

# PRELIMINARY ACCRUAL - UNAUDITED

## State Of New Hampshire Monthly Revenue Focus Department of Administrative Services

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### Analysis

This June 2014 Monthly Revenue Focus represents **PRELIMINARY ACCRUAL-BASED** revenues for fiscal 2014 and is **UNAUDITED**. 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 FY13 results) and adding the currently estimated receivables due to the State as of June 30, 2014. 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 2014 to the prior year, note that fiscal 2013 revenues represent final audited results.

Fiscal 2014 unrestricted accrual-based revenue for the General and Education Funds totaled \$2,172.5, \$3.1 million above plan, as adjusted by Chapter 158:16 Laws of 2014 (SB369), and \$103.1 million below prior year. However, excluding the MtBE Settlements received last year (\$9.0 million), additional Tobacco Settlement payments received last year (\$20.8 million) and MET (\$69.1 million in FY13) and Board & Care Revenue (\$26.4 million in FY13) now budgeted as restricted revenue, fiscal 2014 results were approximately \$22.0 million (1.0%) above prior year.

When comparing this report to the June **CASH BASIS** report, these accrual results were lower by \$2.7 million, due largely to the following accrual basis increases and decreases to revenues:

<u><b>Increases:</b></u>		<u><b>Decreases:</b></u>	
Other Unrestricted Revenue	\$4.0 million	Business Taxes	\$4.8 million
		Tobacco Tax	\$1.7 million
		Transfer from Lottery	\$1.2 million

All other revenue adjustments (less than \$1.0 million each) increased \$1.0 million (net).

The increase in Other Unrestricted Revenue of \$4.0 million represents subsequent collections from agencies of indirect costs and additional statutory transfers from certain agencies.

#### Revenue Results Summary – Fiscal Year 2014:

- Business Taxes were below the plan by 2% and slightly below prior year.
- Meals & Rentals Tax was above the plan by 4% and above prior year by 5%
- Tobacco Tax was above both plan and prior year by 2.5% and 7%, respectively. Note – approximately \$9 million or 4.5% of the increase in FY14 is related to the tax rate increase effective 8/1/13.
- Transfers from Liquor Commission were above plan by 2% and ahead of prior year by 3%
- Interest & Dividends taxes were below both the plan and prior year by 17% and 14%, respectively
- Insurance Tax was above plan by 9% and only slightly below prior year
- Communications Tax was below plan by 5% but above prior year by 3%
- Real Estate Transfer taxes were above plan by 4% and above prior year by 8%
- Securities Revenue was 8% above plan and 7% above prior year
- Lottery Commission contributed 4% less than plan for the year and 2% below prior year
- Utility Property Tax was 4% above plan and 8% 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 14 to FY 13

General & Education Funds	FY 14 Actuals	FY 13 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$328.9	\$323.8	\$5.1	1.6%
Business Enterprise Tax	219.9	228.0	(8.1)	-3.6%
Subtotal Business Taxes	548.8	551.8	(3.0)	-0.5%
Meals & Rentals Tax	260.6	248.4	12.2	4.9%
Tobacco Tax	220.0	205.9	14.1	6.8%
Transfer from Liquor Commission	135.7	132.3	3.4	2.6%
Interest & Dividends Tax	79.8	93.0	(13.2)	-14.2%
Insurance Tax	95.0	95.4	(0.4)	-0.4%
Communications Tax	59.2	57.4	1.8	3.1%
Real Estate Transfer Tax	100.7	93.4	7.3	7.8%
Court Fines & Fees	13.6	12.9	0.7	5.4%
Securities Revenue	40.6	38.1	2.5	6.6%
Utility Consumption Tax	6.1	6.1	-	0.0%
Board & Care Revenue	-	26.4	(26.4)	-100.0%
Beer Tax	13.4	12.7	0.7	5.5%
Other	75.1	74.6	0.5	0.7%
Transfer from Lottery Commission	72.6	74.3	(1.7)	-2.3%
Transfer from Racing & Charitable Gaming	3.2	3.4	(0.2)	-5.9%
Tobacco Settlement	42.3	63.2	(20.9)	-33.1%
Utility Property Tax	35.8	33.2	2.6	7.8%
State Property Tax	363.6	363.7	(0.1)	-0.0%
Subtotal Traditional Taxes & Transfers	2,166.1	2,186.2	(20.1)	-0.9%
Net Medicaid Enhancement Rev	-	69.1	(69.1)	-100.0%
Recoveries	5.4	11.3	(5.9)	-52.2%
Subtotal Receipts	\$2,171.5	\$2,266.6	\$(95.1)	-4.2%
DOJ Settlement	1.0	1.0	-	0.0%
MtBE Settlement	-	9.0	(9.0)	-100.0%
Total Receipts	\$2,172.5	\$2,275.6	\$(103.1)	-4.5%

*All funds reported are unaudited, dollars in millions.*

## General and Education Funds

<b>Year-to-Date Comparison to Plan</b>										
<b>General &amp; Education Funds</b>	<b>General</b>			<b>Education</b>			<b>Total</b>			<b>% Inc/ (Dec)</b>
	<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	\$270.8	\$276.2	\$(5.4)	\$58.1	\$59.9	\$(1.8)	\$328.9	\$336.1	\$(7.2)	-2.1%
Business Enterprise Tax	73.2	74.9	(1.7)	146.7	150.1	(3.4)	219.9	225.0	(5.1)	-2.3%
Subtotal Business Taxes	344.0	351.1	(7.1)	204.8	210.0	(5.2)	548.8	561.1	(12.3)	-2.2%
Meals & Rentals Tax	253.0	243.4	9.6	7.6	7.8	(0.2)	260.6	251.2	9.4	3.7%
Tobacco Tax	128.6	127.5	1.1	91.4	87.2	4.2	220.0	214.7	5.3	2.5%
Transfer from Liquor Commission	135.7	133.1	2.6	-	-	-	135.7	133.1	2.6	2.0%
Interest & Dividends Tax	79.8	96.1	(16.3)	-	-	-	79.8	96.1	(16.3)	-17.0%
Insurance Tax	95.0	86.9	8.1	-	-	-	95.0	86.9	8.1	9.3%
Communications Tax	59.2	62.5	(3.3)	-	-	-	59.2	62.5	(3.3)	-5.3%
Real Estate Transfer Tax	67.0	64.9	2.1	33.7	32.0	1.7	100.7	96.9	3.8	3.9%
Court Fines & Fees	13.6	13.0	0.6	-	-	-	13.6	13.0	0.6	4.6%
Securities Revenue	40.6	37.6	3.0	-	-	-	40.6	37.6	3.0	8.0%
Utility Consumption Tax	6.1	6.0	0.1	-	-	-	6.1	6.0	0.1	1.7%
Board & Care Revenue	-	-	-	-	-	-	-	-	-	-
Beer Tax	13.4	13.2	0.2	-	-	-	13.4	13.2	0.2	1.5%
Other	75.1	70.0	5.1	-	-	-	75.1	70.0	5.1	7.3%
Transfer from Lottery Commission	-	-	-	72.6	75.3	(2.7)	72.6	75.3	(2.7)	-3.6%
Transfer from Racing & Charitable Gaming	-	-	-	3.2	3.4	(0.2)	3.2	3.4	(0.2)	-5.9%
Tobacco Settlement	2.3	4.9	(2.6)	40.0	40.0	-	42.3	44.9	(2.6)	-5.8%
Utility Property Tax	-	-	-	35.8	34.5	1.3	35.8	34.5	1.3	3.8%
State Property Tax	-	-	-	363.6	363.6	-	363.6	363.6	-	0.0%
Subtotal Traditional Taxes & Transfers	1,313.4	1,310.2	3.2	852.7	853.8	(1.1)	2,166.1	2,164.0	2.1	0.1%
Net Medicaid Enhancement Rev	-	-	-	-	-	-	-	-	-	-
Recoveries	5.4	5.4	-	-	-	-	5.4	5.4	-	0.0%
Subtotal Receipts	\$1,318.8	\$1,315.6	\$3.2	\$852.7	\$853.8	\$(1.1)	\$2,171.5	\$2,169.4	\$2.1	0.1%
DOJ Settlement	1.0	-	1.0	-	-	-	1.0	-	1.0	-
Total Receipts	\$1,319.8	\$1,315.6	\$4.2	\$852.7	\$853.8	\$(1.1)	\$2,172.5	\$2,169.4	\$3.1	0.1%

<b>Education Trust Fund</b>	
<b>Statement of Activity - FY 2014</b>	
<b>July 1, 2013 to June 30, 2014</b>	
<b>Description</b>	<b>Amount</b>
<b>Beginning Surplus (Deficit) - unaudited</b>	\$ -
<b>Unrestricted Revenue - See above</b>	852.7
<b>Expenditures</b>	
<b>Education Grants &amp; Adm Costs</b>	(948.3)
<b>Ending Surplus (Deficit) - unaudited</b>	<b>\$ (95.6)</b>

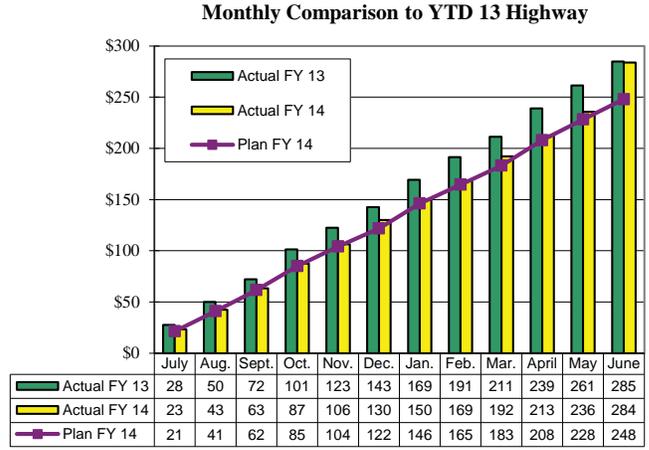
Ending deficit will be affected by any further year end accrual adjustments, after which any remaining deficit will be funded by the General Fund. The FY 2014 budget anticipated a deficit of \$105.5 million.

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## Highway Fund

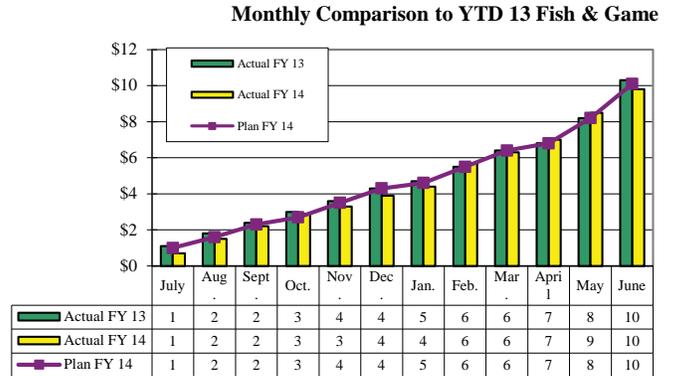
Comparison to Plan				
Revenue Category	year-to-date			FY 13 Actuals
	FY 14 Actuals	FY 14 Plan	Actual vs. Plan	
Gasoline Road Toll	\$124.6	\$122.7	\$1.9	\$123.3
Miscellaneous	15.8	15.8	-	48.5
<b>Motor Vehicle Fees</b>				
MV Registrations	81.3	75.0	6.3	77.8
MV Operators	12.5	11.5	1.0	12.9
Inspection Station Fees	3.9	3.9	-	3.9
MV Miscellaneous Fees	10.9	11.1	(0.2)	10.7
Certificate of Title	8.6	8.0	0.6	8.1
<b>Total Fees</b>	<b>117.2</b>	<b>109.5</b>	<b>7.7</b>	<b>113.4</b>
<b>Total</b>	<b>\$257.6</b>	<b>\$248.0</b>	<b>\$9.6</b>	<b>\$285.2</b>



Highway Fund revenues came in 4% above plan, but 10% below prior year due in part to a budget change in which federal overhead recoveries and internal indirect cost (from Turnpike Fund to the Highway Fund) were no longer reported as miscellaneous Highway Fund revenue (\$14.7 million in FY13). In addition, revenue from the I-95 transfer agreement is approximately \$11 million lower than prior year.

## Fish & Game Fund

Comparison to Plan				
Revenue Category	year-to-date			FY 13 Actuals
	FY 14 Actuals	FY 14 Plan	Actual vs. Plan	
Fish and Game Licenses	\$8.5	\$8.5	\$-	\$8.4
Fines and Penalties	0.1	0.1	-	0.1
Miscellaneous Sales	0.9	0.7	0.2	0.8
Federal Recoveries Indirect Costs	1.0	0.8	0.2	1.0
<b>Total</b>	<b>\$10.5</b>	<b>\$10.1</b>	<b>\$0.4</b>	<b>\$10.3</b>



Total **Fish & Game** revenue came in 4% above plan and 2% above the prior year

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