



To: Members, Executive Committee
From: Glenn Hegar, Treasurer
Date: August 8, 2019
Subject: Financial Statements for the year ended June 30, 2019

OVERALL COMMENTS:

Attached are the financial statements for the year ended June 30, 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 substantially due to personnel cost savings from one income-tax auditor position that was unfilled during the year.

Nexus Program –

The program is operating at a minor deficit.

Training Program –

The Training Program overall produced a surplus for fiscal year 2019. Training schools held (budgeted versus actual) in the year ended June 30, 2019, were as follows:

Training School	Budgeted	Actual
CAAT / Statistical Sampling	1	3
Corporate Income Tax	2	1
Nexus	2	1
TOTAL	5	5

INCOME STATEMENT - Revenues:

Delaware elected not to participate in the Nexus program in FY 2019 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.

Travel shows an unfavorable variance primarily due to travel costs associated with the biennial staff audit training which was held in May.

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.

BALANCE SHEET:

Accounts Receivable – Other

Accounts Receivable – Other contains registration fees receivable related to the Nexus School and Statistical Sampling School which were held in June.

Unearned Program Fees

Unearned Program Fees consists of fiscal year 2020 program fees received prior to the beginning of the new fiscal year on July 1.

Unearned Registration Fees

Unearned Registration Fees contains registration fee amounts collected in advance of the August annual conference and the September Income Tax School.



MULTISTATE TAX COMMISSION

**MULTISTATE TAX COMMISSION
INCOME STATEMENT
For the Twelve Months Ending 6/30/2019**

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
REVENUES				
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$1,356,500	\$1,356,500
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	226,884	226,884
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	5,398	64,781	(2,188)
AUDIT PROGRAM FEES	394,042	394,042	4,728,500	0
INVESTMENT INCOME	7,667	12,930	92,000	70,757
NEXUS PROGRAM FEES	68,164	67,253	817,969	(10,939)
CONFERENCE FEES	0	0	23,000	12,290
EQUIPMENT SALES	0	0	0	3,580
MISCELLANEOUS REVENUE	42	0	500	(485)
TRAINING PROGRAM FEES	80,000	53,055	180,000	157,495
TOTAL REVENUES	\$687,445	\$664,627	\$7,492,322	\$7,542,832
EXPENSES				
SALARIES	\$400,521	\$362,533	\$4,416,663	\$4,252,296
RETIREMENT (401 plan)	43,846	39,558	481,918	469,119
EMPLOYEE INSUR & BENEFITS	91,303	82,465	1,021,462	936,949
EMPLOYER PAYROLL TAXES	12,422	10,813	140,141	124,010
ADVERTISING	63	0	750	0
SUBSCRIPTIONS & PUBLICATIONS	6,900	7,656	82,800	87,100
TRAVEL	30,435	30,346	280,418	347,925
TRAVEL-MEMBERS	0	0	5,000	0
RENT AND UTILITIES	36,414	40,018	436,965	440,261
CONSUMABLE & DURABLE SUPPLIES	4,096	10,874	43,884	37,429
POSTAGE, POST EQUIP RENTAL & FREIGHT	2,367	1,310	20,743	14,005
PRINTING	2,980	0	13,010	9,482
TELEPHONE SERVICE&VIDEO CONFERENCING	3,745	3,947	44,944	47,837
INTERNET ACCESS	3,921	3,925	47,050	48,882
EMPLOYEE TRAINING	2,650	(5,625)	31,800	26,163
CONFERENCES & MEETINGS	8,058	2,017	148,200	189,931
CONSULTANT/CONTRACTOR FEES	3,200	3,824	16,400	23,661
CONSULTING FEES/LEGAL	167	1,606	2,000	7,070
401 &457 PLAN TRUSTEES FEES	167	0	2,000	4,236
INVESTMENT ADVISORY FEES	4,875	4,600	58,500	57,873
LEGISLATIVE - CONSULTING	2,083	0	25,000	0
BUSINESS INSURANCE	1,625	1,625	19,500	17,254
MAINTENANCE	1,192	558	14,300	16,591
BOND AMORTIZATION	125	0	1,500	2,808
MISCELLANEOUS	2,174	496	23,210	12,695
AUDIT & PAYROLL SERVICES	417	363	18,000	17,660
SOFTWARE LICENCES	2,083	2,044	25,000	27,503
ADMINISTRATIVE SERVICE ALLOCATION	0	0	1	1
TOTAL OPERATION EXPENSES	\$667,829	\$603,328	\$7,421,159	\$7,218,740
FURNITURE & EQUIPMENT	\$3,908	\$0	\$46,900	\$88,025
EXCESS REVENUE (EXPENSES)	\$15,708	\$61,299	\$24,263	\$236,067
TOTAL			\$7,421,159	\$7,218,740
				\$202,419
				(\$41,125)
				\$211,804



MULTISTATE TAX COMMISSION
Balance Sheet
For the Twelve Months Ending 6/30/2019

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ASSETS

CURRENT ASSETS

Cash in Banks	\$216,286
Investments	5,916,712
Petty Cash	485
Accounts Receivable - Other	29,735
Prepaid Health Insurance	69,632
Prepaid Maintenance	11,570
Prepaid Meeting Costs	14,400
Prepaid Subscriptions	48,854

TOTAL CURRENT ASSETS **\$6,307,674**

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	762,867
Leasehold Improvements	228,572
Less: Accum Depred & Amortization	(625,149)

TOTAL PROPERTY AND EQUIPMENT **\$366,291**

OTHER ASSETS

Expense Account Advances	\$5,600
Rent Deposits	2,200

TOTAL OTHER ASSETS **\$7,800**

TOTAL ASSETS **\$6,681,765**

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$67,665
Accrued Vacation Pay	447,386
Unearned Program Fees	185,638
Unearned Registration Fees	46,545

TOTAL CURRENT LIABILITIES **\$747,234**

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	236,065

TOTAL FUND BALANCE **\$5,846,506**

Add Back Asset Exp from Budget Rept **88,025**

TOTAL LIABILITIES & FUND BALANCE **\$6,681,765**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Summary
For the Twelve Months Ending 6/30/2019

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Period:Twelve

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$1,356,500	\$1,356,500
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	226,884	226,884
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	5,398	64,781	(2,188)
INVESTMENT INCOME	7,667	12,930	92,000	70,757
CONFERENCE FEES	0	0	23,000	12,290
EQUIPMENT SALES	0	0	3,580	3,580
MISCELLANEOUS REVENUE	42	0	500	15
TOTAL REVENUES-GENERAL OPERATIONS	\$145,239	\$150,277	\$1,765,853	\$1,849,807
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM				
AUDIT PROGRAM FEES	394,042	394,042	4,728,500	4,728,500
TOTAL REVENUES-AUDIT	\$394,042	\$394,042	\$4,728,500	\$4,728,500
NEXUS PROGRAM				
NEXUS PROGRAM FEES	68,164	67,253	817,969	807,030
TOTAL REVENUES- NEXUS	\$68,164	\$67,253	\$817,969	\$807,030
TRAINING & EDUCATION				
AUDIT OTHER-VT & SITAS	0	150	0	11,805
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	23,385	20,000	63,170
INCOME TAX TRAINING SCHOOLS FEES	52,500	0	105,000	53,000
NEXUS SCHOOLS	27,500	29,520	55,000	29,520
TOTAL REVENUES- TRAINING & EDUCATION	\$80,000	\$53,055	\$180,000	\$157,495
SITAS				
TOTAL REVENUES	687,445	664,627	7,492,322	7,542,832
				50,510
				(\$10,939)
				(\$22,505)



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Revenue Details
 For the Twelve Months Ending 6/30/2019

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 Period:Twelve

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
REVENUES BY PROGRAM TYPE				
GENERAL OPERATIONS				
MEMBER ASSESSMENTS	\$113,042	\$113,042	\$1,356,500	\$1,356,500
OPERATIONS SUPPORT SURCHARGE-AUDIT	18,907	18,907	226,884	226,884
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,581	(183)	64,781	(2,188)
INVESTMENT INCOME	7,667	12,930	162,757	70,757
CONFERENCE FEES-ANNUAL MEETING	0	0	35,290	12,290
EQUIPMENT SALES	0	0	3,580	3,580
MISCELLANEOUS REVENUE	42	(42)	500	15
TOTAL REVENUES - GENERAL OPERATIONS	\$145,239	\$150,277	\$1,765,853	\$1,849,807
ADMINISTRATIVE SERVICES				
AUDIT PROGRAM FEES	394,042	394,042	4,728,500	4,728,500
TOTAL REVENUES - AUDIT	\$394,042	\$394,042	\$4,728,500	\$4,728,500
NEXUS PROGRAM				
NEXUS PROGRAM FEES	68,164	67,253	817,969	807,030
TOTAL REVENUES - SPECIAL PROJECTS	\$68,164	\$67,253	\$817,969	(10,939)
TRAINING & EDUCATION				
AUDIT OTHER-VT & SITAS	0	150	0	11,805
AUDIT SAMPLING & CAAT SCHOOLS FEES	0	23,385	20,000	43,170
INCOME TAX SCHOOLS FEES	52,500	(52,500)	105,000	(52,000)
NEXUS SCHOOLS	27,500	2,020	55,000	29,520
TOTAL REVENUES-TRAINING & EDUCATION	\$80,000	\$53,055	\$180,000	(\$22,505)
TOTAL REVENUES	687,445	664,627	7,492,322	50,510



MULTISTATE TAX COMMISSION

**MULTISTATE TAX COMMISSION
Expenditure Summary
For the Twelve Months Ending 6/30/2019**

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	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
EXPENDITURES BY PROGRAM					
GENERAL OPERATIONS	\$136,837	\$143,547	\$1,762,943	\$1,805,878	(\$42,935)
AUDIT	391,701	367,870	4,717,418	4,568,643	148,775
NEXUS PROGRAM	66,168	62,729	809,010	811,027	(2,017)
TRAINING & EDUCATION	77,031	29,181	178,688	121,218	57,470
TOTAL EXPENDITURES	\$671,737	\$603,327	\$7,468,059	\$7,306,766	\$161,293
EXPENDITURES BY MAJOR TYPE					
PERSONNEL	\$548,091	\$495,369	\$6,060,184	\$5,782,374	\$277,810
OPERATING EXPENSES	119,737	107,958	1,360,975	1,436,368	(75,393)
FURNITURE & EQUIPMENT	3,908	0	46,900	88,025	(41,125)
TOTAL EXPENDITURES	\$671,736	\$603,327	\$7,468,059	\$7,306,767	\$161,292



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION
Expenditure Details
For the Twelve Months Ending 6/30/2019

EXPENDITURES BY PROGRAM TYPE

GENERAL OPERATIONS

	Budget	Current Period Actual	Variance	Budget	Year-to Date Actual	Variance
PERSONNEL	\$88,398	\$87,593	\$805	\$1,060,777	\$1,027,311	\$33,466
OPERATING EXPENSES	26,190	36,360	(10,170)	435,179	484,428	(49,249)
EQUIPMENT	1,317	0	1,317	15,800	0	15,800
ADMINISTRATIVE SERVICES	20,932	19,594	1,338	251,187	294,140	(42,953)
TOTAL EXPENSES - GENERAL OPERATIONS	\$136,837	\$143,547	(\$6,710)	\$1,762,943	\$1,805,879	(\$42,936)

ADMINISTRATIVE SERVICES

PERSONNEL	\$55,624	\$48,666	\$6,958	\$667,491	\$659,113	\$8,378
OPERATING EXPENSES	29,924	30,027	(103)	359,090	366,833	(7,743)
EQUIPMENT	1,442	0	1,442	17,300	75,148	(57,848)
ADMIN. SERVICES ALLOCATION	(86,990)	(78,693)	(8,297)	(1,043,881)	(1,101,094)	57,213
TOTAL EXPS - ADMIN. SERVICES	\$0	\$0	\$0	\$0	\$0	\$0

AUDIT

PERSONNEL	\$308,063	\$300,429	\$7,634	\$3,696,758	\$3,514,157	\$182,601
OPERATING EXPENSES	26,420	17,164	9,256	334,045	364,988	(30,943)
EQUIPMENT	817	0	817	9,800	4,529	5,271
ADMIN. SERVICES ALLOCATION	56,401	50,277	6,124	676,815	684,969	(8,154)
TOTAL EXPS - AUDIT	\$391,701	\$367,870	\$23,831	\$4,717,418	\$4,568,643	\$148,775

NEXUS PROGRAM

PERSONNEL	\$43,461	\$39,702	\$3,759	\$521,535	\$511,141	\$10,394
OPERATING EXPENSES	12,800	14,205	(1,405)	168,595	169,553	(958)
EQUIPMENT	250	0	250	3,000	8,348	(5,348)
ADMIN. SERVICES ALLOCATION	9,657	8,822	835	115,880	121,985	(6,105)
TOTAL DIRECT EXPS - NEXUS PROGRAM	\$66,168	\$62,729	\$3,439	\$809,010	\$811,027	(\$2,017)

TRAINING & EDUCATION

PERSONNEL	\$52,545	\$18,980	\$33,565	\$113,623	\$70,652	\$42,971
OPERATING EXPENSES	24,403	10,201	14,202	64,065	50,566	13,499
EQUIPMENT	83	0	83	1,000	0	1,000
ADMIN. SERVICES ALLOCATION	0	0	0	0	0	0
TOTAL EXPS - TRAINING & EDUCATION	\$77,031	\$29,181	\$47,850	\$178,688	\$121,218	\$57,470

SPECIAL PROJECTS (SITAS)

PERSONNEL	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0	0	0
TOTAL SPECIAL PROJECTS (SITAS)	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$671,737	\$603,327	\$68,410	\$7,468,059	\$7,306,767	\$161,292

Year to date comparison of Budget to Actual Revenue and Expenses as of June 30, 2019

