



To: Members, Executive Committee  
From: Glenn Hegar, Treasurer  
Date: October 15, 2018  
Subject: Financial Statements for the three-month period ended September 30, 2018

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### **OVERALL COMMENTS:**

Attached are the financial statements for the three months ended September 30, 2018.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2019 budget approved at the meeting of the Commission on July 25, 2018, in Boston, Massachusetts.

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.

### **BUDGET AND FUND SUMMARY:**

#### **General Operations –**

The actual year to date deficit in this program area was primarily related to the larger than expected attendance at the summer 2018 meetings and conference held in Boston. The larger attendance produced costs higher than anticipated. However, these higher costs were offset to some extent by higher than budgeted registration fees.

#### **Audit Program –**

The actual year to date surplus in this program area was largely from personnel cost savings from one income-tax auditor position that is unfilled and travel expenses that are lower than budgeted.

#### **Nexus Program –**

The program is operating with a small surplus as expected.

**Training Program –**

During the three months ended September 30, 2018, one Computer Assisted Audit Techniques training school and one Statistical Sampling training school were held. Only one training school had been budgeted in this three month period. Thus, both training related revenues and training related expenses are higher than anticipated.

**INCOME STATEMENT - Revenues:**

Delaware elected not to participate in the Nexus program this year resulting in the unfavorable variances in the following line items: Operations Support Surcharge-Nexus and Nexus Program Fees. The total Nexus Program fee for Delaware for the entire fiscal year 2019 would have been \$13,129.

**INCOME STATEMENT - Expenditures:**

**Salaries, Retirement, and Employee Insurance** show favorable variances for the three months ended September 30, 2018. These favorable variances are primarily due to the vacancy in the audit program as noted earlier.

**Conferences and Meetings** shows an unfavorable variance for the three months ended September 30, 2018, because of much larger than expected attendance at the summer 2018 meetings and conference.



MULTISTATE TAX COMMISSION

**MULTISTATE TAX COMMISSION**  
**Budget and Fund Summary**  
 For the Three Months Ending Sunday, September 30, 2018

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
<b>OPERATIONS BY PROGRAM &amp; TOTAL</b>					
<b>GENERAL OPERATIONS PROGRAM</b>					
Revenues	\$145,238	\$150,157	\$458,713	\$481,493	\$22,780
Expenses	143,337	142,374	479,311	510,736	(31,425)
<b>SURPLUS/DEFICIT - GEN OPERATIONS</b>	<b>1,901</b>	<b>7,783</b>	<b>(20,598)</b>	<b>(29,243)</b>	<b>(8,645)</b>
<b>ADMINISTRATIVE SERVICES</b>					
Revenues	0		0		
Expenses					
<b>SURPLUS/DEFICIT - ADMIN. SERVICES</b>					
<b>AUDIT PROGRAM</b>					
Revenues and Transfers	394,042	394,042	1,182,125	1,182,125	71,383
Expenses	391,701	348,161	1,181,604	1,110,221	71,383
<b>SURPLUS/DEFICIT - AUDIT</b>	<b>2,341</b>	<b>45,881</b>	<b>521</b>	<b>71,904</b>	<b>71,383</b>
<b>NEXUS PROGRAM</b>					
Revenues and Transfers	68,164	67,253	204,492	201,758	(2,734)
Expenses	66,168	61,692	203,503	197,234	6,269
<b>SURPLUS/DEFICIT - NEXUS PROGRAM</b>	<b>1,996</b>	<b>5,561</b>	<b>989</b>	<b>4,524</b>	<b>3,535</b>
<b>TRAINING &amp; EDUCATION</b>					
Revenues and Transfers	925	19,095	20,000	36,785	16,785
Expenses	(925)	16,601	18,152	28,326	(10,174)
<b>SURPLUS/DEFICIT - TRAINING &amp; EDUCATION</b>		<b>2,494</b>	<b>1,848</b>	<b>8,459</b>	<b>6,611</b>
<b>OTHER PROJECTS (SITAS)</b>					
Revenues and Transfers					
Expenses					
<b>SURPLUS/DEFICIT - OTHER PROJECTS</b>					
<b>TOTAL OPERATIONS</b>					
Revenues and Transfers	607,444	630,546	1,865,331	1,902,161	36,830
Expenses	602,131	568,827	1,882,570	1,846,517	36,053
<b>SURPLUS/DEFICIT - TOTAL OPERATIONS</b>	<b>5,313</b>	<b>61,719</b>	<b>(17,239)</b>	<b>55,644</b>	<b>72,883</b>



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION  
INCOME STATEMENT  
For the Three Months Ending 9/30/2018

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Period:Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
<b>REVENUES</b>				
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$339,125	\$339,125
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	56,721	56,721
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	(183)	16,742	(547)
AUDIT PROGRAM FEES	394,042	394,042	1,182,125	1,182,125
INVESTMENT INCOME	7,667	12,810	34,162	11,162
NEXUS PROGRAM FEES	68,164	67,253	201,758	(2,734)
CONFERENCE FEES	0	0	23,000	35,290
MISCELLANEOUS REVENUE	42	(42)	125	0
TRAINING PROGRAM FEES	0	19,095	20,000	36,785
<b>TOTAL REVENUES</b>	<b>\$607,445</b>	<b>\$630,547</b>	<b>\$1,865,330</b>	<b>\$1,902,161</b>
<b>EXPENSES</b>				
SALARIES	\$360,930	\$350,408	\$1,089,114	\$1,064,212
RETIREMENT (401 plan)	39,371	38,720	118,628	118,121
EMPLOYEE INSURANCE	95,246	89,989	287,433	255,826
ADVERTISING	63	0	188	0
SUBSCRIPTIONS & PUBLICATIONS	6,900	12,875	20,700	23,602
TRAVEL	21,375	9,837	69,923	69,557
TRAVEL-MEMBERS	0	0	1,900	0
RENT AND UTILITIES	36,414	33,772	109,241	101,318
CONSUMABLE & DURABLE SUPPLIES	3,354	1,626	12,212	6,556
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,383	826	6,325	5,532
PRINTING	575	2,062	3,025	2,114
TELEPHONE SERVICE&VIDEO CONFERENCING	3,745	4,065	11,236	12,266
INTERNET ACCESS	3,921	3,653	11,763	12,631
EMPLOYEE TRAINING	2,650	814	7,950	3,647
CONFERENCES & MEETINGS	208	2,266	67,625	97,134
CONSULTANT/CONTRACTOR FEES	1,000	2,776	3,000	6,009
CONSULTING FEES/LEGAL	167	167	500	4,362
401 &457 PLAN TRUSTEES FEES	167	0	500	512
INVESTMENT ADVISORY FEES	4,875	4,688	14,625	17,179
LEGISLATIVE - CONSULTING	2,083	0	6,250	0
BUSINESS INSURANCE	1,625	1,331	4,875	7,276
MAINTENANCE	1,192	79	3,575	2,931
BOND AMORTIZATION	125	325	375	1,325
MISCELLANEOUS	1,854	843	5,883	2,933
AUDIT & PAYROLL SERVICES	6,917	6,611	7,750	7,323
SOFTWARE LICENCES	2,083	1,258	6,250	4,818
<b>TOTAL OPERATION EXPENSES</b>	<b>\$598,223</b>	<b>\$568,824</b>	<b>\$1,870,846</b>	<b>\$1,827,184</b>
FURNITURE & EQUIPMENT	\$3,908	\$0	\$11,725	\$19,333
<b>EXCESS REVENUE (EXPENSES)</b>	<b>\$5,314</b>	<b>\$61,723</b>	<b>(\$17,241)</b>	<b>\$55,644</b>
				<b>\$43,662</b>
				(\$7,608)



MULTISTATE TAX COMMISSION  
Balance Sheet  
For the Three Months Ending 9/30/2018

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Period:Three

**ASSETS**

**CURRENT ASSETS**

Money Market Accounts	\$31,692	
Cash in Banks	525,174	
Investments	7,986,711	
Petty Cash	496	
Accounts Receivable - Program Fees	2,571,314	
Accounts Receivable - Other	15,653	
Prepaid Health Insurance	67,723	
Prepaid Maintenance	14,339	
Prepaid Meeting Costs	20,154	
Prepaid Subscriptions	37,083	
Prepaid Other	11,235	
Accrued Interest	494	

**TOTAL CURRENT ASSETS** **\$11,282,069**

**PROPERTY AND EQUIPMENT**

Office Furniture & Equipment	569,406	
Leasehold Improvements	210,618	
Less: Accum Depred & Amortization	(596,140)	

**TOTAL PROPERTY AND EQUIPMENT** **\$183,884**

**OTHER ASSETS**

Expense Account Advances	\$6,000	
Rent Deposits	2,200	

**TOTAL OTHER ASSETS** **\$8,200**

**TOTAL ASSETS** **\$11,474,153**

**LIABILITIES & FUND BALANCE**

**CURRENT LIABILITIES**

Accounts Payable	\$17,576	
Accrued Vacation Pay	425,926	
Unearned Program Fees	5,395,042	

**TOTAL CURRENT LIABILITIES** **\$5,838,544**

**FUND BALANCE**

Appropriated Fund Bal-Enterprise Automation Project	\$545,219	
Appropriated Fund Bal-Equipment Reserve	99,206	
Restricted Fund Balance-Cumm	1,339,881	
Unappropriated Fund Balance-Cummula	3,576,327	
Unappropriated Fund Balance-Current	55,644	

**TOTAL FUND BALANCE** **\$5,616,277**

Add Back Asset Exp from Budget Rept	19,333	
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**TOTAL LIABILITIES & FUND BALANCE** **\$11,474,153**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION  
Revenue Summary  
For the Three Months Ending 9/30/2018

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Period:Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
<b>REVENUES BY PROGRAM TYPE</b>				
<b>GENERAL OPERATIONS</b>				
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$339,125	\$339,125
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	56,721	56,721
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	5,398	16,742	16,195
INVESTMENT INCOME	7,667	12,810	23,000	34,162
CONFERENCE FEES	0	0	23,000	35,290
MISCELLANEOUS REVENUE	42	0	125	0
<b>TOTAL REVENUES-GENERAL OPERATIONS</b>	<b>\$145,239</b>	<b>\$150,157</b>	<b>\$458,713</b>	<b>\$481,493</b>
<b>ADMINISTRATIVE SERVICES</b>				
<b>AUDIT PROGRAM</b>				
AUDIT PROGRAM FEES	394,042	394,042	1,182,125	1,182,125
<b>TOTAL REVENUES-AUDIT</b>	<b>\$394,042</b>	<b>\$394,042</b>	<b>\$1,182,125</b>	<b>\$1,182,125</b>
<b>NEXUS PROGRAM</b>				
NEXUS PROGRAM FEES	68,164	67,253	204,492	201,758
<b>TOTAL REVENUES- NEXUS</b>	<b>\$68,164</b>	<b>\$67,253</b>	<b>\$204,492</b>	<b>\$201,758</b>
<b>TRAINING &amp; EDUCATION</b>				
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	19,095	20,000	36,785
<b>TOTAL REVENUES- TRAINING &amp; EDUCATION</b>	<b>\$0</b>	<b>\$19,095</b>	<b>\$20,000</b>	<b>\$36,785</b>
<b>SITAS</b>				
<b>TOTAL REVENUES</b>	<b>607,445</b>	<b>630,547</b>	<b>1,865,330</b>	<b>1,902,161</b>
				<b>36,831</b>
				<b>(2,734)</b>
				<b>(\$2,734)</b>
				<b>16,785</b>
				<b>\$16,785</b>
				<b>\$22,780</b>
				<b>\$0</b>
				<b>0</b>
				<b>(547)</b>
				<b>11,162</b>
				<b>12,290</b>
				<b>(125)</b>
				<b>\$22,780</b>
				<b>\$0</b>
				<b>\$0</b>
				<b>(2,734)</b>
				<b>16,785</b>
				<b>\$16,785</b>
				<b>\$22,780</b>
				<b>\$0</b>
				<b>0</b>
				<b>(547)</b>
				<b>11,162</b>
				<b>12,290</b>
				<b>(125)</b>
				<b>\$22,780</b>



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION  
Revenue Details  
For the Three Months Ending 9/30/2018

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Period:Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
		Variance		Variance
<b>REVENUES BY PROGRAM TYPE</b>				
<b>GENERAL OPERATIONS</b>				
MEMBER ASSESSMENTS	\$113,042	\$0	\$339,125	\$0
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	0	56,721	0
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	(183)	16,195	(547)
INVESTMENT INCOME	7,667	5,143	23,000	11,162
CONFERENCE FEES-ANNUAL MEETING	0	0	35,290	12,290
MISCELLANEOUS REVENUE	42	(42)	125	(125)
<b>TOTAL REVENUES - GENERAL OPERATIONS</b>	<b>\$145,239</b>	<b>\$150,157</b>	<b>\$458,713</b>	<b>\$22,780</b>
<b>ADMINISTRATIVE SERVICES</b>				
<b>AUDIT PROGRAM</b>				
AUDIT PROGRAM FEES	394,042	0	1,182,125	0
<b>TOTAL REVENUES - AUDIT</b>	<b>\$394,042</b>	<b>\$0</b>	<b>\$1,182,125</b>	<b>\$0</b>
<b>NEXUS PROGRAM</b>				
NEXUS PROGRAM FEES	68,164	(911)	204,492	(2,734)
<b>TOTAL REVENUES - SPECIAL PROJECTS</b>	<b>\$68,164</b>	<b>(\$911)</b>	<b>\$204,492</b>	<b>(\$2,734)</b>
<b>TRAINING &amp; EDUCATION</b>				
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	19,095	20,000	16,785
<b>TOTAL REVENUES-TRAINING &amp; EDUCATION</b>	<b>\$0</b>	<b>\$19,095</b>	<b>\$20,000</b>	<b>\$16,785</b>
<b>TOTAL REVENUES</b>	<b>607,445</b>	<b>630,547</b>	<b>1,865,330</b>	<b>36,831</b>



MULTISTATE TAX COMMISSION

**MULTISTATE TAX COMMISSION**  
**Expenditure Summary**  
**For the Three Months Ending 9/30/2018**

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 Period:Three

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
<b>EXPENDITURES BY PROGRAM</b>				
GENERAL OPERATIONS	\$143,337	\$142,374	\$479,311	\$510,736
AUDIT	391,701	348,161	1,181,604	1,110,221
NEXUS PROGRAM	66,168	61,692	203,503	197,234
TRAINING & EDUCATION	925	16,601	18,152	28,326
<b>TOTAL EXPENDITURES</b>	<b>\$602,131</b>	<b>\$568,828</b>	<b>\$1,882,570</b>	<b>\$1,846,517</b>
<b>EXPENDITURES BY MAJOR TYPE</b>				
PERSONNEL	\$495,547	\$479,118	\$1,495,174	\$1,438,159
OPERATING EXPENSES	102,676	89,709	375,671	389,026
FURNITURE & EQUIPMENT	3,908	0	11,725	19,333
<b>TOTAL EXPENDITURES</b>	<b>\$602,131</b>	<b>\$568,827</b>	<b>\$1,882,570</b>	<b>\$1,846,518</b>
				Variance
				(\$31,425)
				71,383
				6,269
				(10,174)
				<u>\$36,053</u>
				\$57,015
				(13,355)
				<u>(7,608)</u>
				<u>\$36,052</u>





**MULTISTATE TAX COMMISSION**  
**Expenditure Details**  
 For the Three Months Ending 9/30/2018

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
				Variance
<b>EXPENDITURES BY PROGRAM TYPE</b>				
<b>GENERAL OPERATIONS</b>				
PERSONNEL	\$88,398	\$86,188	\$265,194	\$256,301
OPERATING EXPENSES	32,690	34,056	147,370	173,967
EQUIPMENT	1,317	0	3,950	0
ADMINISTRATIVE SERVICES	20,932	22,130	62,797	80,467
<b>TOTAL EXPENSES - GENERAL OPERATIONS</b>	<b>\$143,337</b>	<b>\$142,374</b>	<b>\$479,311</b>	<b>\$510,735</b>
				<b>(\$31,424)</b>
<b>ADMINISTRATIVE SERVICES</b>				
PERSONNEL	\$55,624	\$53,476	\$166,873	\$161,727
OPERATING EXPENSES	29,924	25,850	89,773	94,839
EQUIPMENT	1,442	0	4,325	17,483
ADMIN. SERVICES ALLOCATION	(86,990)	(79,326)	(260,970)	(274,048)
<b>TOTAL EXPS - ADMIN. SERVICES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1</b>	<b>\$1</b>
				<b>\$5,146</b>
				<b>(5,066)</b>
				<b>(13,158)</b>
				<b>13,078</b>
				<b>\$0</b>
<b>AUDIT</b>				
PERSONNEL	\$308,063	\$287,087	\$924,189	\$875,411
OPERATING EXPENSES	26,420	12,524	85,761	68,534
EQUIPMENT	817	0	2,450	1,850
ADMIN. SERVICES ALLOCATION	56,401	48,551	169,204	164,426
<b>TOTAL EXPS - AUDIT</b>	<b>\$391,701</b>	<b>\$348,162</b>	<b>\$1,181,604</b>	<b>\$1,110,221</b>
				<b>\$71,383</b>
<b>NEXUS PROGRAM</b>				
PERSONNEL	\$43,461	\$43,013	\$130,384	\$127,032
OPERATING EXPENSES	12,800	10,034	43,399	41,048
EQUIPMENT	250	0	750	0
ADMIN. SERVICES ALLOCATION	9,657	8,645	28,970	29,155
<b>TOTAL DIRECT EXPS - NEXUS PROGRAM</b>	<b>\$66,168</b>	<b>\$61,692</b>	<b>\$203,503</b>	<b>\$197,235</b>
				<b>(185)</b>
				<b>\$6,268</b>
<b>TRAINING &amp; EDUCATION</b>				
PERSONNEL	\$0	\$9,355	\$8,534	\$17,687
OPERATING EXPENSES	842	7,246	9,368	10,638
EQUIPMENT	83	0	250	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
<b>TOTAL EXPS - TRAINING &amp; EDUCATION</b>	<b>\$925</b>	<b>\$16,601</b>	<b>\$18,152</b>	<b>\$28,325</b>
				<b>(\$9,153)</b>
				<b>(1,270)</b>
				<b>250</b>
				<b>0</b>
				<b>(\$10,173)</b>
<b>SPECIAL PROJECTS (SITAS)</b>				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	0
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
<b>TOTAL SPECIAL PROJECTS (SITAS)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$602,131</b>	<b>\$568,829</b>	<b>\$1,882,571</b>	<b>\$1,846,517</b>
				<b>\$36,054</b>

# Year to date comparison of Budget to Actual Revenue and Expenses as of September 30, 2018

