



MULTISTATE TAX COMMISSION
Working Together Since 1967 to Preserve Federalism and Tax Fairness

To: Members, Executive Committee
From: Julie P. Magee, Treasurer
Date: November 16, 2016
Subject: Financial Statements for the four-month period ended October 31, 2012

OVERALL COMMENTS:

Attached are the financial statements for the four-month period ended October 31, 2012.

With one exception the budget column amounts in the attached report reflect the amounts in the **Final Proposed** column of the approved fiscal year 2012/2013 budget. As a result of California repealing the Multistate Tax Compact effective July 1, 2012 the California membership fees have been excluded from the budget column of the attached financial reports (and, of course, not recognized in the actual column). The **Final Proposed** budget amounts for this fiscal year were approved at a meeting of the Commission on August 1, 2012 in Grand Rapids, Michigan.

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:

General Operations Program

The \$143,846 deficit in this program is substantially explained by two items, which affect the deficit in *opposite* directions:

- California membership fees will not be received. This contributes to the deficit seen on this report. For the four months ended October 31, 2012 the California membership fees that otherwise would have been recognized is \$179,285.
- A counsel position was vacant during this period. This position remains unfilled at the time this report was written.

Audit Program

The \$164,842 surplus in this program is substantially explained by four items:

- Minnesota rejoined the audit program after the FY 2013 budget was prepared and approved. This adds \$22,785 to the surplus for the four month period ended October 31, 2012.
- An audit position was vacant during this period. This position remains unfilled at the time this report was written.
- The group health insurance rate change was not effective until September 1.
- A surplus of \$62,403 was originally planned and budgeted for this four month period.

Training Program

The deficit here is primarily due to revenue for the three schools held in this period being less than budgeted. An additional \$5,200 (not accrued as of 10/31/2012) *is* expected to be received thereby reducing the unfavorable revenue variance seen on the attached report. Actual enrollment at two of the three schools in this report period was less than the targeted (budgeted) enrollment.

INCOME STATEMENT - Revenues:

Variances in the Audit Reimbursements and the Training Program Fees were explained above.

INCOME STATEMENT - Expenditures:

Salaries, Retirement, and Employee Insurance show a favorable variance. This is primarily due to a combination of two factors:

- A budgeted counsel position and budgeted auditor position were unfilled.
- The group health insurance rate change was not effective until September 1.

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<u>OPERATIONS BY PROGRAM & TOTAL</u>						
GENERAL OPERATIONS PROGRAM						
Revenues	\$132,715	\$131,621	(\$1,094)	\$546,361	\$552,234	\$5,873
Expenses	<u>171,963</u>	<u>165,758</u>	<u>6,205</u>	<u>732,101</u>	<u>696,080</u>	<u>36,021</u>
SURPLUS/DEFICIT - GEN OPERATIONS	<u>(39,248)</u>	<u>(34,137)</u>	<u>5,111</u>	<u>(185,740)</u>	<u>(143,846)</u>	<u>41,894</u>
ADMINISTRATIVE SERVICES						
Expenses		(2)	2		(1)	1
SURPLUS/DEFICIT - ADMIN. SERVICES		<u>2</u>	<u>2</u>		<u>1</u>	<u>1</u>
AUDIT PROGRAM						
Revenues and Transfers	343,885	349,582	5,697	1,375,541	1,398,326	22,785
Expenses	<u>327,659</u>	<u>305,985</u>	<u>21,674</u>	<u>1,313,138</u>	<u>1,233,484</u>	<u>79,654</u>
SURPLUS/DEFICIT - AUDIT	<u>16,226</u>	<u>43,597</u>	<u>27,371</u>	<u>62,403</u>	<u>164,842</u>	<u>102,439</u>
NEXUS PROGRAM						
Revenues and Transfers	63,233	63,233		252,933	252,933	
Expenses	<u>59,976</u>	<u>57,242</u>	<u>2,734</u>	<u>242,654</u>	<u>231,703</u>	<u>10,951</u>
SURPLUS/DEFICIT - NEXUS PROGRAM	<u>3,257</u>	<u>5,991</u>	<u>2,734</u>	<u>10,279</u>	<u>21,230</u>	<u>10,951</u>
TRAINING & EDUCATION						
Revenues and Transfers	39,150	20,220	(18,930)	92,783	73,976	(18,807)
Expenses	<u>43,561</u>	<u>49,770</u>	<u>(6,209)</u>	<u>91,731</u>	<u>94,307</u>	<u>(2,576)</u>
SURPLUS/DEFICIT - TRAINING & EDUCATI	<u>(4,411)</u>	<u>(29,550)</u>	<u>(25,139)</u>	<u>1,052</u>	<u>(20,331)</u>	<u>(21,383)</u>
OTHER PROJECTS						
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TOTAL OPERATIONS						
Revenues and Transfers	578,984	564,656	(14,328)	2,267,618	2,277,470	9,852
Expenses	<u>603,159</u>	<u>578,752</u>	<u>24,407</u>	<u>2,379,624</u>	<u>2,255,573</u>	<u>124,051</u>
SURPLUS/DEFICIT - TOTAL OPERATIONS	<u>(24,175)</u>	<u>(14,096)</u>	<u>10,079</u>	<u>(112,006)</u>	<u>21,897</u>	<u>133,903</u>

ASSETS

CURRENT ASSETS

Money Market Accounts	\$339,363.10
Cash in Banks	3,115,728.39
CD's and Government Securities	4,362,799.90
Petty Cash	893.87
Accounts Receivable - Nexus	54,235.50
Accounts Receivable - Assessments	67,522.50
Accounts Receivable - Audit	1,501,322.00
Accounts Receivable - Other	19,380.00
Prepaid Maintenance	3,597.17
Prepaid Rent	31,970.82
Prepaid Meeting Costs	10,562.50
Prepaid Licenses	5,625.00
Prepaid Subscriptions	11,865.37
Accrued Interest	<u>34,695.60</u>

TOTAL CURRENT ASSETS \$9,559,561.72

PROPERTY AND EQUIPMENT

Office Furniture & Equipment	\$695,690.63
Leasehold Improvements	236,147.39
Less: Accum Depred & Amortization	<u>(606,129.52)</u>

TOTAL PROPERTY AND EQUIPMENT \$325,708.50

OTHER ASSETS

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

TOTAL OTHER ASSETS \$13,765.00

TOTAL ASSETS \$9,899,035.22

LIABILITIES & FUND BALANCE

CURRENT LIABILITIES

Accounts Payable	\$25,531.65
Accrued Vacation Pay	353,033.36
Payroll Taxes Payable	(0.05)
Unearned Program Fees	<u>4,270,573.33</u>

TOTAL CURRENT LIABILITIES \$4,649,138.29

FUND BALANCE

Appropriated Fund Bal-Enterprise Automation Project	\$555,715.16
Appropriated Fund Bal-Equipment Reserve	31,706.16
Approp Fund-Fed/Sta Dat Exchange	7,971.02
Restricted Fund Balance-Cumm	1,054,267.91
Restricted Fund Balance-Current	31,438.00
Unappropriated Fund Bal-Current Adj	(31,438.00)
Unappropriated Fund Balance-Cummula	3,571,225.36
Unappropriated Fund Balance-Current	<u>21,897.04</u>

TOTAL FUND BALANCE \$5,242,782.65

Add Back Asset Exp from Budget Rept 7,114.28

TOTAL LIABILITIES & FUND BALANCE \$9,899,035.22

Multistate Tax Commission
INCOME STATEMENT
For the Four Months Ending October 31, 2012

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
MEMBER ASSESSMENTS	\$104,368	\$104,369	\$1	\$417,474	\$417,474	\$0
GEN OPS SUPPORT FEE-AUDIT	11,718	11,718	0	46,872	46,872	0
GEN OPS SUPPORT FEE-NEXUS	4,921	4,921	0	19,682	19,682	0
AUDIT REIMBURSEMENTS	343,885	349,582	5,697	1,375,541	1,398,326	22,785
INTEREST INCOME	11,667	10,614	(1,053)	46,667	49,078	2,411
SPECIAL PROJECT FEES (NEXUS)	63,233	63,233	0	252,933	252,933	0
CONFERENCE FEES	0	0	0	15,500	18,747	3,247
MISCELLANEOUS REVENUE	42	0	(42)	167	381	214
TRAINING PROGRAM FEES	39,150	20,220	(18,930)	92,783	73,976	(18,807)
TOTAL REVENUES	\$578,984	\$564,657	(\$14,327)	\$2,267,619	\$2,277,469	\$9,850
EXPENSES						
SALARIES	\$340,573	\$316,447	\$24,126	\$1,312,984	\$1,263,008	\$49,976
RETIREMENT	42,231	38,871	3,360	162,810	154,596	8,214
EMPLOYEE INSURANCE	94,956	86,851	8,105	365,811	320,144	45,667
ADVERTISING	667	0	667	2,667	2,397	270
SUBSCRIPTIONS & PUBLICATIONS	3,950	4,362	(412)	15,800	18,778	(2,978)
TRAVEL	25,426	33,718	(8,292)	96,646	101,122	(4,476)
TRAVEL-MEMBERS	0	0	0	7,000	7,134	(134)
RENT AND UTILITIES	32,283	32,025	258	129,132	123,481	5,651
OFFICE SUPPLIES	2,988	6,746	(3,758)	14,662	14,845	(183)
POSTAGE, POST EQUIP RENTAL & FREIGHT	2,623	2,134	489	12,616	12,365	251
PRINTING, COPYING & COPIER RENTAL	2,755	7	2,748	10,011	10,114	(103)
COMMUNICATIONS-TELEPHONE	5,479	3,994	1,485	21,917	16,907	5,010
COMMUNICATIONS-COMPUTER	2,546	2,039	507	10,183	8,840	1,343
TRAINING	1,225	1,795	(570)	4,900	4,514	386
CONFERENCES & MEETINGS	3,333	4,625	(1,292)	53,283	57,854	(4,571)
CONSULTANTS TRAVEL	0	0	0	0	952	(952)
CONTRACT SERVICES	2,500	892	1,608	12,200	13,318	(1,118)
CONSULTING FEES/LEGAL	208	526	(318)	833	526	307
PENSION TRUSTEES FEES	208	0	208	833	0	833
INVESTMENT ADVISORY FEES	2,250	3,275	(1,025)	9,000	9,213	(213)
LEGISLATIVE - CONSULTING	14,583	12,500	2,083	58,333	50,000	8,333
INSURANCE & BONDS	1,500	1,492	8	6,000	6,059	(59)
MAINTENANCE	1,667	1,954	(287)	6,667	9,651	(2,984)
BOND AMORTIZATION	6,250	5,709	541	25,000	22,793	2,207
MISCELLANEOUS	2,000	2,243	(243)	9,000	6,780	2,220
ACCOUNTING	6,333	11,902	(5,569)	12,833	12,905	(72)
SOFTWARE LICENCES	1,000	0	1,000	4,000	188	3,812
ADMINISTRATIVE SERVICE ALLOCAT	83	(25)	108	334	(25)	359
TOTAL OPERATION EXPENSES	\$599,617	\$574,082	\$25,535	\$2,365,455	\$2,248,459	\$116,996
FURNITURE & EQUIPMENT	\$3,542	\$4,670	(\$1,128)	\$14,167	\$7,114	\$7,053
EXCESS REVENUE (EXPENSES)	(\$24,175)	(\$14,095)	\$10,080	(\$112,003)	\$21,896	\$133,899

Multistate Tax Commission
REVENUE SUMMARY
For the Four Months Ending October 31, 2012

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES BY PROGRAM TYPE						
GENERAL OPERATIONS						
MEMBER ASSESSMENTS	\$104,368	\$104,369	\$1	\$417,474	\$417,474	\$0
GEN OPS SUPPORT FEE-AUDIT	11,718	11,718	0	46,872	46,872	0
GEN OPS SUPPORT FEE-NEXUS	4,921	4,921	0	19,682	19,682	0
INTEREST	11,667	10,614	(1,053)	46,667	49,078	2,411
CONFERENCE FEES-ANNUAL MEETING	0	0	0	15,500	18,747	3,247
MISCELLANEOUS REVENUE	42	0	(42)	167	381	214
TOTAL REVENUES - GENERAL OPERATIO	<u>\$132,716</u>	<u>\$131,622</u>	<u>(\$1,094)</u>	<u>\$546,362</u>	<u>\$552,234</u>	<u>\$5,872</u>
ADMINISTRATIVE SERVICES						
AUDIT PROGRAM						
MEMBER AUDIT REIMBURSEMENTS	343,885	349,582	5,697	1,375,541	1,398,326	22,785
TOTAL REVENUES - AUDIT	<u>\$343,885</u>	<u>\$349,582</u>	<u>\$5,697</u>	<u>\$1,375,541</u>	<u>\$1,398,326</u>	<u>\$22,785</u>
NEXUS PROGRAM						
NEXUS PROGRAM FEES	63,233	63,233	0	252,933	252,933	0
TOTAL REVENUES - SPECIAL PROJECTS	<u>\$63,233</u>	<u>\$63,233</u>	<u>\$0</u>	<u>\$252,933</u>	<u>\$252,933</u>	<u>\$0</u>
TRAINING & EDUCATION						
AUDIT SAMPLING SCHOOLS	0	0	0	24,300	21,860	(2,440)
INCOME TAX SCHOOLS	39,150	20,220	(18,930)	39,150	29,466	(9,684)
NEXUS SCHOOLS	0	0	0	29,333	22,650	(6,683)
TOTAL REVENUES-TRAINING & EDUCATI	<u>\$39,150</u>	<u>\$20,220</u>	<u>(\$18,930)</u>	<u>\$92,783</u>	<u>\$73,976</u>	<u>(\$18,807)</u>
TOTAL REVENUES	<u>\$578,984</u>	<u>\$564,657</u>	<u>(\$14,327)</u>	<u>\$2,267,619</u>	<u>\$2,277,469</u>	<u>\$9,850</u>

Multistate Tax Commission
EXPENDITURE SUMMARY
For the Four Months Ending October 31, 2012

	Current Period			Year-to Date		
	Budget	Actual	Variance	Budget	Actual	Variance
<u>EXPENDITURES BY PROGRAM TYPE</u>						
GENERAL OPERATIONS						
PERSONNEL	\$102,059	\$85,408	\$16,651	\$408,235	\$370,278	\$37,957
OPERATING EXPENSES	42,438	51,551	(9,113)	214,001	211,070	2,931
EQUIPMENT	583	0	583	2,333	1,763	570
ADMINISTRATIVE SERVICES	26,883	28,798	(1,915)	107,532	112,968	(5,436)
TOTAL EXPENSES - GENERAL OPERATIO	<u>\$171,963</u>	<u>\$165,757</u>	<u>\$6,206</u>	<u>\$732,101</u>	<u>\$696,079</u>	<u>\$36,022</u>
ADMINISTRATIVE SERVICES						
PERSONNEL	\$62,810	\$61,889	\$921	\$251,242	\$242,479	\$8,763
OPERATING EXPENSES	22,835	26,168	(3,333)	91,338	104,252	(12,914)
EQUIPMENT	1,208	4,670	(3,462)	4,833	4,670	163
ADMIN. SERVICES ALLOCATION	(86,853)	(92,729)	5,876	(347,413)	(351,402)	3,989
TOTAL EXPS - ADMIN. SERVICES	<u>\$0</u>	<u>(\$2)</u>	<u>\$2</u>	<u>\$0</u>	<u>(\$1)</u>	<u>\$1</u>
AUDIT						
PERSONNEL	\$246,438	\$227,033	\$19,405	\$985,750	\$932,119	\$53,631
OPERATING EXPENSES	28,812	25,254	3,558	117,748	101,434	16,314
EQUIPMENT	1,667	0	1,667	6,667	0	6,667
ADMIN. SERVICES ALLOCATION	50,743	53,698	(2,955)	202,973	199,932	3,041
TOTAL EXPS - AUDIT	<u>\$327,660</u>	<u>\$305,985</u>	<u>\$21,675</u>	<u>\$1,313,138</u>	<u>\$1,233,485</u>	<u>\$79,653</u>
NEXUS PROGRAM						
PERSONNEL	\$34,575	\$33,270	\$1,305	\$138,300	\$130,750	\$7,550
OPERATING EXPENSES	16,174	13,764	2,410	67,445	61,795	5,650
EQUIPMENT	0	0	0	0	681	(681)
ADMIN. SERVICES ALLOCATION	9,227	10,208	(981)	36,909	38,477	(1,568)
TOTAL DIRECT EXPS - NEXUS PROGRAM	<u>\$59,976</u>	<u>\$57,242</u>	<u>\$2,734</u>	<u>\$242,654</u>	<u>\$231,703</u>	<u>\$10,951</u>
TRAINING & EDUCATION						
PERSONNEL	\$31,878	\$34,569	(\$2,691)	\$58,079	\$62,123	(\$4,044)
OPERATING EXPENSES	11,516	15,201	(3,685)	32,985	32,184	801
EQUIPMENT	83	0	83	333	0	333
ADMIN. SERVICES ALLOCATION	83	0	83	333	0	333
TOTAL EXPS - TRAINING & EDUCATION	<u>\$43,560</u>	<u>\$49,770</u>	<u>(\$6,210)</u>	<u>\$91,730</u>	<u>\$94,307</u>	<u>(\$2,577)</u>
OTHER APPROPRIATED FUNDS						
TOTAL EXPENDITURES	<u><u>\$603,159</u></u>	<u><u>\$578,752</u></u>	<u><u>\$24,407</u></u>	<u><u>\$2,379,623</u></u>	<u><u>\$2,255,573</u></u>	<u><u>\$124,050</u></u>