



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: April 16, 2019
Subject: Financial Statements for the nine-month period ended March 31, 2019

OVERALL COMMENTS:

Attached are the financial statements for the nine months ended March 31, 2019.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2019 budget approved at the meeting of the Commission on July 25, 2018, in Boston, Massachusetts.

Membership assessments, Joint Audit Program fees, and Nexus Program 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:

General Operations –

The larger than budgeted surplus in this program area was primarily related to greater than expected earnings on the Commission's money market funds and short-term U. S. Treasury mutual fund.

Audit Program –

The actual year to date surplus in this program area was largely from personnel cost savings from one income-tax auditor position that is unfilled and travel expenses that are lower than budgeted.

Nexus Program –

The program is operating at a minor deficit.

Training Program –

Total actual revenues and expenses approximated what had been anticipated. Training schools held - budgeted versus actual in the nine months ended March 31, 2019, were as follows:

Training School	Budgeted	Actual
CAAT / Statistical Sampling	1	2
Corporate Income Tax	1	1
Nexus	1	0
TOTAL	3	3

INCOME STATEMENT - Revenues:

Delaware elected not to participate in the Nexus program this year resulting in the unfavorable variances in the following line items: Operations Support Surcharge-Nexus and Nexus Program Fees. The total Nexus Program fee for Delaware for the entire fiscal year 2019 would have been \$13,129.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, Employee Insurance, and Employer Payroll Taxes show favorable variances primarily due to the vacancy in the audit program as noted earlier. Also contributing to the favorable variance was the fact that actual monthly health insurance premiums were less than anticipated in the approved FY 2019 budget.

Conferences and Meetings shows an unfavorable variance because of much larger than expected attendance and thus costs at the summer 2018 committee meetings and conference.

Furniture and Equipment shows an unfavorable variance because of office furniture purchased as part of the expansion of the D.C. office into larger space in December 2018.



MULTISTATE TAX COMMISSION
Budget and Fund Summary
 For the Nine Months Ending Sunday, March 31, 2019

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
OPERATIONS BY PROGRAM & TOTAL					
GENERAL OPERATIONS PROGRAM					
Revenues	\$153,238	\$153,184	\$1,330,140	\$1,396,749	\$66,609
Expenses	136,837	138,555	1,330,132	1,364,958	(34,826)
SURPLUS/DEFICIT - GEN OPERATIONS	8,401	14,629	8	31,791	31,783
ADMINISTRATIVE SERVICES					
Revenues	0		0		
Expenses					
SURPLUS/DEFICIT - ADMIN. SERVICES					
AUDIT PROGRAM					
Revenues and Transfers	394,042	394,042	3,546,375	3,546,375	
Expenses	391,702	352,177	3,537,064	3,343,803	193,261
SURPLUS/DEFICIT - AUDIT	2,340	41,865	9,311	202,572	193,261
NEXUS PROGRAM					
Revenues and Transfers	68,164	67,253	613,477	605,273	(8,204)
Expenses	66,168	69,031	605,508	606,080	(572)
SURPLUS/DEFICIT - NEXUS PROGRAM	1,996	(1,778)	7,969	(807)	(8,776)
TRAINING & EDUCATION					
Revenues and Transfers	52,500	57,500	100,000	104,440	4,440
Expenses	50,770	51,627	99,807	87,651	12,156
SURPLUS/DEFICIT - TRAINING & EDUCATION	1,730	5,873	193	16,789	16,596
OTHER PROJECTS (SITAS)					
Revenues and Transfers					
Expenses					
SURPLUS/DEFICIT - OTHER PROJECTS					
TOTAL OPERATIONS					
Revenues and Transfers	659,944	671,978	5,589,992	5,652,837	62,845
Expenses	645,476	611,391	5,572,511	5,402,491	170,020
SURPLUS/DEFICIT - TOTAL OPERATIONS	14,468	60,587	17,481	250,346	232,865



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Nine Months Ending 3/31/2019

	Current Period		Year-to-Date		Variance
	Budget	Actual	Budget	Actual	
REVENUES					
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$1,017,375	\$1,017,375	\$0
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	170,163	170,163	0
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	(183)	50,227	48,586	(1,641)
AUDIT PROGRAM FEES	394,042	394,042	3,546,375	3,546,375	0
INVESTMENT INCOME	7,667	7,855	69,000	121,741	52,741
NEXUS PROGRAM FEES	68,164	(911)	613,477	605,273	(8,204)
CONFERENCE FEES	0	0	23,000	35,290	12,290
EQUIPMENT SALES	0	300	0	3,580	3,580
MISCELLANEOUS REVENUE	42	15	375	15	(360)
TRAINING PROGRAM FEES	52,500	57,500	100,000	104,440	4,440
TOTAL REVENUES	\$659,945	\$671,979	\$5,589,992	\$5,652,838	\$62,846
EXPENSES					
SALARIES	\$390,291	\$351,881	\$3,294,283	\$3,169,858	\$124,425
RETIREMENT (401 plan)	42,920	38,865	359,330	350,764	8,566
EMPLOYEE INSUR & BENEFITS	89,738	78,200	762,651	697,548	65,103
EMPLOYER PAYROLL TAXES	11,918	10,054	104,736	91,097	13,639
ADVERTISING	63	0	563	0	563
SUBSCRIPTIONS & PUBLICATIONS	6,900	7,112	62,100	64,120	(2,020)
TRAVEL	26,593	31,217	207,233	205,707	1,526
TRAVEL-MEMBERS	0	0	3,450	0	3,450
RENT AND UTILITIES	36,414	37,712	327,724	319,168	8,556
CONSUMABLE & DURABLE SUPPLIES	3,596	4,401	33,079	19,999	13,080
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,943	1,118	15,609	10,527	5,082
PRINTING	1,830	2,925	8,880	7,275	1,605
TELEPHONE SERVICE&VIDEO CONFERENCING	3,745	3,850	33,708	36,013	(2,305)
INTERNET ACCESS	3,921	4,357	35,288	36,652	(1,364)
EMPLOYEE TRAINING	2,650	0	23,850	6,671	17,179
CONFERENCES & MEETINGS	3,458	18,941	108,725	154,059	(45,334)
CONSULTANT/CONTRACTOR FEES	1,000	2,044	11,200	16,654	(5,454)
CONSULTING FEES/LEGAL	167	0	1,500	5,465	(3,965)
401 &457 PLAN TRUSTEES FEES	167	167	1,500	2,612	(1,112)
INVESTMENT ADVISORY FEES	4,875	4,110	43,875	44,028	(153)
LEGISLATIVE - CONSULTING	2,083	0	18,750	0	18,750
BUSINESS INSURANCE	1,625	1,334	14,625	15,920	(1,295)
MAINTENANCE	1,192	1,445	10,725	13,799	(3,074)
BOND AMORTIZATION	125	163	1,125	2,808	(1,683)
MISCELLANEOUS	1,854	818	17,328	7,763	9,565
AUDIT & PAYROLL SERVICES	417	359	16,750	16,576	174
SOFTWARE LICENCES	2,083	3,923	18,750	22,066	(3,316)
ADMINISTRATIVE SERVICE ALLOCATION	0	0	1	0	1
TOTAL OPERATION EXPENSES	\$641,568	\$604,829	\$5,537,338	\$5,317,149	\$220,189
FURNITURE & EQUIPMENT	\$3,908	\$6,562	\$35,175	\$85,346	(\$50,171)
EXCESS REVENUE (EXPENSES)	\$14,469	\$60,588	\$17,479	\$250,343	\$232,864



MULTISTATE TAX COMMISSION
Balance Sheet
For the Nine Months Ending 3/31/2019

ASSETS

CURRENT ASSETS

Cash in Banks	\$242,974
Investments	7,325,696
Petty Cash	485
Accounts Receivable - Program Fees	59,130
Accounts Receivable - Other	56,835
Prepaid Health Insurance	68,321
Prepaid Maintenance	14,491
Prepaid Meeting Costs	25,066
Prepaid Subscriptions	51,795

TOTAL CURRENT ASSETS **\$7,844,793**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	760,188
Leasehold Improvements	228,572
Less: Accum Depred & Amortization	(625,149)

TOTAL PROPERTY AND EQUIPMENT **\$363,612**

OTHER ASSETS

Expense Account Advances	\$6,000
Rent Deposits	2,200

TOTAL OTHER ASSETS **\$8,200**

TOTAL ASSETS **\$8,216,605**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$11,592
Accrued Vacation Pay	447,386
Payroll Taxes Payable	302
Unearned Program Fees	1,802,643
Unearned Registration Fees	8,550

TOTAL CURRENT LIABILITIES **\$2,270,473**

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715
Appropriated Fund Bal-Equipment Reserve	114,206
Restricted Fund Balance-Cumm	1,322,615
Unappropriated Fund Balance-Cummula	3,617,904
Unappropriated Fund Balance-Current	250,345

TOTAL FUND BALANCE **\$5,860,786**

Add Back Asset Exp from Budget Rept	85,346
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TOTAL LIABILITIES & FUND BALANCE **\$8,216,605**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
 For the Nine Months Ending 3/31/2019

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 Period:Nine

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$1,017,375	\$1,017,375
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	170,163	170,163
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	5,398	50,227	48,586
INVESTMENT INCOME	7,667	15,522	69,000	121,741
CONFERENCE FEES	0	0	23,000	35,290
EQUIPMENT SALES	0	300	0	3,580
MISCELLANEOUS REVENUE	42	15	375	15
TOTAL REVENUES-GENERAL OPERATIONS	\$145,239	\$153,184	\$1,330,140	\$1,396,750
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	394,042	394,042	3,546,375	3,546,375
TOTAL REVENUES-AUDIT	\$394,042	\$394,042	\$3,546,375	\$3,546,375
NEXUS PROGRAM				
NEXUS PROGRAM FEES	68,164	67,253	613,477	605,273
TOTAL REVENUES- NEXUS	\$68,164	\$67,253	\$613,477	\$605,273
TRAINING & EDUCATION				
AUDIT OTHER-VT & SITAS	0	4,500	0	11,655
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	0	20,000	39,785
INCOME TAX TRAINING SCHOOLS FEES	52,500	53,000	52,500	53,000
NEXUS SCHOOLS	0	0	27,500	0
TOTAL REVENUES- TRAINING & EDUCATION	\$52,500	\$57,500	\$100,000	\$104,440
SITAS				
TOTAL REVENUES	659,945	671,979	5,589,992	5,652,838
				62,846
				(\$8,204)
				(\$8,204)
				11,655
				19,785
				500
				(27,500)
				\$4,440



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Details
 For the Nine Months Ending 3/31/2019

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 Period:Nine

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$113,042	\$0	\$1,017,375	\$0
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	0	170,163	0
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	(183)	48,586	(1,641)
INVESTMENT INCOME	7,667	7,855	121,741	52,741
CONFERENCE FEES-ANNUAL MEETING	0	0	35,290	12,290
EQUIPMENT SALES	0	300	3,580	3,580
MISCELLANEOUS REVENUE	42	(27)	15	(360)
TOTAL REVENUES - GENERAL OPERATIONS	\$145,239	\$7,945	\$1,396,750	\$66,610
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	394,042	0	3,546,375	0
TOTAL REVENUES - AUDIT NEXUS PROGRAM	\$394,042	\$0	\$3,546,375	\$0
NEXUS PROGRAM FEES	68,164	(911)	613,477	(8,204)
TOTAL REVENUES - SPECIAL PROJECTS TRAINING & EDUCATION	\$68,164	(\$911)	\$605,273	(\$8,204)
AUDIT OTHER-VT & SITAS	0	4,500	11,655	11,655
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	0	39,785	19,785
INCOME TAX SCHOOLS FEES	52,500	500	53,000	500
NEXUS SCHOOLS	0	0	27,500	(27,500)
TOTAL REVENUES-TRAINING & EDUCATION	\$52,500	\$5,000	\$104,440	\$4,440
TOTAL REVENUES	659,945	12,034	5,589,992	62,846



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Nine Months Ending 3/31/2019

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Period:Nine

	Budget	Current Period Actual	Variance	Budget	Year-to Date Actual	Variance
EXPENDITURES BY PROGRAM						
GENERAL OPERATIONS	\$136,837	\$138,555	(\$1,718)	\$1,330,132	\$1,364,958	(\$34,826)
AUDIT	391,702	352,177	39,525	3,537,064	3,343,803	193,261
NEXUS PROGRAM	66,168	69,031	(2,863)	605,508	606,080	(572)
TRAINING & EDUCATION	50,770	51,627	(857)	99,807	87,651	12,156
TOTAL EXPENDITURES	\$645,477	\$611,390	\$34,087	\$5,572,511	\$5,402,492	\$170,019
EXPENDITURES BY MAJOR TYPE						
PERSONNEL	\$534,867	\$479,000	\$55,867	\$4,520,999	\$4,309,266	\$211,733
OPERATING EXPENSES	106,701	125,829	(19,128)	1,016,337	1,007,879	8,458
FURNITURE & EQUIPMENT	3,908	6,562	(2,654)	35,175	85,346	(50,171)
TOTAL EXPENDITURES	\$645,476	\$611,391	\$34,085	\$5,572,511	\$5,402,491	\$170,020



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Nine Months Ending 3/31/2019

EXPENDITURES BY PROGRAM TYPE

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
GENERAL OPERATIONS					
PERSONNEL	\$88,398	\$76,229	\$795,583	\$766,564	\$29,019
OPERATING EXPENSES	26,190	39,545	334,309	368,207	(33,898)
EQUIPMENT	1,317	0	11,850	0	11,850
ADMINISTRATIVE SERVICES	20,932	22,581	188,390	230,187	(41,797)
TOTAL EXPENSES - GENERAL OPERATIONS	\$136,837	\$138,555	\$1,330,132	\$1,364,958	(\$34,826)
ADMINISTRATIVE SERVICES					
PERSONNEL	\$55,624	\$53,328	\$500,618	\$496,831	\$3,787
OPERATING EXPENSES	29,924	33,221	269,318	273,991	(4,673)
EQUIPMENT	1,442	2,569	12,975	75,148	(62,173)
ADMIN. SERVICES ALLOCATION	(86,990)	(89,118)	(782,911)	(845,971)	63,060
TOTAL EXPS - ADMIN. SERVICES	\$0	\$0	\$0	(\$1)	\$1
AUDIT					
PERSONNEL	\$308,063	\$272,512	\$2,772,569	\$2,609,179	\$163,390
OPERATING EXPENSES	26,420	23,312	249,534	210,219	39,315
EQUIPMENT	817	0	7,350	1,850	5,500
ADMIN. SERVICES ALLOCATION	56,401	56,353	507,611	522,555	(14,944)
TOTAL EXPS - AUDIT	\$391,701	\$352,177	\$3,537,064	\$3,343,803	\$193,261
NEXUS PROGRAM					
PERSONNEL	\$43,461	\$42,945	\$391,151	\$385,019	\$6,132
OPERATING EXPENSES	12,800	12,009	125,196	119,485	5,711
EQUIPMENT	250	3,993	2,250	8,348	(6,098)
ADMIN. SERVICES ALLOCATION	9,657	10,084	86,910	93,229	(6,319)
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$66,168	\$69,031	\$605,507	\$606,081	(\$574)
TRAINING & EDUCATION					
PERSONNEL	\$39,321	\$33,985	\$61,079	\$51,673	\$9,406
OPERATING EXPENSES	11,367	17,542	37,979	35,978	2,001
EQUIPMENT	83	0	750	0	750
ADMIN. SERVICES ALLOCATION	0	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$50,771	\$51,627	\$99,808	\$87,651	\$12,157
SPECIAL PROJECTS (SITAS)					
PERSONNEL	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	0	0
EQUIPMENT	0	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0	0
TOTAL SPECIAL PROJECTS (SITAS)	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$645,477	\$611,390	\$5,572,511	\$5,402,492	\$170,019

Year to date comparison of Budget to Actual Revenue and Expenses as of March 31, 2019

