



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: May 1, 2025
Subject: Financial Statements for the Nine Months Ended March 31, 2025

OVERALL COMMENTS:

Attached are the financial statements for the nine months ended March 31, 2025.

The budget column amounts in the attached reports are computed and are based on the amounts in the fiscal year 2025 budget approved at the meeting of the Commission during its meeting on July 31, 2024.

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. Note that black or red text or shaded cells, when used, are meant to indicate whether a number reflects a significant favorable or unfavorable variance and not whether the number is positive or negative.

BALANCE SHEET:

The balance sheet remains strong.

Accounts receivable consists of membership and program fee amounts related to FY 2025 that will be collected during the remainder of the fiscal year, primarily second half audit program fees.

REVENUE SUMMARY:

The MTC is operating at a surplus for the reporting period, as explained in the Statement of Activity section below.

There is an actual surplus of both audit program fee and nexus program fee revenues--\$18,545 and \$16,102, respectively, as can be seen in the revenue portion of the statement of activity, and not the negative variances shown. This has to do with the general operation support fee for each program not being broken out in the budget column in this summary.

STATEMENT OF ACTIVITY:

The variance in dividend income is due to the dividend income not being coded yet for the first three months of calendar year 2025. The additional dividend income is \$51,895 for a third quarter total of \$106,426, resulting in a negative variance of \$28,574. The dividend income budget for FY2025 has proven to be optimistic.

The variance in rent and utilities is due to a common area maintenance charge for the Commission offices in Washington, D.C., which we began to pay in January of this year under the new lease (the office rent abatement continues through September of this year).

The variance in training reflects the in-person partnership seminar held in New Orleans in January.

The variance in food/beverage & audio-visual is due to the significant increase in A/V costs for MTC events. These categories will be split in future fiscal years.

The variance in software licenses/miscellaneous is due to the collision of two different methods of accounting for large, annual subscription costs, cash vs. accrual in the current fiscal year. In this case, subscription fees paid last fiscal year were annualized, but the recent subscription renewal (a full year cost) is also reflected in the amount. This will get corrected as the transition is completed.

The MTC is operating with an overall surplus substantially related to vacant staff positions resulting in a favorable variance overall for the salaries, retirement, employee insurance, and payroll taxes line items.

Multistate Tax Commission
Statement of Financial Position
(Balance Sheet)

FY25

Accrual Basis

	31-Mar-2025	
	FY25	
ASSETS	\$ 10,477,977	8% increase from same period in FY24
Current Assets	\$ 8,993,825	9% increase from same period in FY24
Bank Accounts	\$ 1,040,964	
Accounts Receivable	\$ 2,362,036	
Other Current Assets	\$ 5,590,825	
Fixed Assets	\$ 236,045	
Furniture & Equip	\$ 484,853	
Accum Depr-F&F	\$ 429,396	
Leasehold Imprv	\$ (325,313)	
Accum Depr-LI	\$ (352,892)	
Other Assets	\$ 1,248,107	
Rent Sec Deposit	\$ 335	
Right of Use Asset	\$ 1,247,772	
LIABILITIES AND FUND BALANCE	\$ 10,477,977	
LIABILITIES	\$ 3,903,755	3% decrease from same period in FY24
Current Liabilities	\$ 2,940,889	4% increase from same period in FY24
Accounts Payable	\$ -	
Credit Cards	\$ 2,659	
Payroll Liabilities	\$ 573,752	
Other Current Liabilities	\$ 2,364,478	
Long-Term Liabilities	\$ 962,867	
Lease Liab - LT	\$ 962,867	
FUND BALANCE	\$ 5,853,934	12% increase from same period in FY24
Current Income	\$ 720,288	

Multistate Tax Commission

Revenue Summary

FY25

FY25-Q3

(Actual/Budget)

Budget

Actual

Variance \$\$\$

Revenue By Program Type

General Operations Program

Member Assessments	\$ 852,638	\$ 852,638	\$ -
Gen/Oper Support Fee-Audit	\$ -	\$ 202,943	\$ 202,943
Gen/Oper Support Fee-Nexus	\$ -	\$ 57,855	\$ 57,855
Investment Income	\$ 135,000	\$ 54,531	\$ (80,469)
Annual Seminar Fees	\$ 20,250	\$ 12,474	\$ (7,776)
Miscellaneous Revenue	\$ 375	\$ -	\$ (375)

General Operations

\$ 1,008,263	\$ 1,180,440	\$ 172,178
--------------	--------------	------------

Audit Program Fee

\$ 4,290,032	\$ 4,105,635	\$ (184,397)
--------------	--------------	--------------

Nexus Program Fee

\$ 769,535	\$ 727,782	\$ (41,753)
------------	------------	-------------

Training & Education

\$ 32,250	\$ 107,151	\$ 74,901
-----------	------------	-----------

TOTAL REVENUES

\$ 6,100,079	\$ 6,121,007	\$ 20,929
--------------	--------------	-----------

Multistate Tax Commission
Statement of Activity (Profit and Loss Statement)
Budget vs. Actuals
FY25

	Accrual Basis		
	FY25-Q3		
	Budget	Actual	+/- Budget-\$
Revenue			
4000000 Member Assessments	\$ 852,638	\$ 852,638	\$ 0
4001000 Gen/Oper Support Surchg-Audit	\$ 202,943	\$ 202,943	\$ 0
4002000 Gen/Oper Support Surchg-Nexus	\$ 57,855	\$ 57,855	\$ 0
4010000 Audit Program Fee	\$ 4,087,090	\$ 4,105,635	18,545
4023000 Dividend Income	\$ 135,000	\$ 54,531	(80,469)
4030000 Special Project Fees/Nexus	\$ 711,680	\$ 727,782	16,102
4060000 Annual Seminar	\$ 20,250	\$ 12,474	(7,776)
4080000 Miscellaneous Revenue	\$ 375	\$ -	(375)
4090000 Training Program Fees	\$ 32,250	\$ 107,151	74,901
Total Revenue	\$ 6,100,079	\$ 6,121,007	\$ 20,928
Expenditures			
Operating Expenses			
5040000 Advertising/Recruitment	\$ 375	\$ -	(375)
5045000 Subscriptions, Publications & Dues	\$ 91,500	\$ 81,060	(10,440)
5050000 Travel	\$ 228,713	\$ 154,214	(74,498)
5055000 Travel - Members	\$ 3,750	\$ -	(3,750)
5060000 Rent & Utilities	\$ 3,510	\$ 18,327	14,817
5070000 Consumable & Durable Supplies	\$ 18,863	\$ 22,540	3,677
5080000 Postage & Express Mail	\$ 10,725	\$ 4,793	(5,932)
5090000 Printing	\$ 2,475	\$ -	(2,475)
5100000 Telephone Service	\$ 36,225	\$ 13,374	(22,851)
5110000 Internet Access	\$ 43,875	\$ 42,629	(1,246)
5115000 Training & Seminars	\$ 18,375	\$ 37,205	18,830
5124000 Seminar Expenses	\$ -	\$ 7,434	7,434
5125000 Food/Beverage & Audio-Visual	\$ 173,250	\$ 225,778	52,528
5160000 Business Insurance	\$ 15,000	\$ 20,509	5,509
5170000 Maintenance	\$ 9,000	\$ 13,191	4,191
5190000 SW Licenses / Misc	\$ 73,388	\$ 176,978	103,590
Professional Fees			
5128000 Consulting/Contract-Exp	\$ 375	\$ 3,932	3,557
5129000 Consulting/Contract Fees	\$ 14,775	\$ 13,159	(1,616)
5130000 Accounting Dept-Outsourced	\$ 48,750	\$ 42,544	(6,206)
5142000 Investment Advisory Fees	\$ 39,375	\$ 39,373	(2)
5200000 Audit + Payroll Services	\$ 11,250	\$ 4,183	(7,067)
Total Professional Fees	\$ 114,525	\$ 103,190	\$ (11,335)
Total Operating Expenses	\$ 843,548	\$ 921,222	\$ 77,675
Payroll Expenses			
5000000 Salaries	\$ 3,829,307	\$ 3,340,657	(488,650)
5010000 Retirement	\$ 381,737	\$ 315,782	(65,955)
5020000 Employee Insurance	\$ 863,557	\$ 718,212	(145,345)
5022000 Employers MC & SS	\$ 143,816	\$ 126,447	(17,368)
5024000 Transportation Benefit Exp	\$ 25,200	\$ 8,385	(16,815)
5025000 Unemployment & Pd Fam Leave	\$ 8,598	\$ 10,241	1,643
Total Payroll Expenses	\$ 5,252,213	\$ 4,519,724	\$ (732,489)
Total Expenditures	\$ 6,095,761	\$ 5,440,946	\$ (654,815)
Net Operating Revenue	\$ 4,319	\$ 680,061	\$ 675,743
Other Revenue			
4026000 Unrealized Gain / (Losses)		\$ 99,018	\$ 99,018
Total Other Revenue	\$ -	\$ 99,018	\$ 99,018
Other Expenditures			
5900000 Furniture & Equipment	\$ 4,125	\$ 59,782	55,657
Net Revenue	\$ 194	\$ 719,297	\$ 719,104