



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee
From: Ryan Rauschenberger, Treasurer
Date: April 15, 2016
Subject: Financial Statements for the nine-month period ended March 31, 2016

OVERALL COMMENTS:

Attached are the financial statements for the nine months ended March 31, 2016.

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 –

The deputy executive director position was vacant from August 1, 2015 through March 31, 2016. Cost savings associated with this vacancy contributed 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 previously vacant deputy executive director position. The legal department position was filled on March 1 and the deputy executive director position was filled on April 1.

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, as well as the previously vacant deputy executive director position.

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, as well as the vacant deputy executive director position (filled April 1).

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. As budgeted the actual revenues and expenses of the training program are approximately equal for this nine month period.

INCOME STATEMENT - Revenues:

The approved budget for FY 2016 anticipated participation by Massachusetts. However, Massachusetts is no longer participating in the Audit Program.

The unfavorable effect of Massachusetts leaving the Audit Program is partially mitigated by the audit fee revenue by two states joining the audit program during this fiscal year. Delaware entered the audit program on July 1, 2015 and New Hampshire began participating in the audit program on December 1, 2015.

The financial effect of Delaware and New Hampshire 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 nine months ended March 31, 2016.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, and Employee Insurance show favorable variances for the nine months ended March 31, 2016. These favorable variances are primarily due to four vacant positions as noted earlier.



MULTISTATE TAX COMMISSION
Budget and Fund Summary
 For the Nine Months Ending Thursday, March 31, 2016

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
OPERATIONS BY PROGRAM & TOTAL					
GENERAL OPERATIONS PROGRAM					
Revenues	\$144,834	\$192,156	\$1,323,508	\$1,289,093	(\$34,415)
Expenses	153,332	152,973	1,338,889	1,211,803	127,086
SURPLUS/DEFICIT - GEN OPERATIONS	(8,498)	39,183	(15,381)	77,290	92,671
ADMINISTRATIVE SERVICES					
Revenues	3	5	29	3	26
Expenses	(3)	(5)	(29)	(3)	26
SURPLUS/DEFICIT - ADMIN. SERVICES					
AUDIT PROGRAM					
Revenues and Transfers	352,225	341,910	3,170,023	3,061,515	(108,508)
Expenses	355,042	334,911	3,171,674	2,990,152	181,522
SURPLUS/DEFICIT - AUDIT	(2,817)	6,999	(1,651)	71,363	73,014
NEXUS PROGRAM					
Revenues and Transfers	67,817	67,817	610,350	610,351	1
Expenses	70,118	57,576	608,360	503,241	105,119
SURPLUS/DEFICIT - NEXUS PROGRAM	(2,301)	10,241	1,990	107,110	105,120
TRAINING & EDUCATION					
Revenues and Transfers	27,600	22,885	135,500	115,875	(19,625)
Expenses	25,087	30,376	135,682	116,959	18,723
SURPLUS/DEFICIT - TRAINING & EDUCATION	2,513	(7,491)	(182)	(1,084)	(902)
OTHER PROJECTS (ALAS)					
Revenues and Transfers				7,288	7,288
Expenses				7,288	(7,288)
SURPLUS/DEFICIT - OTHER PROJECTS					
TOTAL OPERATIONS					
Revenues and Transfers	592,476	624,767	5,239,380	5,084,122	(155,258)
Expenses	603,581	575,842	5,254,634	4,829,445	425,189
SURPLUS/DEFICIT - TOTAL OPERATIONS	(11,105)	48,925	(15,254)	254,677	269,931



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Nine Months Ending 3/31/2016

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	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
REVENUES				
MEMBER ASSESSMENTS	\$106,525	\$106,525	\$958,725	\$958,726
GEN OPS SUPPORT FEE-AUDIT	18,540	15,961	166,856	139,728
GEN OPS SUPPORT FEE-NEXUS	5,561	5,561	50,051	50,051
AUDIT PROGRAM FEES	352,225	341,910	3,170,023	3,061,515
INVESTMENT INCOME	14,167	63,689	127,500	117,163
NEXUS PROGRAM FEES	67,817	67,817	610,350	610,351
ARM'S LENGTH SERVICE ADJUSTMENT	0	0	0	7,288
CONFERENCE FEES	0	420	20,000	23,225
EQUIPMENT SALES	0	0	0	200
MISCELLANEOUS REVENUE	42	(42)	376	0
TRAINING PROGRAM FEES	27,600	22,885	135,500	115,875
TOTAL REVENUES	\$592,477	\$624,768	\$5,239,381	\$5,084,122
				(\$155,259)
EXPENSES				
SALARIES	\$334,463	\$302,660	\$2,990,943	\$2,688,220
RETIREMENT (401 plan)	41,436	37,368	370,536	332,999
EMPLOYEE INSURANCE	78,212	82,606	696,425	674,738
ADVERTISING	167	0	1,500	750
SUBSCRIPTIONS & PUBLICATIONS	4,742	4,486	42,675	36,949
TRAVEL	31,009	36,495	267,042	232,907
TRAVEL-MEMBERS	2,600	0	10,000	1,566
RENT AND UTILITIES	33,963	35,384	305,666	309,886
CONSUMABLE & DURABLE SUPPLIES	3,292	4,976	29,017	33,238
POSTAGE, POST EQUIP RENTAL & FREIGHT	2,312	2,305	20,995	20,650
PRINTING	1,850	3,447	12,305	11,762
TELEPHONE SERVICE&VIDEO CONFERENCING	2,913	2,861	26,213	27,665
INTERNET ACCESS	4,383	3,468	39,450	28,686
EMPLOYEE TRAINING	1,500	120	13,500	8,139
CONFERENCES & MEETINGS	27,225	26,220	129,675	99,402
CONSULTANTS/CONTRACTOR-EXPENSES	0	0	0	3,782
CONSULTANT/CONTRACTOR FEES	4,033	2,500	23,100	33,322
CONSULTING FEES/LEGAL	208	0	1,875	2,248
PENSION TRUSTEES FEES	167	0	1,500	1,444
INVESTMENT ADVISORY FEES	2,000	0	18,000	17,680
LEGISLATIVE - CONSULTING	13,000	12,500	117,000	114,098
BUSINESS INSURANCE	1,500	2,013	13,500	15,728
MAINTENANCE	1,983	995	17,850	6,172
BOND AMORTIZATION	5,667	5,068	51,000	48,165
MISCELLANEOUS	1,670	3,965	13,272	15,147
AUDIT & PAYROLL SERVICES	417	356	15,750	16,031
SOFTWARE LICENCES	583	6,050	5,250	23,158
ADMINISTRATIVE SERVICE ALLOCAT	(3)	0	(30)	104
TOTAL OPERATION EXPENSES	\$601,292	\$575,843	\$5,234,009	\$4,804,636
FURNITURE & EQUIPMENT	\$2,292	\$0	\$2,626	\$2,808
EXCESS REVENUE (EXPENSES)	(\$11,107)	\$48,925	(\$15,254)	\$254,678
				\$429,373
				(\$4,182)



MULTISTATE TAX COMMISSION
Balance Sheet
For the Nine Months Ending 3/31/2016

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ASSETS

CURRENT ASSETS

Money Market Accounts	\$3,082,754
Cash in Banks	679,365
Investments	3,398,794
Petty Cash	895
Accounts Receivable - Other	15,842
Prepaid Maintenance	3,473
Prepaid Subscriptions	24,341
Accrued Interest	15,197

TOTAL CURRENT ASSETS **\$7,220,660**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	570,914
Leasehold Improvements	236,147
Less: Accum Depred & Amortization	(622,352)

TOTAL PROPERTY AND EQUIPMENT **\$184,710**

OTHER ASSETS

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

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

TOTAL ASSETS **\$7,416,854**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$56,336
Other Current Liabilities	5,590
Accrued Vacation Pay	323,679
Payroll Taxes Payable	13
Unearned Program Fees	1,627,798
Unearned Registration Fees	1,920

TOTAL CURRENT LIABILITIES **\$2,015,336**

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	254,677

TOTAL FUND BALANCE **\$5,376,710**

Add Back Asset Exp from Budget Rept	24,808
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TOTAL LIABILITIES & FUND BALANCE **\$7,416,853**



MULTISTATE TAX COMMISSION
Revenue Summary
 For the Nine Months Ending 3/31/2016

	Current Period		Variance	Year-to-Date		Variance
	Budget	Actual		Budget	Actual	
REVENUES BY PROGRAM TYPE						
GENERAL OPERATIONS						
MEMBER ASSESSMENTS	\$106,525	\$106,525	\$0	\$958,726	\$1	\$1
GEN OPS SUPPORT FEE-AUDIT	18,540	15,961	(2,579)	139,728	(27,128)	(27,128)
GEN OPS SUPPORT FEE-NEXUS	5,561	5,561	0	50,051	0	0
INVESTMENT INCOME	14,167	63,689	49,522	117,163	(10,337)	(10,337)
CONFERENCE FEES	0	420	420	20,000	3,225	3,225
EQUIPMENT SALES	0	0	0	200	200	200
MISCELLANEOUS REVENUE	42	0	(42)	376	(376)	(376)
TOTAL REVENUES-GENERAL OPERATIONS	\$144,835	\$192,156	\$47,321	\$1,323,508	(\$34,415)	(\$34,415)
ADMINISTRATIVE SERVICES						
AUDIT PROGRAM						
AUDIT PROGRAM FEES	352,225	341,910	(10,315)	3,061,515	(108,508)	(108,508)
TOTAL REVENUES-AUDIT	\$352,225	\$341,910	(\$10,315)	\$3,170,023	(\$108,508)	(\$108,508)
NEXUS PROGRAM						
NEXUS PROGRAM FEES	67,817	67,817	0	610,351	1	1
TOTAL REVENUES- NEXUS	\$67,817	\$67,817	\$0	\$610,351	\$1	\$1
TRAINING & EDUCATION						
AUDIT SAMPLING & CAAT SCHOOLS	0	0	0	16,100	13,785	13,785
INCOME TAX TRAINING SCHOOLS	0	0	0	36,600	(5,910)	(5,910)
NEXUS SCHOOLS	27,600	22,885	(4,715)	82,800	(27,500)	(27,500)
TOTAL REVENUES- TRAINING & EDUCATION	\$27,600	\$22,885	(\$4,715)	\$135,500	(\$19,625)	(\$19,625)
ARM'S LENGTH SERVICE ADJUSTMENT						
ARM'S LENGTH SERVICE ADJUSTMENT	0	0	0	7,288	7,288	7,288
TOTAL REVENUES- ALAS	\$0	\$0	\$0	\$7,288	\$7,288	\$7,288
TOTAL REVENUES	592,477	624,768	32,291	5,239,381	5,084,122	(155,259)



MULTISTATE TAX COMMISSION
Revenue Details
 For the Nine Months Ending 3/31/2016

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
				Variance
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$106,525	\$106,525	\$958,726	\$1
GEN OPS SUPPORT FEE-AUDIT	18,540	15,961	139,728	(27,128)
GEN OPS SUPPORT FEE-NEXUS	5,561	5,561	50,051	0
INVESTMENT INCOME	14,167	63,689	117,163	(10,337)
CONFERENCE FEES-ANNUAL MEETING	0	420	23,225	3,225
EQUIPMENT SALES	0	0	200	200
MISCELLANEOUS REVENUE	42	0	376	(376)
TOTAL REVENUES - GENERAL OPERATIONS	\$144,835	\$192,156	\$1,323,508	(\$34,415)
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	352,225	341,910	3,170,023	(108,508)
TOTAL REVENUES - AUDIT	\$352,225	\$341,910	\$3,170,023	(\$108,508)
NEXUS PROGRAM				
NEXUS PROGRAM FEES	67,817	67,817	610,351	1
TOTAL REVENUES - SPECIAL PROJECTS	\$67,817	\$67,817	\$610,351	\$1
TRAINING & EDUCATION				
AUDIT SAMPLING & CAAT SCHOOLS	0	0	29,885	13,785
INCOME TAX SCHOOLS	0	0	30,600	(5,910)
NEXUS SCHOOLS	27,600	22,885	82,800	(27,500)
TOTAL REVENUES-TRAINING & EDUCATION	\$27,600	\$22,885	\$115,875	(\$19,625)
ARM'S LENGTH SERVICE ADJUSTMENT				
TOTAL REVENUES-ALAS	\$0	\$0	\$7,288	\$7,288
TOTAL REVENUES	592,477	624,768	5,239,381	(155,259)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Summary
For the Nine Months Ending 3/31/2016

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	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
EXPENDITURES BY PROGRAM					
GENERAL OPERATIONS	\$153,332	\$152,973	\$1,338,889	\$1,211,803	\$127,086
ADMINISTRATIVE SERVICES	3	5	29	3	26
AUDIT	355,042	334,911	3,171,674	2,990,152	181,522
ARM'S LENGTH SERVICE ADJUST	0	0	0	7,288	(7,288)
NEXUS PROGRAM	70,118	57,576	608,360	503,241	105,119
TRAINING & EDUCATION	25,087	30,376	135,682	116,959	18,723
TOTAL EXPENDITURES	\$603,582	\$575,841	\$5,254,634	\$4,829,446	\$425,188
EXPENDITURES BY MAJOR TYPE					
PERSONNEL	\$454,111	\$422,635	\$4,057,903	\$3,695,957	\$361,946
OPERATING EXPENSES	147,179	153,207	1,176,105	1,108,681	67,424
FURNITURE & EQUIPMENT	2,292	0	20,626	24,808	(4,182)
TOTAL EXPENDITURES	\$603,582	\$575,842	\$5,254,634	\$4,829,446	\$425,188



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Nine Months Ending 3/31/2016

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	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
				Variance
EXPENDITURES BY PROGRAM TYPE				
GENERAL OPERATIONS				
PERSONNEL	\$73,119	\$76,851	\$658,073	\$589,753
OPERATING EXPENSES	55,502	55,419	458,416	429,109
EQUIPMENT	458	0	4,125	3,497
ADMINISTRATIVE SERVICES	24,253	20,704	218,275	189,444
TOTAL EXPENSES - GENERAL OPERATIONS	\$153,332	\$152,974	\$1,338,889	\$1,211,803
ADMINISTRATIVE SERVICES				
PERSONNEL	\$69,275	\$49,659	\$623,475	\$507,611
OPERATING EXPENSES	23,583	22,948	212,246	208,131
EQUIPMENT	1,125	0	10,125	21,311
ADMIN. SERVICES ALLOCATION	(93,980)	(72,602)	(845,816)	(737,050)
TOTAL EXPS - ADMIN. SERVICES	\$3	\$5	\$30	\$3
AUDIT				
PERSONNEL	\$260,586	\$256,590	\$2,345,271	\$2,265,081
OPERATING EXPENSES	35,486	34,065	295,673	256,261
EQUIPMENT	417	0	3,751	0
ADMIN. SERVICES ALLOCATION	58,553	44,256	526,978	468,810
TOTAL EXPS - AUDIT	\$355,042	\$334,911	\$3,171,673	\$2,990,152
NEXUS PROGRAM				
PERSONNEL	\$40,060	\$27,585	\$360,541	\$276,417
OPERATING EXPENSES	18,679	22,349	145,411	147,924
EQUIPMENT	208	0	1,875	0
ADMIN. SERVICES ALLOCATION	11,170	7,642	100,533	78,900
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$70,117	\$57,576	\$608,360	\$503,241
TRAINING & EDUCATION				
PERSONNEL	\$11,071	\$11,950	\$70,543	\$57,094
OPERATING EXPENSES	13,933	18,427	64,389	59,864
EQUIPMENT	83	0	750	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$25,087	\$30,377	\$135,682	\$116,958
SPECIAL PROJECTS (ALAS)				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	7,288
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
TOTAL SPECIAL PROJECTS (ALAS)	\$0	\$0	\$0	\$7,288
TOTAL EXPENDITURES	\$603,581	\$575,843	\$5,254,634	\$4,829,445
				\$425,189
				\$18,724

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

		Fees For the Fiscal Year (12 months) ending June 30, 2016			Variance per month	Number of months revenue recognized in MARCH, 2016 YTD Financial Report	Computed Variance: Favorable or (Unfavorable)
Description	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	784	9	\$7,052	
New Hampshire (entered Audit Program on 12/01/2015)	0	5,485	5,485	784	4	\$3,134	
Massachusetts (not participating in Audit Program this FY)	49,752	0	(49,752)	(4,146)	9	(\$37,314)	
				0	0	\$0	
				0	0	\$0	
Total	49,752	14,888	(2,579)			(\$27,127)	
Audit Program Fees (Net of General Operations Support Fee)							
Delaware (entered Audit Program on 07/01/2015)	0	37,613	37,613	3,134	9	\$28,210	
New Hampshire (entered Audit Program on 12/01/2015)	0	21,941	21,941	3,134	4	\$12,538	
Massachusetts (not participating in Audit Program this FY)	199,008	0	(199,008)	(16,584)	9	(\$149,256)	
				0	0	\$0	
				0	0	\$0	
Total	199,008	59,554	(10,315)			(\$108,509)	
General Operations Support Fee -Nexus							
							\$0
Total	0	0	0	0	0	\$0	
Nexus Program Fees (Net of General Operations Support Fee)							
							\$0
Total	0	0	0	0	0	\$0	

Year to date comparison of Budget to Actual as of March 31, 2016

