

PRELIMINARY ACCRUAL - UNAUDITED

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Vicki V. Quiram, Commissioner

Gerard J. Murphy, Comptroller



Analysis

This June 2015 Monthly Revenue Focus represents **PRELIMINARY ACCRUAL-BASED** revenues for fiscal 2015 and is **UNAUDITED and subject to change**. Further changes could occur even before the September 30th draft financial statements are prepared, with any such changes incorporated into the September 30th financial statements. Changes could also occur after September 30th as well, with any such changes being included as part of the final audited financial statements to be issued on or before December 31.

Estimated accrual basis revenues are derived using cash basis results, deducting cash collected during the fiscal year on prior year receivables (revenue was already included in FY14 results) and adding the currently estimated receivables due to the State as of June 30, 2015. These estimated amounts as well as the total annual amounts reported are subject to validation and audit, and are not finalized until conclusion of the audit. When comparing 2015 to the prior year, note that fiscal 2014 revenues represent final audited results.

Fiscal 2015 unrestricted preliminary accrual-based revenue for the General and Education Funds totaled \$2,261.1, \$41.3 million above (1.9%) plan, as adjusted by Chapter 158:16 Laws of 2014 (SB369), and \$87.9 million above (4.0%) prior year.

When comparing this report to the June **CASH BASIS** report, these accrual results were lower by \$1.2 million, due largely to the following accrual basis increases and decreases to revenues:

Increases:

Real Estate Transfer Tax	\$4.3 million
Other Unrestricted Revenue	\$3.3 million

Decreases:

Business Taxes	\$11.3
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The decrease to Business taxes on this accrual basis report is due to analysis undertaken as part of the State's adherence with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This accrual entry was driven by a comparison of the balance of credits requested by BPT/BET taxpayers as of June 30, 2015 with an estimate of future business tax audit revenue to be received, which is calculated based on a methodology approved by the State's auditors in prior years. In the analysis performed for FY 2015, the balance of credits was greater than the estimate of future audit revenue; therefore the State recorded a reduction of business tax revenue and a liability for that amount. This analysis has been conducted since 2011, and FY 2015 represents the first instance where an entry to reduce revenue has been required. This entry is subject to further review and audit.

Revenue Results Summary – Fiscal Year 2015:

- Business Taxes were 2% below the plan but above prior year by 1%.
- Meals & Rentals Tax was above the plan by 6% and above prior year by 7%
- Tobacco Tax was above both plan and prior year by 6% and 1%, respectively
- Transfers from Liquor Commission were above both plan and prior year by 2%
- Interest & Dividends taxes were below the plan by 2% but above prior year by 21%
- Insurance Tax was above plan by 5% and above prior year by 21%
- Communications Tax was below plan by 8% and below prior year by 3%
- Real Estate Transfer taxes were above plan by 15% and above prior year by 17%
- Securities Revenue was 13% above plan and 5% above prior year
- Lottery Commission contributed 4% less than plan for the year but 3% above prior year
- Utility Property Tax was 16% above plan and 15% above prior year

For additional information and discussion on revenues, please refer to the analysis which accompanied the June **CASH BASIS** report.

General & Education Funds Comparison - FY 15 to FY 14

General & Education Funds	<i>FY 15 Actuals</i>	<i>FY 14 Actuals</i>	<i>Inc/(Dec)</i>	<i>% Inc/ (Dec)</i>
Business Profits Tax	\$340.9	\$330.1	\$10.8	3.3%
Business Enterprise Tax	215.0	219.5	(4.5)	-2.1%
Subtotal Business Taxes	555.9	549.6	6.3	1.1%
Meals & Rentals Tax	280.5	261.7	18.8	7.2%
Tobacco Tax	221.4	220.1	1.3	0.6%
Transfer from Liquor Commission	138.7	135.9	2.8	2.1%
Interest & Dividends Tax	96.4	79.8	16.6	20.8%
Insurance Tax	114.6	95.0	19.6	20.6%
Communications Tax	57.4	59.3	(1.9)	-3.2%
Real Estate Transfer Tax	117.6	100.8	16.8	16.7%
Court Fines & Fees	13.4	13.6	(0.2)	-1.5%
Securities Revenue	42.5	40.6	1.9	4.7%
Utility Consumption Tax	6.0	6.2	(0.2)	-3.2%
Board & Care Revenue	-	-	-	-
Beer Tax	13.1	12.7	0.4	3.1%
Other	73.3	75.1	(1.8)	-2.4%
Transfer from Lottery Commission	74.2	72.4	1.8	2.5%
Transfer from Racing & Charitable Gaming	3.1	3.0	0.1	3.3%
Tobacco Settlement	41.9	42.3	(0.4)	-0.9%
Utility Property Tax	41.0	35.8	5.2	14.5%
State Property Tax	363.4	363.6	(0.2)	-0.1%
Subtotal Traditional Taxes & Transfers	2,254.4	2,167.5	86.9	4.0%
Net Medicaid Enhancement Rev Recoveries	-	-	-	-
Recoveries	6.7	4.7	2.0	42.6%
Subtotal Receipts	\$2,261.1	\$2,172.2	\$88.9	4.1%
DOJ Settlement		1.0	(1.0)	-100.0%
Total Receipts	\$2,261.1	\$2,173.2	\$87.9	4.0%

All funds reported are unadited, dollars in millions.

General and Education Funds

Year-to-Date Comparison to Plan										
General & Education Funds	General			Education			Total			% Inc/ (Dec)
	<i>Actual</i>	<i>Plan</i>	<i>Actual vs. Plan</i>	<i>Actual</i>	<i>Plan</i>	<i>Actual vs. Plan</i>	<i>Actual</i>	<i>Plan</i>	<i>Actual vs. Plan</i>	
Business Profits Tax	\$280.8	\$280.9	\$(0.1)	\$60.1	\$59.6	\$0.5	\$340.9	\$340.5	\$0.4	0.1%
Business Enterprise Tax	71.6	75.1	(3.5)	143.4	152.6	(9.2)	215.0	227.7	(12.7)	-5.6%
Subtotal Business Taxes	352.4	356.0	(3.6)	203.5	212.2	(8.7)	555.9	568.2	(12.3)	-2.2%
Meals & Rentals Tax	272.1	257.1	15.0	8.4	8.1	0.3	280.5	265.2	15.3	5.8%
Tobacco Tax	129.2	123.5	5.7	92.2	85.1	7.1	221.4	208.6	12.8	6.1%
Transfer from Liquor Commission	138.7	136.0	2.7	-	-	-	138.7	136.0	2.7	2.0%
Interest & Dividends Tax	96.4	98.0	(1.6)	-	-	-	96.4	98.0	(1.6)	-1.6%
Insurance Tax	114.6	109.5	5.1	-	-	-	114.6	109.5	5.1	4.7%
Communications Tax	57.4	62.5	(5.1)	-	-	-	57.4	62.5	(5.1)	-8.2%
Real Estate Transfer Tax	78.6	64.8	13.8	39.0	37.4	1.6	117.6	102.2	15.4	15.1%
Court Fines & Fees	13.4	13.0	0.4	-	-	-	13.4	13.0	0.4	3.1%
Securities Revenue	42.5	37.6	4.9	-	-	-	42.5	37.6	4.9	13.0%
Utility Consumption Tax	6.0	6.0	-	-	-	-	6.0	6.0	-	0.0%
Beer Tax	13.1	13.2	(0.1)	-	-	-	13.1	13.2	(0.1)	-0.8%
Other	73.3	70.3	3.0	-	-	-	73.3	70.3	3.0	4.3%
Transfer from Lottery Commission	-	-	-	74.2	77.3	(3.1)	74.2	77.3	(3.1)	-4.0%
Transfer from Racing & Charitable Gaming	-	-	-	3.1	3.4	(0.3)	3.1	3.4	(0.3)	-8.8%
Tobacco Settlement	1.9	4.4	(2.5)	40.0	40.0	-	41.9	44.4	(2.5)	-5.6%
Utility Property Tax	-	-	-	41.0	35.4	5.6	41.0	35.4	5.6	15.8%
State Property Tax	-	-	-	363.4	363.6	(0.2)	363.4	363.6	(0.2)	-0.1%
Subtotal Traditional Taxes & Transfers	1,389.6	1,351.9	37.7	864.8	862.5	2.3	2,254.4	2,214.4	40.0	1.8%
Recoveries	6.7	5.4	1.3	-	-	-	6.7	5.4	1.3	24.1%
Total Receipts	\$1,396.3	\$1,357.3	\$39.0	\$864.8	\$862.5	\$2.3	2,261.1	\$2,219.8	\$41.3	1.9%

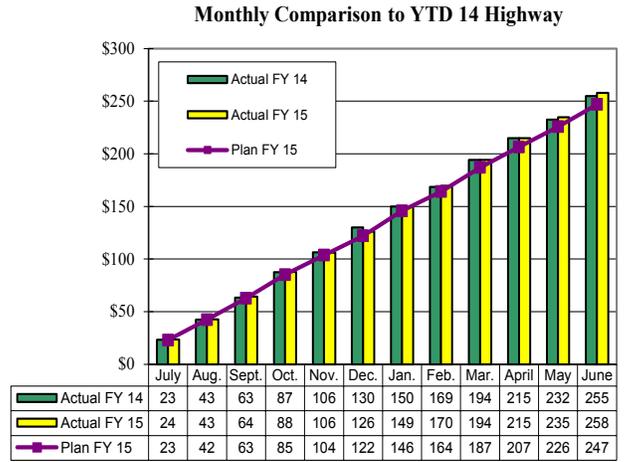
Education Trust Fund Statement of Activity - FY 2015 July 1, 2014 to June 30, 2015	
Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	864.8
Expenditures	
Education Grants & Adm Costs	(947.2)
Ending Surplus (Deficit) - unaudited	\$ (82.4)

Ending deficit will be affected by any further year end accrual adjustments, after which any remaining deficit will be funded by the General Fund. The FY 2015 budget anticipated a deficit of \$99.2 million

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Highway Fund

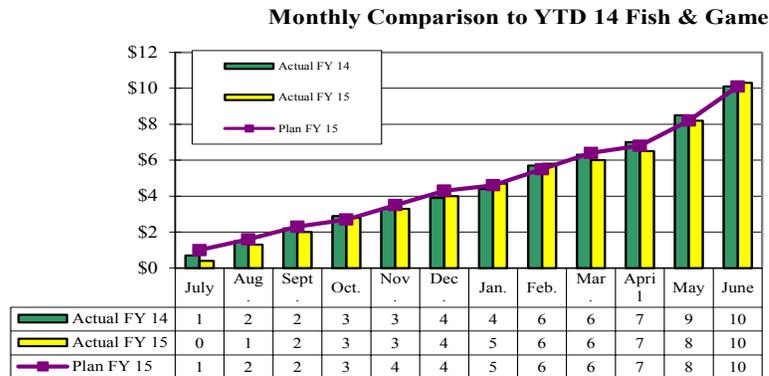
Comparison to Plan				
Revenue Category	year-to-date			FY 14 Actuals
	FY 15 Actuals	FY 15 Plan	Actual vs. Plan	
Gasoline Road Toll	\$125.7	\$122.0	\$3.7	\$124.7
Miscellaneous	14.6	15.0	(0.4)	15.8
Motor Vehicle Fees				
MV Registrations	81.5	75.0	6.5	78.0
MV Operators	12.4	11.9	0.5	12.5
Inspection Station Fees	4.0	3.9	0.1	3.9
MV Miscellaneous Fees	10.5	11.1	(0.6)	10.8
Certificate of Title	8.8	8.0	0.8	8.6
Total Fees	117.2	109.9	7.3	113.8
Total	\$257.5	\$246.9	\$10.6	\$254.3



Total Highway Fund revenue came in 4.3% above plan and 1.3% above the prior year

Fish & Game Fund

Comparison to Plan				
Revenue Category	year-to-date			FY 14 Actuals
	FY 15 Actuals	FY 15 Plan	Actual vs. Plan	
Fish and Game Licenses	\$7.9	\$8.5	\$(0.6)	\$8.6
Fines and Penalties	0.2	0.1	0.1	0.1
Miscellaneous Sales	0.9	0.7	0.2	0.9
Federal Recoveries Indirect Costs	1.1	0.8	0.3	1.0
Total	\$10.1	\$10.1	\$0.0	\$10.6



Total Unrestricted Fish & Game Fund revenue came in at plan and 4.7% below the prior year

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