



MULTISTATE TAX COMMISSION

Maximizing the synergies of multistate tax cooperation

To: Members, Executive Committee
From: Ryan Rauschenberger, Treasurer
Date: April 14, 2017
Financial Statements for the nine-month period ended March 31, 2017

OVERALL COMMENTS:

Attached are the financial statements for the nine months ended March 31, 2017.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2016/2017 budget approved at the meeting of the Commission on July 27, 2016, in Kansas City, Missouri.

Membership Assessments, Audit Fees, and Nexus 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:

Overall –

In October the Commission purchased software from Cleo Communications for \$49,500 along with 1-year support for an additional \$9,900. This purchase provides a managed file transfer (MFT) solution that will enable MTC staff to securely manage, and control data flow with external (non-MTC) personnel.

Additionally, it allows our remote users to securely, reliably, and quickly back up their work files into the data center at headquarters.

The total purchase amount of \$59,400 was charged to administration / IT operations. As noted in the overall comments section this \$59,400 is then allocated to the operating departments of the Commission.

General Operations –

The actual year to date deficit in this program area is partially the result of the allocation of the administrative services expenses, which includes the allocated cost of the Cleo software and support. The other contributor to the deficit in this program was a realized loss on the sale of Vanguard intermediate term bond funds on December 1.

Audit Program –

The actual year to date surplus in this program area was a consequence of personnel cost savings from an auditor vacancy that was not filled until October 1 and another auditor position that was not filled until January 1, 2017.

Nexus Program –

The actual year to date surplus in this program area was primarily the result of personnel cost savings from one vacant position in this program.

Training Program –

The training program sets registration fee levels for its schools on a cost recovery basis and taking into account a projected number of students at each school.

Four training schools were budgeted in the nine months ended March 31, 2017. Only three were held. Thus, revenues and related expenses were less than expected. The financial effect of the absence of revenue for the training school not held is offset by the absence of any variable expenses for that school.

INCOME STATEMENT - Revenues:

Delaware joined the Nexus Program effective July 1, 2016. The Nexus Program fees for Delaware were not included in the approved budget for FY 2017. Therefore, for the nine months ended March 31, 2017 as a result of Delaware joining the Nexus Program there is a \$1,663 favorable variance in the general operations support fee – nexus and an \$8,317 favorable variance in the Nexus Program fees.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, and Employee Insurance show favorable variances for the nine months ended March 31, 2017. These favorable variances are primarily due to the vacant positions as noted earlier. Also contributing to the favorable variance in the employee insurance line item is the reduction in the Commission's monthly group health insurance premium that began in September when the Commission changed to a new plan with United Health Care.

Furniture and Equipment shows an unfavorable variance due to the purchase of the Cleo software as previously discussed.



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
 Budget and Fund Summary
 For the Nine Months Ending Friday, March 31, 2017

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 Period: Nine

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
OPERATIONS BY PROGRAM & TOTAL					
GENERAL OPERATIONS PROGRAM					
Revenues	\$142,745	\$149,349	\$1,309,707	\$1,269,990	(\$39,717)
Expenses	149,587	175,300	1,324,177	1,376,662	(52,485)
SURPLUS/DEFICIT - GEN OPERATIONS	(6,842)	(25,951)	(14,470)	(106,672)	(92,202)
ADMINISTRATIVE SERVICES					
Revenues	0		0	0	
Expenses					
SURPLUS/DEFICIT - ADMIN. SERVICES					
AUDIT PROGRAM					
Revenues and Transfers	365,270	365,270	3,287,434	3,287,434	
Expenses	368,308	365,323	3,291,072	3,153,476	137,596
SURPLUS/DEFICIT - AUDIT	(3,038)	(53)	(3,638)	133,958	137,596
NEXUS PROGRAM					
Revenues and Transfers	67,838	68,762	610,538	618,855	8,317
Expenses	69,774	61,423	605,767	528,213	77,554
SURPLUS/DEFICIT - NEXUS PROGRAM	(1,936)	7,339	4,771	90,642	85,871
TRAINING & EDUCATION					
Revenues and Transfers	17,500	2,520	104,700	40,480	(64,220)
Expenses	15,863	(2,520)	104,559	55,557	49,002
SURPLUS/DEFICIT - TRAINING & EDUCATION	1,637	(2,520)	141	(15,077)	(15,218)
OTHER PROJECTS (SITAS)					
Revenues and Transfers				3,596	3,596
Expenses				3,596	(3,596)
SURPLUS/DEFICIT - OTHER PROJECTS					
TOTAL OPERATIONS					
Revenues and Transfers	593,353	583,381	5,312,379	5,220,354	(92,025)
Expenses	603,532	604,566	5,325,575	5,117,505	208,070
SURPLUS/DEFICIT - TOTAL OPERATIONS	(10,179)	(21,185)	(13,196)	102,849	116,045



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Nine Months Ending 3/31/2017

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
REVENUES				
MEMBER ASSESSMENTS	\$108,658	\$108,658	\$977,925	\$977,925
GEN OPS SUPPORT FEE-AUDIT	18,154	18,154	163,384	163,384
GEN OPS SUPPORT FEE-NEXUS	5,540	5,725	51,527	1,663
AUDIT PROGRAM FEES	365,270	365,270	3,287,434	0
INVESTMENT INCOME	10,351	16,811	54,434	(38,726)
NEXUS PROGRAM FEES	67,838	68,762	618,855	8,317
SITAS	0	0	3,596	3,596
CONFERENCE FEES	0	0	22,720	(2,280)
MISCELLANEOUS REVENUE	42	0	375	(375)
TRAINING PROGRAM FEES	17,500	0	104,700	(64,220)
TOTAL REVENUES	\$593,353	\$583,380	\$5,312,380	(\$92,025)
EXPENSES				
SALARIES	\$333,360	\$326,233	\$2,991,554	\$2,908,946
RETIREMENT (401 plan)	41,299	39,992	370,611	357,508
EMPLOYEE INSURANCE	87,702	82,321	784,088	678,441
ADVERTISING	83	0	750	250
SUBSCRIPTIONS & PUBLICATIONS	4,367	8,288	39,300	52,809
TRAVEL	28,298	27,086	243,156	179,877
RENT AND UTILITIES	2,600	0	10,000	1,644
CONSUMABLE & DURABLE SUPPLIES	35,899	31,450	323,089	316,824
POSTAGE, POST EQUIP RENTAL & FREIGHT	3,333	1,506	31,692	25,060
PRINTING	2,129	898	19,322	11,489
TELEPHONE SERVICE&VIDEO CONFERENCING	1,463	0	11,268	4,731
INTERNET ACCESS	3,292	283	29,625	26,102
EMPLOYEE TRAINING	3,533	3,509	31,800	28,602
CONFERENCES & MEETINGS	2,125	74	19,125	11,578
CONSULTANTS/CONTRACTOR-EXPENSES	22,642	38,029	119,125	123,604
CONSULTANT/CONTRACTOR FEES	0	0	0	691
CONSULTING FEES/LEGAL	1,000	0	11,200	15,261
401 & 457 PLAN TRUSTEES FEES	83	0	750	(4,061)
INVESTMENT ADVISORY FEES	4,167	8,278	37,500	44,381
LEGISLATIVE - CONSULTING	1,110	0	9,990	12,278
BUSINESS INSURANCE	12,767	13,367	114,900	115,163
MAINTENANCE	1,583	1,521	14,250	14,719
BOND AMORTIZATION	1,067	3,579	9,600	11,549
MISCELLANEOUS	3,680	4,003	33,118	40,951
AUDIT & PAYROLL SERVICES	1,785	9,740	15,265	24,987
SOFTWARE LICENCES	417	329	15,750	14,956
ADMINISTRATIVE SERVICE ALLOCATION	1,917	1,355	17,250	25,783
TOTAL OPERATION EXPENSES	\$601,285	\$604,567	\$5,305,326	\$5,048,184
FURNITURE & EQUIPMENT	\$2,250	\$0	\$20,250	\$69,321
EXCESS REVENUE (EXPENSES)	(\$10,182)	(\$21,187)	(\$13,196)	\$116,046



MULTISTATE TAX COMMISSION
Balance Sheet
For the Nine Months Ending 3/31/2017

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Period:Nine

ASSETS

CURRENT ASSETS

Money Market Accounts	\$39,501
Cash in Banks	658,941
Investments	6,150,250
Petty Cash	914
Accounts Receivable - Program Fees	459,980
Accounts Receivable - Other	223
Prepaid Health Insurance	61,140
Prepaid Maintenance	3,272
Prepaid Meeting Costs	10,200
Prepaid Subscriptions	28,895
Prepaid Other	170
Accrued Interest	14,221

TOTAL CURRENT ASSETS **\$7,427,707**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	538,436
Leasehold Improvements	212,722
Less: Accum Depred & Amortization	(554,103)

TOTAL PROPERTY AND EQUIPMENT **\$197,056**

OTHER ASSETS

Expense Account Advances	\$6,000
Rent Deposits	5,304

TOTAL OTHER ASSETS **\$11,304**

TOTAL ASSETS **\$7,636,067**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$8,164
Accrued Vacation Pay	372,454
Payroll Taxes Payable	133
Deferred Compensation	8,449
Unearned Program Fees	1,707,977

TOTAL CURRENT LIABILITIES **\$2,097,177**

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715
Appropriated Fund Bal-Equipment Reserve	84,206
Appropriated Fund Bal-50th Anniversary Conf	15,000
Appropriated Fund Bal-Staff Developmt Event	60,000
Restricted Fund Balance-Cumm	1,133,561
Unappropriated Fund Balance-Cummula	3,518,237
Unappropriated Fund Balance-Current	102,849

TOTAL FUND BALANCE **\$5,469,569**

Add Back Asset Exp from Budget Rept	69,321
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TOTAL LIABILITIES & FUND BALANCE **\$7,636,067**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
For the Nine Months Ending 3/31/2017

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$108,658	\$108,658	\$977,925	\$977,925
GEN OPS SUPPORT FEE-AUDIT	18,154	18,154	163,384	163,384
GEN OPS SUPPORT FEE-NEXUS	5,540	5,725	49,864	51,527
INVESTMENT INCOME	10,351	16,811	93,160	54,434
CONFERENCE FEES	0	0	25,000	22,720
MISCELLANEOUS REVENUE	42	0	375	0
TOTAL REVENUES-GENERAL OPERATIONS	\$142,745	\$149,348	\$1,309,708	\$1,269,990
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	365,270	365,270	3,287,434	3,287,434
TOTAL REVENUES-AUDIT	\$365,270	\$365,270	\$3,287,434	\$3,287,434
NEXUS PROGRAM				
NEXUS PROGRAM FEES	67,838	68,762	610,538	618,855
TOTAL REVENUES- NEXUS	\$67,838	\$68,762	\$610,538	\$618,855
TRAINING & EDUCATION				
AUDIT SAMPLING & CAAT SCHOOLS FEES	17,500	0	35,000	21,865
INCOME TAX TRAINING SCHOOLS FEES	0	0	39,800	0
NEXUS SCHOOLS	0	0	29,900	18,615
TOTAL REVENUES- TRAINING & EDUCATION	\$17,500	\$0	\$104,700	\$40,480
SITAS				
SITAS PROGRAM FEES	0	0	0	3,596
TOTAL REVENUES- SITAS	\$0	\$0	\$0	\$3,596
TOTAL REVENUES	593,353	583,380	5,312,380	5,220,355
				(92,025)
				(\$64,220)
				8,317
				\$8,317
				(13,135)
				(39,800)
				(11,285)
				(38,726)
				(2,280)
				(375)
				(\$39,718)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Details
For the Nine Months Ending 3/31/2017

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 Period:Nine

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
		Variance		Variance
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$108,658	\$0	\$977,925	\$0
GEN OPS SUPPORT FEE-AUDIT	18,154	0	163,384	0
GEN OPS SUPPORT FEE-NEXUS	5,540	185	51,527	1,663
INVESTMENT INCOME	10,351	6,460	93,160	(38,726)
CONFERENCE FEES-ANNUAL MEETING	0	0	22,720	(2,280)
MISCELLANEOUS REVENUE	42	(42)	375	(375)
TOTAL REVENUES - GENERAL OPERATIONS	\$142,745	\$6,603	\$1,309,708	(\$39,718)
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	365,270	0	3,287,434	0
TOTAL REVENUES - AUDIT	\$365,270	\$0	\$3,287,434	\$0
NEXUS PROGRAM				
NEXUS PROGRAM FEES	67,838	924	618,855	8,317
TOTAL REVENUES - SPECIAL PROJECTS	\$67,838	\$924	\$618,855	\$8,317
TRAINING & EDUCATION				
AUDIT SAMPLING & CAAT SCHOOLS FEES	17,500	(17,500)	21,865	(13,135)
INCOME TAX SCHOOLS FEES	0	0	0	(39,800)
NEXUS SCHOOLS	0	0	18,615	(11,285)
TOTAL REVENUES-TRAINING & EDUCATION	\$17,500	(\$17,500)	\$40,480	(\$64,220)
SITAS				
TOTAL REVENUES-SITAS	\$0	\$0	\$3,596	\$3,596
TOTAL REVENUES	593,353	(9,973)	5,220,355	(92,025)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Nine Months Ending 3/31/2017

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Period:Nine

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
EXPENDITURES BY PROGRAM					
GENERAL OPERATIONS	\$149,587	\$175,300	\$1,324,177	\$1,376,662	(\$52,485)
AUDIT	368,308	365,323	3,291,072	3,153,476	137,596
SITAS	0	0	0	3,596	(3,596)
NEXUS PROGRAM	69,774	61,423	605,767	528,213	77,554
TRAINING & EDUCATION	15,863	2,520	104,559	55,557	49,002
TOTAL EXPENDITURES	\$603,532	\$604,566	\$5,325,575	\$5,117,504	\$208,071
EXPENDITURES BY MAJOR TYPE					
PERSONNEL	\$462,360	\$448,546	\$4,146,253	\$3,944,894	\$201,359
OPERATING EXPENSES	138,922	156,020	1,159,072	1,103,289	55,783
FURNITURE & EQUIPMENT	2,250	0	20,250	69,321	(49,071)
TOTAL EXPENDITUES	\$603,532	\$604,566	\$5,325,575	\$5,117,504	\$208,071



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Nine Months Ending 3/31/2017

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
EXPENDITURES BY PROGRAM TYPE					
GENERAL OPERATIONS					
PERSONNEL	\$78,058	\$82,158	\$702,521	\$712,406	(\$9,885)
OPERATING EXPENSES	52,012	70,894	441,010	451,643	(10,633)
EQUIPMENT	458	0	4,125	1,850	2,275
ADMINISTRATIVE SERVICES	19,059	22,248	176,520	210,764	(34,244)
TOTAL EXPENSES - GENERAL OPERATIONS	\$149,587	\$175,300	\$1,324,176	\$1,376,663	(\$52,487)
ADMINISTRATIVE SERVICES					
PERSONNEL	\$49,870	\$51,193	\$448,831	\$453,766	(\$4,935)
OPERATING EXPENSES	26,876	30,684	241,882	251,329	(9,447)
EQUIPMENT	1,125	0	10,125	66,178	(56,053)
ADMIN. SERVICES ALLOCATION	(77,871)	(81,877)	(700,837)	(771,273)	70,436
TOTAL EXPS - ADMIN. SERVICES	\$0	\$0	\$1	\$0	\$1
AUDIT					
PERSONNEL	\$284,832	\$280,722	\$2,563,486	\$2,446,314	\$117,172
OPERATING EXPENSES	33,774	33,518	280,262	226,480	53,782
EQUIPMENT	333	0	3,000	1,293	1,707
ADMIN. SERVICES ALLOCATION	49,369	51,084	444,323	479,389	(35,066)
TOTAL EXPS - AUDIT	\$368,308	\$365,324	\$3,291,071	\$3,153,476	\$137,595
NEXUS PROGRAM					
PERSONNEL	\$41,345	\$34,473	\$372,109	\$307,756	\$64,353
OPERATING EXPENSES	19,152	18,405	150,167	139,336	10,831
EQUIPMENT	250	0	2,250	0	2,250
ADMIN. SERVICES ALLOCATION	9,027	8,545	81,241	81,121	120
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$69,774	\$61,423	\$605,767	\$528,213	\$77,554
TRAINING & EDUCATION					
PERSONNEL	\$8,255	\$0	\$59,307	\$24,653	\$34,654
OPERATING EXPENSES	7,525	2,520	44,502	30,904	13,598
EQUIPMENT	83	0	750	0	750
ADMIN. SERVICES ALLOCATION	0	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$15,863	\$2,520	\$104,559	\$55,557	\$49,002
SPECIAL PROJECTS (SITAS)					
PERSONNEL	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	3,596	(3,596)
EQUIPMENT	0	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0	0
TOTAL SPECIAL PROJECTS (SITAS)	\$0	\$0	\$0	\$3,596	(\$3,596)
TOTAL EXPENDITURES	\$603,532	\$604,567	\$5,325,574	\$5,117,505	\$208,069

Year to date comparison of Budget to Actual Revenue and Expenses as of March 31, 2017

