



MULTISTATE TAX COMMISSION

Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee  
From: Rich Jackson, Treasurer  
Date: July 17, 2014  
Subject: Financial Statements for the year ended June 30, 2014

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### **OVERALL COMMENTS:**

Attached are the financial statements for the year ended June 30, 2014.

The budget column amounts in the attached report are computed and are based on the amounts in the approved fiscal year 2013/2014 budget. The budget amounts for this fiscal year were approved at a meeting of the Commission on July 24, 2013 in San Diego, California.

Membership Assessments, Audit Fees, and Nexus fees are recognized ratably throughout the year.

Administrative Services department expenses are allocated to all other departments based on the relative expenses of each department.

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:**

#### **TOTAL OPERATIONS - Overview**

For the year ended June 30, 2014 the actual overall surplus from operations was \$7,797 versus a budgeted surplus of \$24,078. The actual year-to-date surplus is the result of a number of large items; the effects of which move in opposite directions:

Items with a positive effect on the surplus are:

- 4 vacancies (3 audit positions and the general counsel position)
- Change in the health insurance plan benefits which reduced the monthly premium

Items with a negative effect on the surplus are:

- Interest and dividend income at a level lower than anticipated
- Loss of a state participating in the audit program for FY 2014

### General Operations Program – Variance explanations

| Item    | Variance   | Explanation / Comments   |
|---------|------------|--|
| Revenue | \$(36,147) | Investment earnings less than anticipated  |
| Expense | \$(27,314) | Higher than anticipated meeting costs in San Diego and Denver partially as a result of larger than anticipated attendance. |

### Audit Program – Variance explanations

| Item    | Variance    | Explanation / Comments  |
|---------|-------------|---|
| Revenue | \$(152,282) | A state that was budgeted to participate in the audit program did not participate.    |
| Expense | \$222,723   | Three auditor position vacancies. One of these vacancies was filled on June 16, 2014. |

### Nexus Program – Variance explanations

| Item    | Variance   | Explanation / Comments  |
|---------|------------|---|
| Revenue | \$9,717    | One state joined the Nexus Program that was not anticipated in the budget for FY 2014             |
| Expense | \$(42,241) | Unanticipated consultant costs in regards to the Nexus database and higher meeting related costs. |

### Training and Education Program – Variance explanations

| Item    | Variance   | Explanation / Comments  |
|---------|------------|---|
| Revenue | \$21,865   | More schools than budgeted and larger than usual number of attendees                                    |
| Expense | \$(12,598) | Certain variable expenses for the schools track with the number of schools and the number of attendees. |

## **INCOME STATEMENT - Revenues:**

New Hampshire rejoined the Nexus Program for fiscal year 2014 after the budget was approved. Thus, this unanticipated revenue results in favorable variances in the **Nexus Program Fees** and the **General Operations Support Fees – Nexus**.

Minnesota was budgeted to participate in the Audit Program for this fiscal year. However, Minnesota did not participate in the Audit Program in FY 2014 resulting in an unfavorable variance of \$152,282 in the **Audit Program Fees** for the year ended June 30, 2014.

A spreadsheet is attached to this report detailing the variances in the program fees noted above.

## **INCOME STATEMENT - Expenditures:**

**Salaries** show a favorable variance of \$79,868 due to vacancies in three audit positions and the general counsel position.

**Employee Insurance** shows a favorable variance of \$164,418 due to action to reduce the cost of employee group health insurance. Group health insurance was budgeted to provide for up to an 8% rate increase on the policy anniversary date of September 1, 2013. However, as a result of the loss of the audit program fee revenue (noted above) action was taken to change the coverage thereby reducing rates by 10% in order to mitigate the financial effect of the loss of the audit fees.

**Conferences and Meetings** shows an unfavorable variance of \$27,824 due to costs higher than budgeted at the July annual conference in San Diego and winter committee meetings in Denver. Some of this variance was due to an increase in attendance at both of these meetings.

**Furniture and Equipment** shows an unfavorable variance of \$43,666 due to the purchase of laptop computers in June.



|  | Current Period |                 |                  | Year-to Date     |                  |                 |
|--|----------------|-----------------|------------------|------------------|------------------|-----------------|
|  | Budget         | Actual          | Variance         | Budget           | Actual           | Variance        |
| <b>OPERATIONS BY PROGRAM &amp; TOTAL</b> |                |                 |                  |                  |                  |                 |
| <b>GENERAL OPERATIONS PROGRAM</b>        |                |                 |                  |                  |                  |                 |
| Revenues                                 | \$136,734      | \$135,480       | (\$1,254)        | \$1,656,313      | \$1,620,166      | (\$36,147)      |
| Expenses                                 | <u>129,425</u> | <u>151,043</u>  | <u>(21,618)</u>  | <u>1,657,552</u> | <u>1,684,866</u> | <u>(27,314)</u> |
| SURPLUS/DEFICIT - GEN OPERATIONS         | <u>7,309</u>   | <u>(15,563)</u> | <u>(22,872)</u>  | <u>(1,239)</u>   | <u>(64,700)</u>  | <u>(63,461)</u> |
| <b>ADMINISTRATIVE SERVICES</b>           |                |                 |                  |                  |                  |                 |
| Expenses                                 |                |                 |                  | (1)              | 2                | (3)             |
| SURPLUS/DEFICIT - ADMIN. SERVICES        |                |                 |                  | <u>1</u>         | <u>(2)</u>       | <u>(3)</u>      |
| <b>AUDIT PROGRAM</b>                     |                |                 |                  |                  |                  |                 |
| Revenues and Transfers                   | 359,487        | 344,189         | (15,298)         | 4,313,838        | 4,161,556        | (152,282)       |
| Expenses                                 | <u>358,059</u> | <u>432,768</u>  | <u>(74,709)</u>  | <u>4,306,706</u> | <u>4,083,983</u> | <u>222,723</u>  |
| SURPLUS/DEFICIT - AUDIT                  | <u>1,428</u>   | <u>(88,579)</u> | <u>(90,007)</u>  | <u>7,132</u>     | <u>77,573</u>    | <u>70,441</u>   |
| <b>NEXUS PROGRAM</b>                     |                |                 |                  |                  |                  |                 |
| Revenues and Transfers                   | 64,325         | 65,135          | 810              | 771,902          | 781,619          | 9,717           |
| Expenses                                 | <u>62,168</u>  | <u>60,363</u>   | <u>1,805</u>     | <u>752,514</u>   | <u>794,755</u>   | <u>(42,241)</u> |
| SURPLUS/DEFICIT - NEXUS PROGRAM          | <u>2,157</u>   | <u>4,772</u>    | <u>2,615</u>     | <u>19,388</u>    | <u>(13,136)</u>  | <u>(32,524)</u> |
| <b>TRAINING &amp; EDUCATION</b>          |                |                 |                  |                  |                  |                 |
| Revenues and Transfers                   |                |                 |                  | 184,600          | 206,465          | 21,865          |
| Expenses                                 | <u>1,267</u>   | <u>157</u>      | <u>1,110</u>     | <u>185,804</u>   | <u>198,402</u>   | <u>(12,598)</u> |
| SURPLUS/DEFICIT - TRAINING & EDUCATI     | <u>(1,267)</u> | <u>(157)</u>    | <u>1,110</u>     | <u>(1,204)</u>   | <u>8,063</u>     | <u>9,267</u>    |
| <b>OTHER PROJECTS (ALAS)</b>             |                |                 |                  |                  |                  |                 |
| Revenues and Transfers                   | 5,675          | 8,129           | 2,454            | 22,810           | 12,351           | (10,459)        |
| Expenses                                 | <u>5,675</u>   | <u>8,129</u>    | <u>(2,454)</u>   | <u>22,810</u>    | <u>12,351</u>    | <u>10,459</u>   |
| <b>TOTAL OPERATIONS</b>                  |                |                 |                  |                  |                  |                 |
| Revenues and Transfers                   | 566,221        | 552,933         | (13,288)         | 6,949,463        | 6,782,157        | (167,306)       |
| Expenses                                 | <u>556,594</u> | <u>652,461</u>  | <u>(95,867)</u>  | <u>6,925,385</u> | <u>6,774,360</u> | <u>151,025</u>  |
| SURPLUS/DEFICIT - TOTAL OPERATIONS       | <u>9,627</u>   | <u>(99,528)</u> | <u>(109,155)</u> | <u>24,078</u>    | <u>7,797</u>     | <u>(16,281)</u> |

7/15/14  
Period Twelve

Multistate Tax Commission  
BALANCE SHEET  
As of 6/30/14

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Rept 6005

**ASSETS**

**CURRENT ASSETS**

|                       |                  |
|-----------------------|------------------|
| Money Market Accounts | \$38,482.42      |
| Cash in Banks         | 1,007,506.23     |
| Investments           | 4,405,793.72     |
| Petty Cash            | 885.10           |
| Prepaid Maintenance   | 6,983.48         |
| Prepaid Meeting Costs | 1,450.00         |
| Prepaid Subscriptions | 11,622.76        |
| Accrued Interest      | <u>26,435.18</u> |

TOTAL CURRENT ASSETS \$5,499,158.89

**PROPERTY AND EQUIPMENT**

|                                   |                     |
|-----------------------------------|---------------------|
| Office Furniture & Equipment      | \$716,190.42        |
| Leasehold Improvements            | 236,147.39          |
| Less: Accum Depred & Amortization | <u>(679,436.52)</u> |

TOTAL PROPERTY AND EQUIPMENT \$272,901.29

**OTHER ASSETS**

|                          |                 |
|--------------------------|-----------------|
| Expense Account Advances | \$7,600.00      |
| Rent Deposits            | <u>6,165.00</u> |

TOTAL OTHER ASSETS \$13,765.00

**TOTAL ASSETS** \$5,785,825.18

**LIABILITIES & FUND BALANCE**

**CURRENT LIABILITIES**

|                            |                 |
|----------------------------|-----------------|
| Accounts Payable           | \$51,778.42     |
| Accrued Vacation Pay       | 389,399.11      |
| Unearned Program Fees      | 247,083.00      |
| Unearned Registration Fees | <u>8,970.00</u> |

TOTAL CURRENT LIABILITIES

\$697,230.53

**FUND BALANCE**

|   |                 |
|---|-----------------|
| Appropriated Fund Bal-Enterprise Automation Project | \$555,715.16    |
| Appropriated Fund Bal-Equipment Reserve             | 44,206.16       |
| Restricted Fund Balance-Cumm                        | 1,183,507.06    |
| Restricted Fund Balance-Current                     | (13,136.00)     |
| Unappropriated Fund Bal-Current Adj                 | 13,136.00       |
| Unappropriated Fund Balance-Cummula                 | 3,206,204.24    |
| Unappropriated Fund Balance-Current                 | <u>7,796.44</u> |

TOTAL FUND BALANCE

\$4,997,429.06

Add Back Asset Exp from Budget Rept

91,165.59

**TOTAL LIABILITIES & FUND BALANCE**

**\$5,785,825.18**

Multistate Tax Commission  
INCOME STATEMENT  
For the Twelve Months Ending June 30, 2014

|                                      | Current Period   |                   |                    | Year-to Date       |                    |                    |
|--------------------------------------|------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
|                                      | Budget           | Actual            | Variance           | Budget             | Actual             | Variance           |
| <b>REVENUES</b>                      |                  |                   |                    |                    |                    |                    |
| MEMBER ASSESSMENTS                   | \$102,391        | \$102,391         | \$0                | \$1,228,688        | \$1,228,687        | (\$1)              |
| GEN OPS SUPPORT FEE-AUDIT            | 14,944           | 14,233            | (711)              | 179,325            | 178,614            | (711)              |
| GEN OPS SUPPORT FEE-NEXUS            | 5,192            | 5,394             | 202                | 62,300             | 64,729             | 2,429              |
| AUDIT PROGRAM FEES                   | 359,487          | 344,189           | (15,298)           | 4,313,838          | 4,161,556          | (152,282)          |
| INVESTMENT INCOME                    | 14,167           | 13,463            | (704)              | 170,000            | 127,718            | (42,282)           |
| NEXUS PROGRAM FEES                   | 64,325           | 65,135            | 810                | 771,902            | 781,619            | 9,717              |
| ARM'S LENGTH SERVICE ADJUSTMENT      | 5,675            | 8,129             | 2,454              | 22,810             | 12,351             | (10,459)           |
| CONFERENCE FEES                      | 0                | 0                 | 0                  | 15,500             | 20,415             | 4,915              |
| MISCELLANEOUS REVENUE                | 42               | 0                 | (42)               | 500                | 3                  | (497)              |
| TRAINING PROGRAM FEES                | 0                | 0                 | 0                  | 184,600            | 206,465            | 21,865             |
| <b>TOTAL REVENUES</b>                | <b>\$566,223</b> | <b>\$552,934</b>  | <b>(\$13,289)</b>  | <b>\$6,949,463</b> | <b>\$6,782,157</b> | <b>(\$167,306)</b> |
| <b>EXPENSES</b>                      |                  |                   |                    |                    |                    |                    |
| SALARIES                             | \$316,432        | \$329,205         | (\$12,773)         | \$3,868,246        | \$3,788,378        | \$79,868           |
| RETIREMENT                           | 39,238           | 39,992            | (754)              | 479,664            | 466,518            | 13,146             |
| EMPLOYEE INSURANCE                   | 94,321           | 84,104            | 10,217             | 1,154,931          | 986,513            | 168,418            |
| ADVERTISING                          | 167              | 0                 | 167                | 2,000              | 545                | 1,455              |
| SUBSCRIPTIONS & PUBLICATIONS         | 2,692            | 5,785             | (3,093)            | 32,299             | 55,566             | (23,267)           |
| TRAVEL                               | 20,542           | 38,191            | (17,649)           | 279,058            | 290,504            | (11,446)           |
| TRAVEL-MEMBERS                       | 0                | 1,146             | (1,146)            | 14,000             | 7,606              | 6,394              |
| RENT AND UTILITIES                   | 31,303           | 9,261             | 22,042             | 375,634            | 379,845            | (4,211)            |
| OFFICE SUPPLIES                      | 2,688            | 2,526             | 162                | 36,650             | 31,952             | 4,698              |
| POSTAGE, POST EQUIP RENTAL & FREIGHT | 1,917            | 3,114             | (1,197)            | 29,142             | 29,807             | (665)              |
| PRINTING, COPYING & COPIER RENTAL    | 1,083            | 0                 | 1,083              | 20,610             | 16,588             | 4,022              |
| TELEPHONE SERVICE&VIDEO CONFERENC    | 3,477            | 2,594             | 883                | 41,721             | 31,074             | 10,647             |
| INTERNET ACCESS                      | 2,462            | 3,926             | (1,464)            | 29,550             | 45,810             | (16,260)           |
| TRAINING                             | 1,225            | 2,390             | (1,165)            | 14,700             | 11,788             | 2,912              |
| CONFERENCES & MEETINGS               | 83               | 1,769             | (1,686)            | 105,800            | 133,624            | (27,824)           |
| CONSULTANTS TRAVEL                   | 450              | 1,148             | (698)              | 2,560              | 4,525              | (1,965)            |
| CONTRACT SERVICES                    | 6,642            | 20,811            | (14,169)           | 43,850             | 64,043             | (20,193)           |
| CONSULTING FEES/LEGAL                | 208              | 0                 | 208                | 2,500              | 225                | 2,275              |
| PENSION TRUSTEES FEES                | 208              | 0                 | 208                | 2,500              | 1,957              | 543                |
| INVESTMENT ADVISORY FEES             | 2,083            | 0                 | 2,083              | 25,000             | 23,630             | 1,370              |
| LEGISLATIVE - CONSULTING             | 13,333           | 12,500            | 833                | 160,000            | 153,031            | 6,969              |
| INSURANCE & BONDS                    | 1,417            | 1,501             | (84)               | 17,000             | 17,406             | (406)              |
| MAINTENANCE                          | 1,750            | 608               | 1,142              | 21,000             | 21,450             | (450)              |
| BOND AMORTIZATION                    | 5,833            | 5,358             | 475                | 70,000             | 67,649             | 2,351              |
| MISCELLANEOUS                        | 1,750            | 8,571             | (6,821)            | 22,000             | 27,693             | (5,693)            |
| ACCOUNTING                           | 333              | 340               | (7)                | 15,500             | 16,331             | (831)              |
| SOFTWARE LICENCES                    | 1,000            | 0                 | 1,000              | 12,000             | 9,139              | 2,861              |
| ADMINISTRATIVE SERVICE ALLOCAT       | (2)              | 0                 | (2)                | (30)               | 0                  | (30)               |
| <b>TOTAL OPERATION EXPENSES</b>      | <b>\$552,635</b> | <b>\$574,840</b>  | <b>(\$22,205)</b>  | <b>\$6,877,885</b> | <b>\$6,683,197</b> | <b>\$194,688</b>   |
| FURNITURE & EQUIPMENT                | \$3,958          | \$77,621          | (\$73,663)         | \$47,500           | \$91,166           | (\$43,666)         |
| <b>EXCESS REVENUE (EXPENSES)</b>     | <b>\$9,630</b>   | <b>(\$99,527)</b> | <b>(\$109,157)</b> | <b>\$24,078</b>    | <b>\$7,794</b>     | <b>(\$16,284)</b>  |

Multistate Tax Commission  
REVENUE SUMMARY  
For the Twelve Months Ending June 30, 2014

|                                   | Current Period   |                  |                   | Year-to Date       |                    |                    |
|-----------------------------------|------------------|------------------|-------------------|--------------------|--------------------|--------------------|
|                                   | Budget           | Actual           | Variance          | Budget             | Actual             | Variance           |
| <b>REVENUES BY PROGRAM TYPE</b>   |                  |                  |                   |                    |                    |                    |
| <b>GENERAL OPERATIONS</b>         |                  |                  |                   |                    |                    |                    |
| MEMBER ASSESSMENTS                | \$102,391        | \$102,391        | \$0               | \$1,228,688        | \$1,228,687        | (\$1)              |
| GEN OPS SUPPORT FEE-AUDIT         | 14,944           | 14,233           | (711)             | 179,325            | 178,614            | (711)              |
| GEN OPS SUPPORT FEE-NEXUS         | 5,192            | 5,394            | 202               | 62,300             | 64,729             | 2,429              |
| INVESTMENT INCOME                 | 14,167           | 13,463           | (704)             | 170,000            | 127,718            | (42,282)           |
| CONFERENCE FEES-ANNUAL MEETING    | 0                | 0                | 0                 | 15,500             | 20,415             | 4,915              |
| MISCELLANEOUS REVENUE             | 42               | 0                | (42)              | 500                | 3                  | (497)              |
| TOTAL REVENUES - GENERAL OPERATIO | <u>\$136,736</u> | <u>\$135,481</u> | <u>(\$1,255)</u>  | <u>\$1,656,313</u> | <u>\$1,620,166</u> | <u>(\$36,147)</u>  |
| <b>ADMINISTRATIVE SERVICES</b>    |                  |                  |                   |                    |                    |                    |
| <b>AUDIT PROGRAM</b>              |                  |                  |                   |                    |                    |                    |
| AUDIT PROGRAM FEES                | 359,487          | 344,189          | (15,298)          | 4,313,838          | 4,161,556          | (152,282)          |
| TOTAL REVENUES - AUDIT            | <u>\$359,487</u> | <u>\$344,189</u> | <u>(\$15,298)</u> | <u>\$4,313,838</u> | <u>\$4,161,556</u> | <u>(\$152,282)</u> |
| <b>NEXUS PROGRAM</b>              |                  |                  |                   |                    |                    |                    |
| NEXUS PROGRAM FEES                | 64,325           | 65,135           | 810               | 771,902            | 781,619            | 9,717              |
| TOTAL REVENUES - SPECIAL PROJECTS | <u>\$64,325</u>  | <u>\$65,135</u>  | <u>\$810</u>      | <u>\$771,902</u>   | <u>\$781,619</u>   | <u>\$9,717</u>     |
| <b>TRAINING &amp; EDUCATION</b>   |                  |                  |                   |                    |                    |                    |
| AUDIT SAMPLING SCHOOLS            | 0                | 0                | 0                 | 31,600             | 52,797             | 21,197             |
| INCOME TAX SCHOOLS                | 0                | 0                | 0                 | 72,000             | 81,435             | 9,435              |
| NEXUS SCHOOLS                     | 0                | 0                | 0                 | 81,000             | 72,233             | (8,767)            |
| TOTAL REVENUES-TRAINING & EDUCATI | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>        | <u>\$184,600</u>   | <u>\$206,465</u>   | <u>\$21,865</u>    |
| ARM'S LENGTH SERVICE ADJUSTMENT   | 5,675            | 8,129            | 2,454             | 22,810             | 12,351             | (10,459)           |
| TOTAL REVENUES-ALAS               | <u>\$5,675</u>   | <u>\$8,129</u>   | <u>\$2,454</u>    | <u>\$22,810</u>    | <u>\$12,351</u>    | <u>(\$10,459)</u>  |
| TOTAL REVENUES                    | <u>\$566,223</u> | <u>\$552,934</u> | <u>(\$13,289)</u> | <u>\$6,949,463</u> | <u>\$6,782,157</u> | <u>(\$167,306)</u> |



|                                     | Current Period          |                         |                          | Year-to Date              |                           |                         |
|-------------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------------|
|                                     | Budget                  | Actual                  | Variance                 | Budget                    | Actual                    | Variance                |
| <b>EXPENDITURES BY PROGRAM TYPE</b> |                         |                         |                          |                           |                           |                         |
| <b>GENERAL OPERATIONS</b>           |                         |                         |                          |                           |                           |                         |
| PERSONNEL                           | \$72,735                | \$67,838                | \$4,897                  | \$872,821                 | \$840,303                 | \$32,518                |
| OPERATING EXPENSES                  | 33,080                  | 40,401                  | (7,321)                  | 501,404                   | 519,351                   | (17,947)                |
| EQUIPMENT                           | 583                     | 13,423                  | (12,840)                 | 7,000                     | 13,423                    | (6,423)                 |
| ADMINISTRATIVE SERVICES             | <u>23,027</u>           | <u>29,380</u>           | <u>(6,353)</u>           | <u>276,327</u>            | <u>311,789</u>            | <u>(35,462)</u>         |
| TOTAL EXPENSES - GENERAL OPERATIO   | <u>\$129,425</u>        | <u>\$151,042</u>        | <u>(\$21,617)</u>        | <u>\$1,657,552</u>        | <u>\$1,684,866</u>        | <u>(\$27,314)</u>       |
| <b>ADMINISTRATIVE SERVICES</b>      |                         |                         |                          |                           |                           |                         |
| PERSONNEL                           | \$69,425                | \$69,061                | \$364                    | \$833,103                 | \$791,083                 | \$42,020                |
| OPERATING EXPENSES                  | 22,628                  | 25,512                  | (2,884)                  | 271,532                   | 303,109                   | (31,577)                |
| EQUIPMENT                           | 1,208                   | 21,367                  | (20,159)                 | 14,500                    | 33,816                    | (19,316)                |
| ADMIN. SERVICES ALLOCATION          | <u>(93,261)</u>         | <u>(115,940)</u>        | <u>22,679</u>            | <u>(1,119,136)</u>        | <u>(1,128,005)</u>        | <u>8,869</u>            |
| TOTAL EXPS - ADMIN. SERVICES        | <u>\$0</u>              | <u>\$0</u>              | <u>\$0</u>               | <u>(\$1)</u>              | <u>\$3</u>                | <u>(\$4)</u>            |
| <b>AUDIT</b>                        |                         |                         |                          |                           |                           |                         |
| PERSONNEL                           | \$270,058               | \$276,899               | (\$6,841)                | \$3,240,701               | \$3,019,086               | \$221,615               |
| OPERATING EXPENSES                  | 26,531                  | 42,434                  | (15,903)                 | 328,371                   | 343,397                   | (15,026)                |
| EQUIPMENT                           | 1,667                   | 38,835                  | (37,168)                 | 20,000                    | 38,835                    | (18,835)                |
| ADMIN. SERVICES ALLOCATION          | <u>59,803</u>           | <u>74,599</u>           | <u>(14,796)</u>          | <u>717,634</u>            | <u>682,665</u>            | <u>34,969</u>           |
| TOTAL EXPS - AUDIT                  | <u>\$358,059</u>        | <u>\$432,767</u>        | <u>(\$74,708)</u>        | <u>\$4,306,706</u>        | <u>\$4,083,983</u>        | <u>\$222,723</u>        |
| <b>NEXUS PROGRAM</b>                |                         |                         |                          |                           |                           |                         |
| PERSONNEL                           | \$37,773                | \$39,502                | (\$1,729)                | \$453,272                 | \$465,196                 | (\$11,924)              |
| OPERATING EXPENSES                  | 13,550                  | 4,905                   | 8,645                    | 169,097                   | 190,917                   | (21,820)                |
| EQUIPMENT                           | 417                     | 3,996                   | (3,579)                  | 5,000                     | 5,092                     | (92)                    |
| ADMIN. SERVICES ALLOCATION          | <u>10,429</u>           | <u>11,960</u>           | <u>(1,531)</u>           | <u>125,145</u>            | <u>133,551</u>            | <u>(8,406)</u>          |
| TOTAL DIRECT EXPS - NEXUS PROGRAM   | <u>\$62,169</u>         | <u>\$60,363</u>         | <u>\$1,806</u>           | <u>\$752,514</u>          | <u>\$794,756</u>          | <u>(\$42,242)</u>       |
| <b>TRAINING &amp; EDUCATION</b>     |                         |                         |                          |                           |                           |                         |
| PERSONNEL                           | \$0                     | \$0                     | \$0                      | \$102,944                 | \$125,741                 | (\$22,797)              |
| OPERATING EXPENSES                  | 1,183                   | 157                     | 1,026                    | 81,860                    | 72,662                    | 9,198                   |
| EQUIPMENT                           | 83                      | 0                       | 83                       | 1,000                     | 0                         | 1,000                   |
| TOTAL EXPS - TRAINING & EDUCATION   | <u>\$1,266</u>          | <u>\$157</u>            | <u>\$1,109</u>           | <u>\$185,804</u>          | <u>\$198,403</u>          | <u>(\$12,599)</u>       |
| <b>SPECIAL PROJECTS (ALAS)</b>      |                         |                         |                          |                           |                           |                         |
| OPERATING EXPENSES                  | 5,675                   | 8,129                   | (2,454)                  | 22,810                    | 12,351                    | 10,459                  |
| TOTAL SPECIAL PROJECTS (ALAS)       | <u>\$5,675</u>          | <u>\$8,129</u>          | <u>(\$2,454)</u>         | <u>\$22,810</u>           | <u>\$12,351</u>           | <u>\$10,459</u>         |
| <b>TOTAL EXPENDITURES</b>           | <u><b>\$556,594</b></u> | <u><b>\$652,458</b></u> | <u><b>(\$95,864)</b></u> | <u><b>\$6,925,385</b></u> | <u><b>\$6,774,362</b></u> | <u><b>\$151,023</b></u> |

**MULTISTATE TAX COMMISSION  
VARIANCES IN FEE REVENUE FOR FY 2014**

|   |             | Fees For the Fiscal Year (12 months) ending June 30, 2014 |           |                    |   |   |
|---|-------------|---|-----------|--------------------|---|---|
| Description   | As Budgeted | Final/Actual  | Variance  | Variance per month | Number of months in June, 2014 Financial Report | Computed Variance: Favorable or (Unfavorable) |
| <b>Membership Fee</b>   |             |   |           |                    | 12  | \$0   |
| <b>General Operations Support Fee - Audit</b>                     |             |   |           |                    |   |   |
| Massachusetts   | 35,865      | 35,154  | (711)     | (59)               |   |   |
| Total   | 35,865      | 35,154  | (711)     | (59)               | 12  | (\$711)                                       |
| <b>Audit Program Fees (Net of General Operations Support Fee)</b> |             |   |           |                    |   |   |
| Massachusetts   | 143,460     | 140,616   | (2,844)   | (237)              |   |   |
| Minnesota   | 149,438     | 0   | (149,438) | (12,453)           |   |   |
| Total   | 292,898     | 140,616   | (152,282) | (12,690)           | 12  | (\$152,282)                                   |
| <b>General Operations Support Fee -Nexus</b>                      |             |   |           |                    |   |   |
| New Hampshire   | 0           | 2,429   | 2,429     | 202                |   |   |
| Total   | 0           | 2,429   | 2,429     | 202                | 12  | \$2,429                                       |
| <b>Nexus Program Fees (Net of General Operations Support Fee)</b> |             |   |           |                    |   |   |
| New Hampshire   | 0           | 9,715   | 9,715     | 810                |   |   |
| Total   | 0           | 9,715   | 9,715     | 810                | 12  | \$9,715                                       |

**NOTES ON THE ABOVE:**

**Massachusetts** - Budgeted audit fee was \$179,325 versus the actual contract amount of \$175,770.

**Minnesota** - Was budgeted to participate in the Audit Program, but did not.

**New Hampshire** - Entered the Nexus Program after the fiscal year started.

-----Compact and Sovereignty members do not pay the 20% General Operations Support fee-----