



To: Members, Executive Committee  
From: Glenn Hegar, Treasurer  
Date: November 7, 2019  
Subject: Financial Statements for the three-month period ended September 30, 2019

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### **OVERALL COMMENTS:**

Attached are the financial statements for the three months ended September 30, 2019.

The budget column amounts in the attached report are computed and are based on the amounts in the fiscal year 2020 budget approved at the meeting of the Commission on August 7, 2019, in Boise, Idaho.

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 actual year to date surplus in this program area was primarily due to actual costs being less than budgeted costs for the 2019 summer committee meetings and annual conference.

#### **Audit Program –**

The actual year to date surplus in this program area was largely from:

- Personnel cost savings due to two auditor positions that are unfilled.
- Effect of Maryland joining the Audit Program effective July 1, 2019.

#### **Nexus Program –**

The program is operating as expected with revenues approximately equal to expenses.

**Training Program –**

During the three months ended September 30, 2019, modified corporate income tax training was held in South Carolina. This school (not budgeted) generated a small surplus. The small overall deficit in this program was a result of other training program expenses.

A Corporate Income Tax course was held in Itasca, Illinois, during the last week of September. Due to the timing of that school none of the revenue nor expenses related to that school are included in this report.

**INCOME STATEMENT - Revenues:**

Maryland joined the Audit Program effective July 1, 2019, and after the FY 2020 budget document was approved at the spring meeting of the Executive Committee. This event results in the favorable variances in the following line items: Operations Support Surcharge-Audit and Audit Program Fees.

**INCOME STATEMENT - Expenditures:**

**Salaries, Retirement, and Employee Insurance** show favorable variances for the three months ended September 30, 2019. These favorable variances are primarily due to the two vacancies in the audit program as noted earlier.

**Conferences and Meetings** shows a favorable variance for the three months ended September 30, 2019, because actual costs were less than budgeted costs for the summer committee meetings and annual conference that were held in Boise.

**Software Licenses** has an unfavorable variance as a result of the September purchase of 50 licenses of Microsoft Office 365 and 50 licenses of Acrobat Pro.



**MULTISTATE TAX COMMISSION**  
**Budget and Fund Summary**  
 For the Three Months Ending Monday, September 30, 2019

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
<b>OPERATIONS BY PROGRAM &amp; TOTAL</b>					
<b>GENERAL OPERATIONS PROGRAM</b>					
Revenues	\$150,194	\$155,131	\$480,581	\$487,100	\$6,519
Expenses	147,910	134,563	507,130	463,969	43,161
<b>SURPLUS/DEFICIT - GEN OPERATIONS</b>	<u>2,284</u>	<u>20,568</u>	<u>(26,549)</u>	<u>23,131</u>	<u>49,680</u>
<b>ADMINISTRATIVE SERVICES</b>					
Revenues	0		0		
Expenses					
<b>SURPLUS/DEFICIT - ADMIN. SERVICES</b>					
<b>AUDIT PROGRAM</b>					
Revenues and Transfers	397,692	404,079	1,193,075	1,212,238	19,163
Expenses	395,546	373,207	1,194,887	1,106,693	88,194
<b>SURPLUS/DEFICIT - AUDIT</b>	<u>2,146</u>	<u>30,872</u>	<u>(1,812)</u>	<u>105,545</u>	<u>107,357</u>
<b>NEXUS PROGRAM</b>					
Revenues and Transfers	67,535	67,535	202,604	202,604	2,380
Expenses	65,866	68,067	205,599	203,219	
<b>SURPLUS/DEFICIT - NEXUS PROGRAM</b>	<u>1,669</u>	<u>(532)</u>	<u>(2,995)</u>	<u>(615)</u>	<u>2,380</u>
<b>TRAINING &amp; EDUCATION</b>					
Revenues and Transfers					
Expenses	925	3,302	2,775	18,500	18,500
<b>SURPLUS/DEFICIT - TRAINING &amp; EDUCATION</b>	<u>(925)</u>	<u>(3,302)</u>	<u>(2,775)</u>	<u>(3,866)</u>	<u>(19,591)</u>
<b>OTHER PROJECTS (SITAS)</b>					
Revenues and Transfers					
Expenses					
<b>SURPLUS/DEFICIT - OTHER PROJECTS</b>					
<b>TOTAL OPERATIONS</b>					
Revenues and Transfers	615,420	626,745	1,876,259	1,920,442	44,183
Expenses	610,247	579,139	1,910,391	1,796,248	114,143
<b>SURPLUS/DEFICIT - TOTAL OPERATIONS</b>	<u>5,173</u>	<u>47,606</u>	<u>(34,132)</u>	<u>124,194</u>	<u>158,326</u>



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION  
INCOME STATEMENT  
For the Three Months Ending 9/30/2019

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
<b>REVENUES</b>				
MEMBER ASSESSMENTS	\$115,303	\$115,303	\$345,908	\$345,908
OPERATIONS SUPPORT SURCHARGE-AUDIT	19,272	20,550	57,816	61,649
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,411	5,411	16,232	16,232
AUDIT PROGRAM FEES	397,692	404,079	1,193,075	1,212,238
INVESTMENT INCOME	10,167	14,243	30,500	37,607
NEXUS PROGRAM FEES	67,535	67,535	202,604	202,604
CONFERENCE FEES	0	(375)	30,000	25,705
MISCELLANEOUS REVENUE	42	(42)	125	0
TRAINING PROGRAM FEES	0	0	0	18,500
<b>TOTAL REVENUES</b>	<b>\$615,422</b>	<b>\$626,746</b>	<b>\$1,876,260</b>	<b>\$1,920,443</b>
<b>EXPENSES</b>				
SALARIES	\$363,573	\$341,869	\$1,093,220	\$1,063,701
RETIREMENT (401 plan)	39,274	36,863	117,821	115,338
EMPLOYEE INSUR & BENEFITS	85,235	73,197	255,705	229,696
EMPLOYER PAYROLL TAXES	11,106	10,906	33,319	33,405
ADVERTISING	63	0	188	0
SUBSCRIPTIONS & PUBLICATIONS	7,217	6,771	21,650	20,135
TRAVEL	22,667	21,363	70,500	59,576
TRAVEL-MEMBERS	0	(628)	2,250	611
RENT AND UTILITIES	39,924	40,015	119,772	120,023
CONSUMABLE & DURABLE SUPPLIES	2,892	73	10,675	3,150
POSTAGE, POST EQUIP RENTAL & FREIGHT	1,246	852	5,538	5,000
PRINTING	323	778	1,568	970
TELEPHONE SERVICE&VIDEO CONFERENCING	4,204	3,954	12,613	12,166
INTERNET ACCESS	4,333	4,188	13,000	13,565
EMPLOYEE TRAINING	2,646	460	7,937	3,220
CONFERENCES & MEETINGS	208	0	81,625	49,708
CONSULTANT/CONTRACTOR FEES	1,000	2,376	3,000	4,249
CONSULTING FEES/LEGAL	167	0	500	0
401 & 457 PLAN TRUSTEES FEES	750	0	2,250	1,759
INVESTMENT ADVISORY FEES	4,667	4,800	14,000	14,390
LEGISLATIVE - CONSULTING	2,083	0	6,250	0
BUSINESS INSURANCE	1,833	1,574	5,500	4,611
MAINTENANCE	1,733	1,931	5,200	5,358
MISCELLANEOUS	1,729	432	5,188	4,106
AUDIT & PAYROLL SERVICES	6,917	5,187	7,750	6,111
SOFTWARE LICENCES	1,667	21,314	5,000	25,399
<b>TOTAL OPERATION EXPENSES</b>	<b>\$607,457</b>	<b>\$579,140</b>	<b>\$1,902,019</b>	<b>\$1,796,247</b>
FURNITURE & EQUIPMENT	\$2,792	\$0	\$8,375	\$0
<b>EXCESS REVENUE (EXPENSES)</b>	<b>\$5,173</b>	<b>\$47,606</b>	<b>(\$34,134)</b>	<b>\$124,196</b>
				<b>\$105,772</b>
				\$8,375



MULTISTATE TAX COMMISSION  
Balance Sheet  
For the Three Months Ending 9/30/2019

**ASSETS**

**CURRENT ASSETS**

Cash in Banks	\$541,520
Investments	8,729,320
Petty Cash	485
Accounts Receivable - Program Fees	2,316,075
Accounts Receivable - Other	26,265
Prepaid Health Insurance	74,653
Prepaid Maintenance	17,060
Prepaid Meeting Costs	15,109
Prepaid Subscriptions	28,944

**TOTAL CURRENT ASSETS** **\$11,749,431**

**PROPERTY AND EQUIPMENT**

Office Furniture & Equipment	674,842
Leasehold Improvements	228,572
Less: Accum Depred & Amortization	(625,149)

**TOTAL PROPERTY AND EQUIPMENT** **\$278,266**

**OTHER ASSETS**

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

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

**TOTAL ASSETS** **\$12,035,497**

**LIABILITIES & FUND BALANCE**

**CURRENT LIABILITIES**

Accounts Payable	\$6,054
Accrued Vacation Pay	447,386
Unearned Program Fees	5,522,608
Unearned Registration Fees	88,750

**TOTAL CURRENT LIABILITIES** **\$6,064,797**

**FUND BALANCE**

Appropriated Fund Bal-Enterprise Automation Project	\$555,715
Appropriated Fund Bal-Equipment Reserve	120,206
Restricted Fund Balance-Cumm	1,322,615
Unappropriated Fund Balance-Cummula	3,847,970
Unappropriated Fund Balance-Current	124,194

**TOTAL FUND BALANCE** **\$5,970,700**

**TOTAL LIABILITIES & FUND BALANCE** **\$12,035,497**



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION  
Revenue Summary  
For the Three Months Ending 9/30/2019

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Period:Three

	Current Period		Year-to-Date	
	Budget	Actual	Budget	Actual
<b>REVENUES BY PROGRAM TYPE</b>				
<b>GENERAL OPERATIONS</b>				
MEMBER ASSESSMENTS	\$115,303	\$115,303	\$345,908	\$345,908
OPERATIONS SUPPORT SURCHARGE-AUDIT	19,272	20,550	61,649	61,649
OPERATIONS SUPPORT SURCHARGE-NEXUS	5,411	5,411	16,232	16,232
INVESTMENT INCOME	10,167	14,243	37,607	37,607
CONFERENCE FEES	0	(375)	30,000	(4,295)
MISCELLANEOUS REVENUE	42	0	125	(125)
<b>TOTAL REVENUES-GENERAL OPERATIONS</b>	<b>\$150,195</b>	<b>\$155,132</b>	<b>\$480,581</b>	<b>\$487,101</b>
<b>ADMINISTRATIVE SERVICES</b>				
<b>AUDIT PROGRAM</b>				
AUDIT PROGRAM FEES	397,692	404,079	1,193,075	1,212,238
<b>TOTAL REVENUES-AUDIT</b>	<b>\$397,692</b>	<b>\$404,079</b>	<b>\$1,193,075</b>	<b>\$1,212,238</b>
<b>NEXUS PROGRAM</b>				
NEXUS PROGRAM FEES	67,535	67,535	202,604	202,604
<b>TOTAL REVENUES- NEXUS</b>	<b>\$67,535</b>	<b>\$67,535</b>	<b>\$202,604</b>	<b>\$202,604</b>
<b>TRAINING &amp; EDUCATION</b>				
FOCUSED INCOME TAX SCHOOL	0	0	0	18,500
<b>TOTAL REVENUES- TRAINING &amp; EDUCATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,500</b>
<b>SITAS</b>				
<b>TOTAL REVENUES</b>	<b>615,422</b>	<b>626,746</b>	<b>1,876,260</b>	<b>1,920,443</b>
				<b>44,183</b>
				<b>\$6,520</b>
				<b>\$0</b>
				<b>3,833</b>
				<b>0</b>
				<b>7,107</b>
				<b>(4,295)</b>
				<b>(125)</b>
				<b>\$0</b>
				<b>19,163</b>
				<b>\$19,163</b>
				<b>0</b>
				<b>\$0</b>
				<b>18,500</b>
				<b>\$18,500</b>
				<b>44,183</b>
				<b>\$6,520</b>



MULTISTATE TAX COMMISSION

**MULTISTATE TAX COMMISSION**  
**Expenditure Summary**  
**For the Three Months Ending 9/30/2019**

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 Period:Three

	Current Period		Year-to Date		Variance
	Budget	Actual	Budget	Actual	
<b>EXPENDITURES BY PROGRAM</b>					
GENERAL OPERATIONS	\$147,910	\$134,563	\$507,130	\$463,969	\$43,161
AUDIT	395,546	373,207	1,194,887	1,106,693	88,194
NEXUS PROGRAM	65,866	68,067	205,599	203,219	2,380
TRAINING & EDUCATION	925	3,302	2,775	22,366	(19,591)
<b>TOTAL EXPENDITURES</b>	<b>\$610,247</b>	<b>\$579,139</b>	<b>\$1,910,391</b>	<b>\$1,796,247</b>	<b>\$114,144</b>
<b>EXPENDITURES BY MAJOR TYPE</b>					
PERSONNEL	\$499,188	\$462,836	\$1,500,064	\$1,442,141	\$57,923
OPERATING EXPENSES	108,267	116,303	401,952	354,107	47,845
FURNITURE & EQUIPMENT	2,792	0	8,375	0	8,375
<b>TOTAL EXPENDITURES</b>	<b>\$610,247</b>	<b>\$579,139</b>	<b>\$1,910,391</b>	<b>\$1,796,248</b>	<b>\$114,143</b>



MULTISTATE TAX COMMISSION

MULTISTATE TAX COMMISSION  
Expenditure Details  
For the Three Months Ending 9/30/2019

	Current Period		Year-to Date	
	Budget	Actual	Budget	Actual
				Variance
<b>EXPENDITURES BY PROGRAM TYPE</b>				
<b>GENERAL OPERATIONS</b>				
PERSONNEL	\$88,470	\$76,417	\$267,911	\$258,318
OPERATING EXPENSES	35,251	29,518	166,653	130,227
EQUIPMENT	917	0	2,750	2,750
ADMINISTRATIVE SERVICES	23,272	28,628	69,817	75,424
<b>TOTAL EXPENSES - GENERAL OPERATIONS</b>	<b>\$147,910</b>	<b>\$134,563</b>	<b>\$507,131</b>	<b>\$463,969</b>
				<b>(\$5,607)</b>
<b>ADMINISTRATIVE SERVICES</b>				
PERSONNEL	\$57,153	\$58,436	\$171,459	\$173,044
OPERATING EXPENSES	36,555	50,720	109,664	119,356
EQUIPMENT	792	0	2,375	2,375
ADMIN. SERVICES ALLOCATION	(94,499)	(109,156)	(283,498)	(292,399)
<b>TOTAL EXPS - ADMIN. SERVICES</b>	<b>\$1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1</b>
				<b>(\$1)</b>
<b>AUDIT</b>				
PERSONNEL	\$309,481	\$283,923	\$928,442	\$866,435
OPERATING EXPENSES	24,315	21,289	81,196	56,404
EQUIPMENT	875	0	2,625	2,625
ADMIN. SERVICES ALLOCATION	60,874	67,995	182,623	183,854
<b>TOTAL EXPS - AUDIT</b>	<b>\$395,545</b>	<b>\$373,207</b>	<b>\$1,194,886</b>	<b>\$1,106,693</b>
				<b>(88,193)</b>
<b>NEXUS PROGRAM</b>				
PERSONNEL	\$44,084	\$44,060	\$132,252	\$131,815
OPERATING EXPENSES	11,304	11,475	41,913	38,283
EQUIPMENT	125	0	375	375
ADMIN. SERVICES ALLOCATION	10,353	12,533	31,058	33,122
<b>TOTAL DIRECT EXPS - NEXUS PROGRAM</b>	<b>\$65,866</b>	<b>\$68,068</b>	<b>\$205,598</b>	<b>\$203,220</b>
				<b>(2,064)</b>
<b>TRAINING &amp; EDUCATION</b>				
PERSONNEL	\$0	\$0	\$0	(\$12,528)
OPERATING EXPENSES	842	3,302	2,525	9,838
EQUIPMENT	83	0	250	250
ADMIN. SERVICES ALLOCATION	0	0	0	0
<b>TOTAL EXPS - TRAINING &amp; EDUCATION</b>	<b>\$925</b>	<b>\$3,302</b>	<b>\$2,775</b>	<b>(\$19,591)</b>
				<b>(\$19,591)</b>
<b>SPECIAL PROJECTS (SITAS)</b>				
PERSONNEL	\$0	\$0	\$0	\$0
OPERATING EXPENSES	0	0	0	0
EQUIPMENT	0	0	0	0
ADMIN. SERVICES ALLOCATION	0	0	0	0
<b>TOTAL SPECIAL PROJECTS (SITAS)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$610,247</b>	<b>\$579,140</b>	<b>\$1,910,390</b>	<b>\$1,796,249</b>
				<b>\$114,141</b>



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

