



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee  
From: Tim Russell, Treasurer  
Date: July 17, 2009  
Subject: Financial Statements for the year ended June 30, 2009

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#### OVERALL COMMENTS:

Attached are the financial statements for the year ended June 30, 2009.

The **Budget** amounts in this report reflect the amounts in the **Final Proposed** column of the fiscal year 2008/2009 budget. These **Final Proposed** amounts were approved by the Executive Committee at the Committee's meeting on July 31, 2008 in Santa Fe, New Mexico.

The reports indicate a total *current unappropriated* fund balance of \$502,181 (computed as \$404,283 Current Unappropriated plus \$97,898 Current Adj Unappropriated). The reports indicate a total *current restricted* fund balance (deficit) of \$(97,898), all coming from the activities of the National Nexus Program.

Membership Assessments, Audit Fees, and Nexus fees are recognized ratably throughout the year.

Expenditures are less than the budgeted amounts in all of the ongoing operational program areas of the MTC.

Favorable variances (for revenue or expense items) are shown as a positive numbers and unfavorable variances (for revenue or expense items) are shown as a negative numbers.

## **BALANCE SHEET:**

### **Assets –**

**Money Market Accounts** include funds held at BB&T Bank (approximately \$10,000) with the remainder of money market funds with Aintree Capital. The money market funds are currently earning interest at an annual rate of 1.19% with BB&T and .58% with Aintree Capital.

**Cash in Banks** are funds held at Wachovia and are currently earning interest at an annual rate of .40%.

**CDs and Government Securities** includes a \$250,000 CD with BB&T and \$928,456 of government securities with Aintree Capital. The CD earns interest at an annual rate of 3.25%. The current annual yields to maturity on the government securities (seven years or fewer in maturity) range from 2.13% to 4.24%.

**Accounts Receivable – Other** are registration fees receivable from a previously held Audit Sampling School.

**Accrued Interest** receivable represents amounts earned but not yet received on the CD and the Government Securities.

### **Current Liabilities –**

**Prepaid Assessments as of June 30, 2009** is the amount of fees for FY 2010 collected in advance from certain states prior to the beginning of the new fiscal year on July 1, 2009.

### **Fund Balances -**

The **Enterprise Automation Project Appropriated Fund** is charged for expenditures from the **Enterprise Automation Project**. Please note that the Enterprise Automation Project is a multi-year effort. Funds not expended this fiscal year are intended to be expended in future years.

## **INCOME STATEMENT - Revenues:**

**Interest income** earned shows an unfavorable variance due to actual interest rates being much lower than anticipated.

**Nexus fees** show an unfavorable variance due to the fact that New Hampshire did not participate in the Nexus program this year as anticipated and budgeted.

**Training program fees** show an unfavorable variance primarily due to the class size at the various schools being smaller as a result of the economy with fewer state funds being available for travel and training. In addition, while the December 2008 session of the Nexus School in Olympia, Washington had a substantial enrollment of 45 students, these revenues were offset by use of an \$18,275.79 credit by the State of Washington.

#### **INCOME STATEMENT - Expenditures:**

Administrative Services department expenses are allocated to all other departments based on the relative expenses of each department.

**Salaries, Retirement, and Employee Insurance** show a favorable variance from the budgeted amounts as a result of several of positions that were vacant for the entire year. These positions are: one Administrative position, one Legal position, and one Nexus position.

**Travel** currently shows a favorable variance. This is most impacted by the travel of the audit staff. These travel patterns can vary throughout the year and year-to-year.