



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee  
From: Tim Russell, Treasurer  
Date: October 21, 2008  
Subject: Financial Statements for the three-month period ended September 30, 2008

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#### OVERALL COMMENTS:

Attached are the financial statements for the three-month period ended September 30, 2008.

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 \$100,197 (computed as \$152,449 Current Unappropriated less \$52,252 Current Adj Unappropriated). The reports indicate a total *current restricted* fund balance of \$52,252, 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 running 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 –**

**Cash in Banks** are funds held at Wachovia and are currently earning 1.79%.

**Accounts Receivable – Other** are registration fees receivable from previously held Audit Sampling and Nexus Schools.

**Prepaid Other** represents amounts prepaid toward Guardian group insurance (dental, life, and long-term disability) for October and November. This prepayment occurred in conjunction with the transition to CareFirst as the new provider of the group *medical* insurance.

### **Current Liabilities –**

**Accrued Self Insurance** of \$33,649 represents the \$56,000 previously accrued to cover the estimated terminal coverage claims amounts expected under the prior Guardian partially self-funded medical insurance plan less the \$22,351 of claims paid so far after Guardian coverage was ended on 08/31/2008.

**Prepaid Assessments** is the amount of unearned income remaining to be recognized in FY 08/09 from fees collected from states. As noted above fees earned are recognized ratably throughout the year.

### **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 lower than anticipated.

**Conference Fees** show an unfavorable variance from the summer Annual Conference. However, additional receipts are expected due to follow-up procedures following this conference.

**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 three-month period. These positions are: one Administrative position, one Legal position, one Nexus position, and one Audit position.