



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee
From: Ryan Rauschenberger, Treasurer
Date: November 17, 2015
Subject: Financial Statements for the four-month period ended October 31, 2015

OVERALL COMMENTS:

Attached are the financial statements for the four months ended October 31, 2015.

The budget column amounts in the attached report are computed and are based on the amounts in the approved fiscal year 2015/2016 budget. The budget amounts for this fiscal year were approved at a meeting of the Commission on July 29, 2015 in Spokane, Washington.

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

BUDGET AND FUND SUMMARY:

Overall –

Cost savings associated with the vacant deputy executive director position contribute to the surplus in the general operations, audit, and nexus programs. The personnel costs of the deputy executive director position (an administrative services expense) are allocated to the three program areas noted previously.

General Operations –

The actual year to date surplus in this program area was substantially the result of personnel cost savings related to a vacancy in the legal department as well as the vacant deputy executive director position.

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 mid-September and another auditor position that remains vacant.

Nexus Program –

The actual year to date surplus in this program area was caused by personnel cost savings due to 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. The actual year to date deficit in this program area was a result of the number of registrations for each of the two schools held in this four month period being less than what was projected and used to set the program budget. Also, two training program schools were held in the four month period ended October 31, 2015 while only one was budgeted within this period. The holding of this one extra school accounts for much of the variances in the revenue and expenses in this program for this period.

INCOME STATEMENT - Revenues:

The approved budget for FY 2016 anticipated participation by Massachusetts. However, Massachusetts is no longer participating in the Audit Program. This resulted in an unfavorable effect of \$66,336 in the **Audit Program Fees** and an unfavorable variance of \$16,584 in the **General Operations Support Fee-Audit** for the four months ended October 31, 2015.

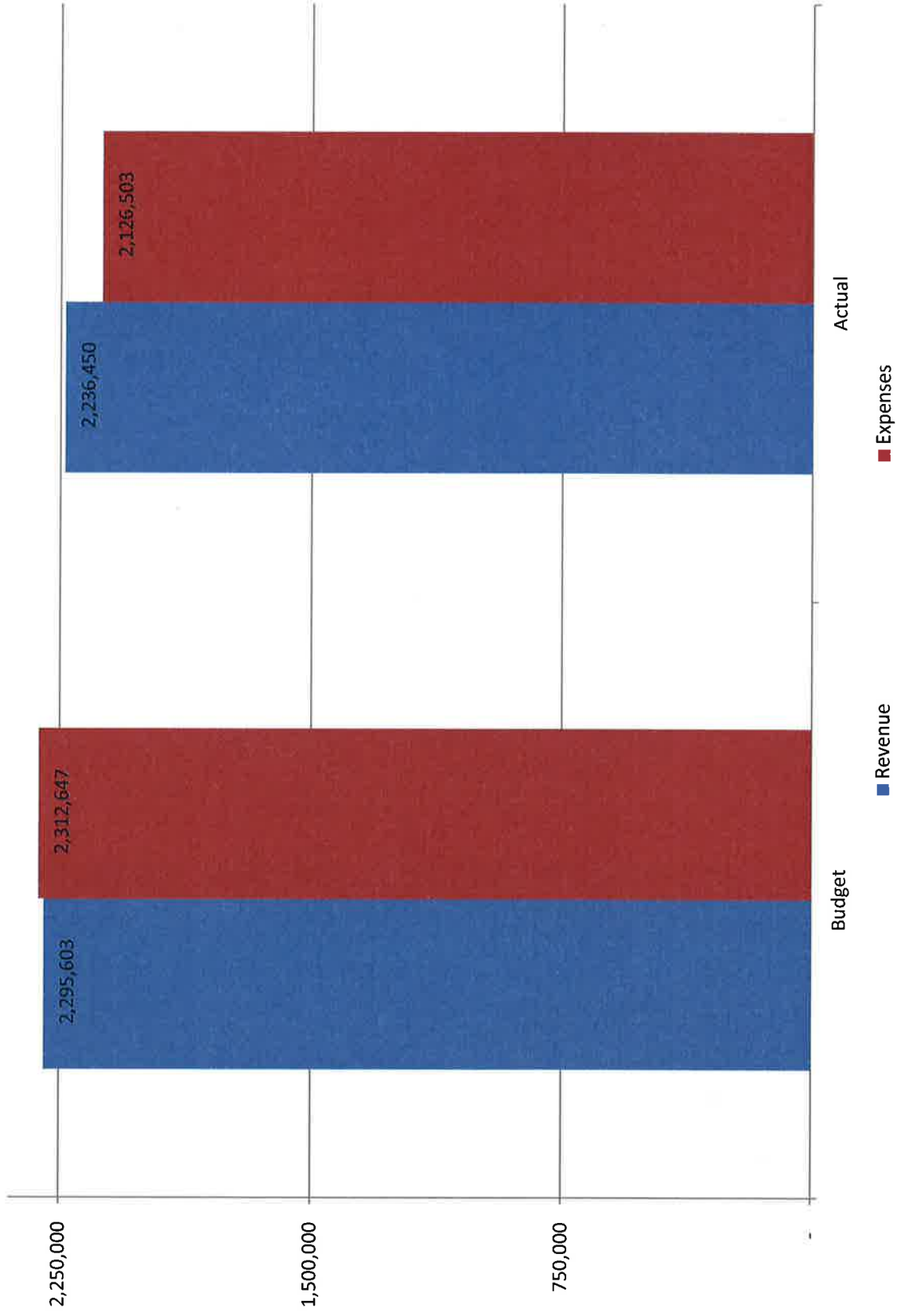
Mitigating the loss of \$66,336 of Massachusetts audit fee revenue is the audit fee revenue of \$12,538 from Delaware. Delaware joined the Audit Program effective July 1, 2015. The financial effect of Delaware joining the Audit Program was not anticipated nor included in the approved budget for FY 2016.

A spreadsheet is attached to this report which presents the variances in the audit program fees and general operations support fee – audit for the four months ended October 31, 2015.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, and Employee Insurance show favorable variances for the four months ended October 31, 2015. These favorable variances are primarily due to four vacant positions as noted earlier.

Year to date comparison of Budget to Actual Revenue and Expenses as of October 31, 2015





MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Budget and Fund Summary
For the Four Months Ending Saturday, October 31, 2015

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
OPERATIONS BY PROGRAM & TOTAL					
GENERAL OPERATIONS PROGRAM					
Revenues	\$144,834	\$137,178	\$599,337	\$576,999	(\$22,338)
Expenses	136,332	120,957	615,728	562,096	53,632
SURPLUS/DEFICIT - GEN OPERATIONS	8,502	16,221	(16,391)	14,903	31,294
ADMINISTRATIVE SERVICES					
Revenues	3	3	13	3	10
Expenses	(3)	(3)	(13)	(3)	10
SURPLUS/DEFICIT - ADMIN. SERVICES					
AUDIT PROGRAM					
Revenues and Transfers	352,225	338,775	1,408,899	1,355,101	(53,798)
Expenses	350,742	328,573	1,409,366	1,304,384	104,982
SURPLUS/DEFICIT - AUDIT	1,483	10,202	(467)	50,717	51,184
NEXUS PROGRAM					
Revenues and Transfers	67,817	67,817	271,267	271,267	
Expenses	66,318	52,940	269,171	221,056	48,115
SURPLUS/DEFICIT - NEXUS PROGRAM	1,499	14,877	2,096	50,211	48,115
TRAINING & EDUCATION					
Revenues and Transfers		13,060	16,100	27,495	11,395
Expenses	980	14,290	18,369	33,376	(15,007)
SURPLUS/DEFICIT - TRAINING & EDUCATION	(980)	(1,230)	(2,269)	(5,881)	(3,612)
OTHER PROJECTS (ALAS)					
Revenues and Transfers		2,520		5,588	5,588
Expenses		2,520		5,588	(5,588)
SURPLUS/DEFICIT - OTHER PROJECTS					
TOTAL OPERATIONS					
Revenues and Transfers	564,876	559,350	2,295,602	2,236,450	(59,152)
Expenses	554,375	519,283	2,312,647	2,126,503	186,144
SURPLUS/DEFICIT - TOTAL OPERATIONS	10,501	40,067	(17,045)	109,947	126,992



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Four Months Ending 10/31/2015

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
REVENUES				
MEMBER ASSESSMENTS	\$106,525	\$106,525	\$426,100	\$426,100
GEN OPS SUPPORT FEE-AUDIT	18,540	15,177	74,158	60,708
GEN OPS SUPPORT FEE-NEXUS	5,561	5,561	22,245	0
AUDIT PROGRAM FEES	352,225	338,775	1,408,899	1,355,101
INVESTMENT INCOME	14,167	9,495	56,667	45,725
NEXUS PROGRAM FEES	67,817	67,817	271,267	0
ARM'S LENGTH SERVICE ADJUSTMENT	0	2,520	0	5,588
CONFERENCE FEES	0	420	20,000	22,020
EQUIPMENT SALES	0	0	0	200
MISCELLANEOUS REVENUE	42	(42)	167	(167)
TRAINING PROGRAM FEES	0	13,060	16,100	11,395
TOTAL REVENUES	\$564,877	\$559,350	\$2,295,603	\$2,236,449
				(\$59,154)
EXPENSES				
SALARIES	\$326,673	\$297,739	\$1,312,141	\$1,195,470
RETIREMENT (401 plan)	40,470	37,010	162,554	148,122
EMPLOYEE INSURANCE	75,898	71,645	305,230	286,982
ADVERTISING	167	250	667	750
SUBSCRIPTIONS & PUBLICATIONS	4,742	3,372	18,967	13,863
TRAVEL	27,167	19,664	114,465	97,997
TRAVEL-MEMBERS	0	0	4,300	853
RENT AND UTILITIES	33,963	33,899	135,852	135,723
CONSUMABLE & DURABLE SUPPLIES	2,792	2,271	13,317	13,331
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,888	2,674	9,725	11,422
PRINTING	700	1,770	4,100	6,249
TELEPHONE SERVICE&VIDEO CONFERENCING	2,913	2,446	11,650	12,484
INTERNET ACCESS	4,383	3,454	17,533	13,349
EMPLOYEE TRAINING	1,500	85	6,000	2,775
CONFERENCES & MEETINGS	125	831	60,000	44,661
CONSULTANTS TRAVEL	0	588	0	3,782
CONTRACT SERVICES	1,833	13,112	7,333	21,435
CONSULTING FEES/LEGAL	208	208	833	854
PENSION TRUSTEES FEES	167	474	667	966
INVESTMENT ADVISORY FEES	2,000	3,234	8,000	9,302
LEGISLATIVE - CONSULTING	13,000	12,500	52,000	51,598
BUSINESS INSURANCE	1,500	1,706	6,000	6,915
MAINTENANCE	1,983	890	7,933	2,570
BOND AMORTIZATION	5,667	5,384	22,667	21,527
MISCELLANEOUS	1,350	713	5,561	3,457
AUDIT & PAYROLL SERVICES	417	522	13,667	13,727
SOFTWARE LICENCES	583	3,051	2,333	6,337
ADMINISTRATIVE SERVICE ALLOCAT	(3)	0	(13)	(13)
TOTAL OPERATION EXPENSES	\$552,086	\$519,284	\$2,303,482	\$2,126,501
FURNITURE & EQUIPMENT	\$2,292	\$0	\$9,167	\$0
EXCESS REVENUE (EXPENSES)	\$10,499	\$40,066	(\$17,046)	\$109,948
				\$176,981
				\$9,167



MULTISTATE TAX COMMISSION
Balance Sheet
For the Four Months Ending 10/31/2015

Page:1
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ASSETS

CURRENT ASSETS

Money Market Accounts	\$3,264,743
Cash in Banks	903,781
Investments	4,355,442
Petty Cash	891
Accounts Receivable - Nexus Fees	74,048
Accounts Receivable - Membership Fees	77,365
Accounts Receivable - Audit Fees	984,551
Accounts Receivable - Other	2,499
Prepaid Maintenance	4,451
Prepaid Subscriptions	24,265
Accrued Interest	25,138

TOTAL CURRENT ASSETS **\$9,717,174**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	546,106
Leasehold Improvements	236,147
Less: Accum Depred & Amortization	(622,352)

TOTAL PROPERTY AND EQUIPMENT **\$159,902**

OTHER ASSETS

Expense Account Advances	\$6,000
Rent Deposits	5,484

TOTAL OTHER ASSETS **\$11,484**

TOTAL ASSETS **\$9,888,560**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$18,095
Other Current Liabilities	5,122
Accrued Vacation Pay	323,679
Payroll Taxes Payable	14
Unearned Program Fees	4,287,021
Unearned Registration Fees	22,650

TOTAL CURRENT LIABILITIES **\$4,656,579**

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715
Appropriated Fund Bal-Equipment Reserve	69,206
Restricted Fund Balance-Cumm	1,133,561
Unappropriated Fund Balance-Cummula	3,363,551
Unappropriated Fund Balance-Current	109,947

TOTAL FUND BALANCE **\$5,231,981**

TOTAL LIABILITIES & FUND BALANCE **\$9,888,560**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
For the Four Months Ending 10/31/2015

Page:1
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Period:Four

	Current Period		Variance	Year-to-Date		Variance
	Budget	Actual		Budget	Actual	
REVENUES BY PROGRAM TYPE						
GENERAL OPERATIONS						
MEMBER ASSESSMENTS	\$106,525	\$106,525	\$0	\$426,100	\$426,100	\$0
GEN OPS SUPPORT FEE-AUDIT	18,540	15,177	(3,363)	74,158	60,708	(13,450)
GEN OPS SUPPORT FEE-NEXUS	5,561	5,561	0	22,245	22,245	0
INVESTMENT INCOME	14,167	9,495	(4,672)	56,667	45,725	(10,942)
CONFERENCE FEES	0	420	420	20,000	22,020	2,020
EQUIPMENT SALES	0	0	0	200	200	0
MISCELLANEOUS REVENUE	42	0	(42)	167	0	(167)
TOTAL REVENUES-GENERAL OPERATIONS	\$144,835	\$137,178	(\$7,657)	\$599,337	\$576,998	(\$22,339)
ADMINISTRATIVE SERVICES						
AUDIT PROGRAM						
AUDIT PROGRAM FEES	352,225	338,775	(13,450)	1,408,899	1,355,101	(53,798)
TOTAL REVENUES-AUDIT	\$352,225	\$338,775	(\$13,450)	\$1,408,899	\$1,355,101	(\$53,798)
NEXUS PROGRAM						
NEXUS PROGRAM FEES	67,817	67,817	0	271,267	271,267	0
TOTAL REVENUES- NEXUS	\$67,817	\$67,817	\$0	\$271,267	\$271,267	\$0
TRAINING & EDUCATION						
AUDIT SAMPLING & CAAT SCHOOLS	0	13,060	13,060	16,100	27,495	11,395
TOTAL REVENUES- TRAINING & EDUCATION	\$0	\$13,060	\$13,060	\$16,100	\$27,495	\$11,395
ARM'S LENGTH SERVICE ADJUSTMENT						
ARM'S LENGTH SERVICE ADJUSTMENT	0	2,520	2,520	0	5,588	5,588
TOTAL REVENUES- ALAS	\$0	\$2,520	\$2,520	\$0	\$5,588	\$5,588
TOTAL REVENUES	564,877	559,350	(5,527)	2,295,603	2,236,449	(59,154)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Details
For the Four Months Ending 10/31/2015

Page:1
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Period:Four

	Current Period		Variance	Year-to Date		Variance
	Budget	Actual		Budget	Actual	
REVENUES BY PROGRAM TYPE						
GENERAL OPERATIONS						
MEMBER ASSESSMENTS	\$106,525	\$106,525	\$0	\$426,100	\$426,100	\$0
GEN OPS SUPPORT FEE-AUDIT	18,540	15,177	(3,363)	74,158	60,708	(13,450)
GEN OPS SUPPORT FEE-NEXUS	5,561	5,561	0	22,245	22,245	0
INVESTMENT INCOME	14,167	9,495	(4,672)	56,667	45,725	(10,942)
CONFERENCE FEES-ANNUAL MEETING	0	420	420	20,000	22,020	2,020
EQUIPMENT SALES	0	0	0	0	200	200
MISCELLANEOUS REVENUE	42	0	(42)	167	0	(167)
TOTAL REVENUES - GENERAL OPERATIONS	\$144,835	\$137,178	(\$7,657)	\$599,337	\$576,998	(\$22,339)
ADMINISTRATIVE SERVICES						
AUDIT PROGRAM						
AUDIT PROGRAM FEES	352,225	338,775	(13,450)	1,408,899	1,355,101	(53,798)
TOTAL REVENUES - AUDIT NEXUS PROGRAM	\$352,225	\$338,775	(\$13,450)	\$1,408,899	\$1,355,101	(\$53,798)
NEXUS PROGRAM FEES	67,817	67,817	0	271,267	271,267	0
TOTAL REVENUES - SPECIAL PROJECTS	\$67,817	\$67,817	\$0	\$271,267	\$271,267	\$0
TRAINING & EDUCATION						
AUDIT SAMPLING & CAAT SCHOOLS	0	13,060	13,060	16,100	27,495	11,395
TOTAL REVENUES-TRAINING & EDUCATION	\$0	\$13,060	\$13,060	\$16,100	\$27,495	\$11,395
ARM'S LENGTH SERVICE ADJUSTMENT	\$0	\$2,520	\$2,520	\$0	\$5,588	\$5,588
TOTAL REVENUES-ALAS	\$0	\$2,520	\$2,520	\$0	\$5,588	\$5,588
TOTAL REVENUES	564,877	559,350	(5,527)	2,295,603	2,236,449	(59,154)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Four Months Ending 10/31/2015

Page:1
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 Period:Four

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
EXPENDITURES BY PROGRAM					
GENERAL OPERATIONS	\$136,332	\$120,957	\$615,728	\$562,096	\$53,632
ADMINISTRATIVE SERVICES	3	3	13	3	10
AUDIT	350,742	328,573	1,409,366	1,304,384	104,982
ARM'S LENGTH SERVICE ADJUST	0	2,520	0	5,588	(5,588)
NEXUS PROGRAM	66,318	52,940	269,171	221,056	48,115
TRAINING & EDUCATION	980	14,290	18,369	33,376	(15,007)
TOTAL EXPENDITURES	\$554,375	\$519,283	\$2,312,647	\$2,126,503	\$186,144
EXPENDITURES BY MAJOR TYPE					
PERSONNEL	\$443,040	\$406,394	\$1,779,925	\$1,630,574	\$149,351
OPERATING EXPENSES	109,043	112,889	523,556	495,928	27,628
FURNITURE & EQUIPMENT	2,292	0	9,167	0	9,167
TOTAL EXPENDITURES	\$554,375	\$519,283	\$2,312,648	\$2,126,502	\$186,146



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Four Months Ending 10/31/2015

Page:1
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Period:Four

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
				Variance
GENERAL OPERATIONS				
PERSONNEL	\$73,119	\$63,894	\$292,477	\$262,060
OPERATING EXPENSES	38,502	38,557	224,407	211,839
EQUIPMENT	458	0	1,833	0
ADMINISTRATIVE SERVICES	24,253	18,506	97,011	88,198
TOTAL EXPENSES - GENERAL OPERATIONS	\$136,332	\$120,957	\$615,728	\$562,097
ADMINISTRATIVE SERVICES				
PERSONNEL	\$69,275	\$55,080	\$277,100	\$241,198
OPERATING EXPENSES	23,583	22,047	94,331	86,350
EQUIPMENT	1,125	0	4,500	0
ADMIN. SERVICES ALLOCATION	(93,980)	(77,123)	(375,918)	(327,545)
TOTAL EXPS - ADMIN. SERVICES	\$3	\$4	\$13	\$3
AUDIT				
PERSONNEL	\$260,586	\$247,696	\$1,042,343	\$982,940
OPERATING EXPENSES	31,186	30,384	131,144	116,782
EQUIPMENT	417	0	1,667	0
ADMIN. SERVICES ALLOCATION	58,553	50,493	234,213	204,663
TOTAL EXPS - AUDIT	\$350,742	\$328,573	\$1,409,367	\$1,304,385
NEXUS PROGRAM				
PERSONNEL	\$40,060	\$30,255	\$160,240	\$125,862
OPERATING EXPENSES	14,879	14,562	63,416	60,509
EQUIPMENT	208	0	833	0
ADMIN. SERVICES ALLOCATION	11,170	8,123	44,681	34,685
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$66,317	\$52,940	\$269,170	\$221,056
TRAINING & EDUCATION				
PERSONNEL	\$0	\$9,470	\$7,765	\$18,516
OPERATING EXPENSES	897	4,820	10,271	14,860
EQUIPMENT	83	0	333	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$980	\$14,290	\$18,369	\$33,376
SPECIAL PROJECTS (ALAS)				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	2,520	0	5,588
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL SPECIAL PROJECTS (ALAS)	\$0	\$2,520	\$0	\$5,588
TOTAL EXPENDITURES	\$554,374	\$519,284	\$2,312,647	\$2,126,505

\$186,142

**MULTISTATE TAX COMMISSION
VARIANCES IN FEE REVENUE FOR FY 2016**

Description	Fees For the Fiscal Year (12 months) ending June 30, 2016			Number of months revenue recognized in OCTOBER, 2015 YTD Financial Report	Computed Variance: Favorable or (Unfavorable)
	As Budgeted	Final/Actual	Variance		
Membership Fee					\$0
General Operations Support Fee - Audit					
Delaware (entered Audit Program on 07/01/2015)	0	9,403	9,403	4	\$3,134
Massachusetts (not participating in Audit Program this FY)	49,752	0	(49,752)	4	(\$16,584)
			0	0	\$0
			0	0	\$0
Total	49,752	9,403	(3,362)		(\$13,450)
Audit Program Fees (Net of General Operations Support Fee)					
Delaware (entered Audit Program on 07/01/2015)	0	37,613	37,613	4	\$12,538
Massachusetts (not participating in Audit Program this FY)	199,008	0	(199,008)	4	(\$66,336)
			0	0	\$0
			0	0	\$0
Total	199,008	37,613	(13,450)		(\$53,798)
General Operations Support Fee - Nexus					
Total	0	0	0	0	\$0
Nexus Program Fees (Net of General Operations Support Fee)					
Total	0	0	0	0	\$0