



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee  
From: Tim Russell, Treasurer  
Date: May 1, 2009  
Subject: Financial Statements for the nine-month period ended March 31, 2009

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#### OVERALL COMMENTS:

Attached are the financial statements for the nine-month period ended March 31, 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 \$339,374 (computed as \$360,021 Current Unappropriated less \$20,647 Current Adj Unappropriated). The reports indicate a total *current restricted* fund balance of \$20,647, 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 – Money Market** is funds led at BB&T Bank. The money market funds are currently earning 1.25%. On April 3, 2009 \$250,000 of this line item total was invested with a two year CD with BB&T Bank bearing a 3.25% annual interest rate.

**Cash in Banks** are funds held at Wachovia and are currently earning .40%.

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

### **Current Liabilities –**

**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.

**Nexus fees** show an unfavorable variance due to the fact that New Hampshire is not participating in the Nexus program this year as anticipated and budgeted. The fee for the full year would have been \$11,305. The unfavorable variance of \$8,749 is that portion of the \$11,305 that would have been recognized as revenue through the end of March.

**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.

## **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 nine-month period. 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.