,894	409,951	31,943	3,991,046	3,640,804	350,242
Nexus Program						
Personnel	51,119	44,309	6,810	460,069	410,303	49,766
Operating Expenses	12,191	8,255	3,936	123,719	120,625	3,094
Equipment	-	-	-	-	-	-
Administrative Services	12,472	11,928	544	112,252	116,092	(3,840)
Total Expenses -Administrative Services	75,782	64,492	11,290	696,040	647,020	49,020
Training & Education						
Personnel	-	-	-	4	-	-
Operating Expenses	125	26,113	(25,988)	1,125	47,721	26,113
Equipment	-	-	-	-	-	-
Administrative Services	-	-	-	-	-	-
Total Direct Expenses-Training & Education	125	26,113	(25,988)	1,129	47,721	26,113
Grand Total						
Personnel	580,679	540,458	40,222	5,226,116	4,889,393	336,723
Operating Expenses	106,499	122,304	(15,805)	1,109,092	1,167,507	(58,415)
Equipment	458	-	458	4,125	19,017	(14,892)
Administrative Services	0	(0)	0	1	0	1
Total Expenditures	687,637	662,761	24,875	6,339,334	6,075,916	263,417

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

Description	Fees For the Fiscal Year (12 months) ending June 30, 2024				revenue recognized: MARCH 2024 YTD Financial Report	Computed Variance: Favorable or (Unfavorable)
	As Budgeted	Final/Actual	Variance	Variance per month		
Membership Fees	0	0	0	0		\$0
Subtotal	\$0	\$0	\$0	\$0		\$0
General Operations Surcharge - Audit						
Philadelphia, PA (new participant in the Audit Program for FY 2024 - income to be recognized beginning October 1, 2023. [Nine months of audit fees for Philadelphia, PA will be recognized in FY 2024 due to a later Audit Program entry date. A July 1, 2023 entry date had been anticipated/budgeted. Thus, a 3 month & fixed variance for the entire FY 2024].	9,012	0	(9,012)	(751)	3	(\$2,253)
Subtotal	9,012	0	(9,012)	(751)		(\$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	4,172	9	\$37,548
Louisiana (changed participation in the Audit Program - income tax only -- effective 07/01/2023)	238,400	143,040	(95,360)	(7,947)	9	(\$71,520)
Philadelphia, PA (new participant in the Audit Program for FY 2024 - income to be recognized beginning October 1, 2023) [Nine months of audit fees for Philadelphia, PA will be recognized in FY 2024 due to a later Audit Program entry date. A July 1, 2023 entry date had been anticipated/budgeted. Thus, a 3 month & fixed variance for all of FY 2024	45,057	0	(45,057)	(3,755)	3	(\$11,264)
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	2,861	9	\$25,748
Subtotal	442,231	386,208	(56,023)	(4,669)		(\$19,489)
General Operations Surcharge - Nexus	0	\$0	0	0		\$0
Subtotal	0	0	0	0		0
Nexus Program Fees (Net of General Operations Surcharge)	0	\$0	0	0		\$0
Subtotal	0	0	0	0		0
	\$451,243	\$386,208	(\$65,035)	(\$5,420)	TOTAL	(\$21,742)