MULTISTATE TAX COMMISSION

To:	Executive Committee
From:	Glenn Hegar, Treasurer
Date:	April 23, 2020
Subject:	The FY 2021 Budget

I. Commission Budget Process

Each year at a spring meeting, the Executive Committee sets the fee levels for major programs:

- Membership assessments for compact members and sovereignty members,
- Audit fees for Joint Audit Program states, and
- Nexus fees for National Nexus Program states.

The Executive Committee may at this time, as at any other, consider special requests for expenditures, the establishment or modification of appropriated funds (funds dedicated to a particular purpose) or the authorization of fees for special projects.

This is also the time when the Executive Committee reviews and approves the expenditures budget for the upcoming fiscal year, subject to any major issues developing between now and the Annual Commission Business Meeting. If anything like this were to occur, then the proposed budget could be revised and a teleconference meeting of the Executive Committee could be held before the July 29 Commission meeting.

If both the fees part of the budget and the expenditures part of the budget are approved, there would be no need (*based on what is now known*) for any additional budget related meetings of the Executive Committee before the ratification of the FY 2021 budget by the Commission on July 29 in Little Rock, Arkansas.

II. Commission Fee Structure

General Membership Assessment (Compact & Sovereignty Members)

The general membership assessment (GMA) finances the uniformity, research, legal and administrative support for programs, legislative efforts at both federal and state levels, litigation and amicus curiae support for states, and other activities of the Commission as well as supporting the annual conference.

The total membership assessment is set to cover the above activities and departments. Then the total membership assessment is distributed to the states according to a formula in the Multistate Tax Compact whereby 10 percent of the fees are divided on an equal basis, and 90 percent on the basis of relative shares of certain state and local revenues (as specified in Art. VI, Sec. 4(b) of the Compact). The state and local revenues are determined using information from the U.S. Bureau of the Census.

Joint Audit Program Fees

Overall audit fees are set on a cost basis to cover the operations of the program (as required by Article VIII of the Multistate Tax Compact). The audit fees support the audit services provided to states through the Joint Audit Program. They are distributed among the states by a schedule approved by the Executive Committee. The distribution of the fees among participating states is based on a long-range schedule of fee changes adopted in May 1991.

States participating in both income and sales tax audits pay a base fee amount that is equal for each state and is based on a cost reimbursement method. States participating in only income or sales tax audits pay an amount equal to 60 percent of the base fee amount for participating in both types of audits. States that are not compact or sovereignty members also pay an additional 20 percent general operations support surcharge. Audit fees are reduced by 10 percent for those participating states which are among the 10 smallest states by population including the District of Columbia.

National Nexus Program Fees

Total nexus fees are set to cover the costs of operating the program (the intent of the Compact—expressed in Article VIII—is that Commission compliance activities are funded by states on a cost basis). Nexus fees support the compliance activities of the National Nexus Program. The nexus fees are apportioned among participating states according to a formula whereby 60 percent of the costs are divided on an equal basis, and 40 percent on the basis of relative shares of state tax revenues of participating states (obtained from the U. S. Bureau of the Census). States participating in only the income or sales tax aspects of the program pay 60 percent of the equal share, but otherwise pay the 40 percent component just as those participating in both.

Nexus fees are also capped such that no state pays more than five percent of the total program fees. States that are not compact or sovereignty members also pay an additional 20 percent general operations support surcharge.

Training Fees

Training fees are set on a full cost recovery basis in accordance with the policy set by the Executive Committee.

III. The FY 2021 Budget

Revenues

Fee increases are requested for FY 2021:

Membership Assessments: 0.0% (calculated on the total membership assessments)

The total membership fees requested for FY 2021 remain at the same amount as the approved fees of $1,383,630 for FY 2020.

Audit Program Fees: 0.0% (calculated on the base audit fee)

The basic 2-tax audit fee is requested for FY 2021 to remain at the same $219,000 fee level as it was for FY 2020. However, total audit fees are increasing $105,120 for FY 2021 from the FY 2020 total. The year to year increase in total audit fees is a result of the increase in fees of $105,120 for Maryland upon entering year two of its participation in and phase-in into the MTC Audit Program. Maryland's audit fee for its second year in the Audit Program is set at 75% of the basic audit fee whereas the audit fee for FY 2020 (Maryland's first year participating in the Audit Program) was set at 35% of the basic audit fee.

Nexus Program Fees: 0.0% (calculated on the total Nexus fees)

The total Nexus Program fees for FY 2021 are requested to be set at the same $875,344 level as FY 2020.

General Operations Support Surcharge

This 20% surcharge is added to the Joint Audit Program fee and National Nexus Program fee for states which are neither a Compact nor Sovereignty member. This amount is assessed on non-Compact and non-Sovereignty members to support the general operations of the Commission. As such this amount is transferred from either the Audit Program or the Nexus Program to support the General Operations of the Commission. For FY 2021 the general operations support surcharges total $264,114 from the Audit Program and total $65,099 from the Nexus Program. These surcharges help mitigate the need for additional increases in the total Membership fees.

Expenditures

In general, the requested expenditure amounts in the attached requested FY 2021 budget reflect a continuation of current activities.

The most important factors affecting the expenditures budget are as follows:

1. The FY 2021 requested expenditures for the major program areas (general operations, audit, and nexus) total $7,717,937 versus the FY 2020 approved expenditures of $7,503,719. This expenditure request is substantially a same services request, but with the addition of one position as explained below.

2. The addition of Maryland into the Audit Program in FY 2020 allows for the addition of another auditor to the MTC staff. One full-time equivalent audit position has been added to the FY 2021 budget as requested.

3. An estimated 6.0% health insurance premium increase over the current premium amount. This is consistent with the percentage increase in the Commission's group health insurance that occurred on the most recent anniversary date of September 1, 2019.

4. No overall salary adjustment is requested.

5. The legislative counsel function (page 14 of the budget document) will become part of the legal department beginning with FY 2021.

6. The Policy, Research & Communications department (page 14 of the budget document) has been eliminated effective with FY 2021. This department has been recast as a senior counsel for uniformity function within the legal department.

Staffing Levels as budgeted for FY 2021 are as follows:

	FTEs
General Operations (Executive, Legal, Legislative, and Uniformity)	6.75
Audit Program	28.41
Training & Education	.53
Nexus Program	4.47
Administration (Information Technology and General Administration)	6.50
TOTAL	46.66

Staff time is allocated to and charged to Training & Education as staff performs duties associated with the various schools (Nexus schools, Statistical Sampling schools, *etc.*). Three schools are budgeted for FY 2021.

IV. The FY 2022, FY 2023, and FY 2024 Budget Projections

Revenue Increases

The total fee increases (percentages) projected for fiscal years *beyond* the FY 2021 budget year are:

Description	FY 2022	FY 2023	FY 2024
Membership Assessments	4.7%	2.8%	2.9%
Audit Program Fees	3.1%	2.9%	2.9%
Nexus Program Fees	2.5%	2.7%	2.8%

Expenditure Increases

The percentage increases used for each annual expenditure increase shown *beyond* the FY 2021 budget year are:

Description	FY 2022	FY 2023	FY 2024
Salaries and Retirement	2.0%	2.0%	2.0%
Employee Insurance	6.0%	6.0%	6.0%
Other Operating Expenses	3.0%	3.0%	3.0%

Note that a substantial portion of "Employee Insurance" is group health insurance for which large annual rate increases may occur each year.

Multistate Tax Commission

Fiscal Year 2021 Budget

April 2020

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BUDGET SUMMARY - REVENUES AND EXPENSES

DESCRIPTION- linked	2018/19 ACTUAL	2019/20 APPROVED	2019/20 ESTIMATED	2020/21 PROPOSED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 PROJECTED
General Operations Program - Revenues	1,849,807	1,832,321	1,856,761	***1,803,343***	1,885,975	1,936,503	1,990,025
- Expenses	(1,805,884)	(1,829,320)	(1,602,703)	***(1,799,619)***	(1,884,736)	(1,935,302)	(1,987,883)
Surplus/Deficit - General Operation	43,923	3,001	254,058	***3,724***	1,239	1,201	2,142
Training and Education - Revenues	152,455	98,000	303,010	***180,000***	185,400	190,963	196,691
- Expenses	(121,220)	(97,208)	(317,035)	***(179,249)***	(185,263)	(190,807)	(196,544)
Surplus/Deficit - Training & Education	31,235	792	(14,025)	***751***	137	156	147
Audit Program - Revenues	4,728,500	4,772,300	4,848,950	***4,936,550***	5,082,100	5,229,650	5,381,740
- Expenses	(4,568,644)	(4,766,796)	(4,560,458)	***(4,934,042)***	(5,081,726)	(5,228,229)	(5,381,271)
Surplus/Deficit - Audit	159,856	5,504	288,492	***2,508***	374	1,421	469
Nexus Program - Revenues	807,030	810,417	810,417	***810,245***	830,502	852,925	876,806
- Expenses	(811,026)	(810,395)	(894,032)	***(805,027)***	(829,177)	(852,185)	(875,977)
Surplus/Deficit - Nexus	(3,996)	22	(83,615)	***5,218***	1,325	740	829
TOTAL OPERATIONS -							
- Revenues	7,537,792	7,513,038	7,819,138	***7,730,138***	7,983,977	8,210,041	8,445,263
- Expenses	(7,306,774)	(7,503,719)	(7,374,228)	**(7,717,937)**	(7,980,902)	(8,206,523)	(8,441,675)
Surplus/Deficit - Total All Programs	231,018	9,319	444,910	***12,201***	3,075	3,518	3,588

REVENUE / MEMBERSHIP ASSESSMENTS - COMPACT & SOVEREIGNTY MEMBER STATES

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	49,016	49,823	49,823	***50,928***	53,322	54,815	56,404
Alaska	7,941	7,968	7,968	***7,293***	7,636	7,849	8,077
Arkansas	42,729	43,685	43,685	***42,490***	44,487	45,733	47,059
Colorado	73,769	74,308	74,308	***76,329***	79,916	82,154	84,536
District of Columbia	23,943	24,699	24,699	***24,348***	25,492	26,206	26,966
Georgia	104,940	107,079	107,079	***106,912***	111,936	115,071	118,408
Hawaii	31,975	33,698	33,698	***33,053***	34,606	35,575	36,607
Idaho	21,425	21,911	21,911	***22,555***	23,616	24,277	24,981
Kansas	39,399	39,518	39,518	***39,177***	41,019	42,167	43,390
Kentucky	53,794	55,027	55,027	***53,685***	56,209	57,782	59,458
Louisiana	37,121	36,978	36,978	***41,783***	43,746	44,971	46,275
Michigan	104,037	103,794	103,794	***103,013***	107,855	110,875	114,090
Minnesota	92,875	94,512	94,512	***92,680***	97,036	99,753	102,645
Missouri	68,690	69,656	69,656	***69,136***	72,386	74,412	76,570
Montana	12,395	12,196	12,196	***11,976***	12,539	12,890	13,264
New Jersey	131,638	129,520	129,520	***128,763***	134,815	138,590	142,609
New Mexico	30,068	28,524	28,524	***28,652***	29,998	30,838	31,732
North Dakota	17,292	14,326	14,326	***12,866***	13,471	13,848	14,250
Oregon	45,753	47,256	47,256	***49,152***	51,463	52,903	54,438
Rhode Island	17,402	17,397	17,397	***17,024***	17,824	18,323	18,855
Texas	211,109	221,578	221,578	***216,735***	226,922	233,276	240,041
Utah	36,391	37,988	37,988	***40,315***	42,210	43,391	44,650
Washington	80,033	90,093	90,093	***93,290***	97,674	100,409	103,321
West Virginia	22,765	22,096	22,096	***21,476***	22,485	23,115	23,785
TOTAL	1,356,500	1,383,630	1,383,630	1,383,630	1,448,661	1,489,223	1,532,411

APPORTIONMENT OF 2020/21 MEMBERSHIP ASSESSMENTS

	STATES' FISCAL 2017 REVENUES UNDER COMPACT (THOUSANDS)	% OF TOTAL	EQUAL SHARE OF 10%	APPORTIONED SHARE OF 90%	TOTAL SHARE 2020/21 PROPOSED
Alabama	9,508,024	3.627%	5,765	45,163	***50,928***
Alaska	321,605	0.123%	5,765	1,528	***7,293***
Arkansas	7,731,621	2.949%	5,765	36,725	***42,490***
Colorado	14,855,524	5.667%	5,765	70,563	***76,329***
District of Columbia	3,912,125	1.492%	5,765	18,583	***24,348***
Georgia	21,294,062	8.122%	5,765	101,146	***106,912***
Hawaii	5,744,738	2.191%	5,765	27,287	***33,053***
Idaho	3,534,822	1.348%	5,765	16,790	***22,555***
Kansas	7,034,174	2.683%	5,765	33,412	***39,177***
Kentucky	10,088,515	3.848%	5,765	47,920	***53,685***
Louisiana	7,582,636	2.892%	5,765	36,017	***41,783***
Michigan	20,473,312	7.809%	5,765	97,248	***103,013***
Minnesota	18,297,865	6.980%	5,765	86,915	***92,680***
Missouri	13,341,317	5.089%	5,765	63,371	***69,136***
Montana	1,307,555	0.499%	5,765	6,211	***11,976***
New Jersey	25,894,366	9.877%	5,765	122,998	***128,763***
New Mexico	4,818,207	1.838%	5,765	22,886	***28,652***
North Dakota	1,495,014	0.570%	5,765	7,101	***12,866***
Oregon	9,134,187	3.484%	5,765	43,387	***49,152***
Rhode Island	2,370,331	0.904%	5,765	11,259	***17,024***
Texas	44,414,951	16.942%	5,765	210,970	***216,735***
Utah	7,273,641	2.774%	5,765	34,550	***40,315***
Washington	18,426,290	7.029%	5,765	87,525	***93,290***
West Virginia	3,307,483	1.262%	5,765	15,710	***21,476***
TOTAL	262,162,365	100.000%	138,363	1,245,267	***1,383,630***

Revenue Source: U.S. Bureau of the Census, State and Local Government Finance

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TOTAL AUDIT FEES - MTC JOINT AUDIT PROGRAM

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Alaska	118,260	118,260	118,260	***118,260***	120,420	123,930	127,548
Arkansas	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Colorado	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Delaware	141,912	141,912	141,912	***141,912***	144,504	148,716	153,058
District of Columbia	197,100	197,100	197,100	***197,100***	200,700	206,550	212,580
Georgia	131,400	131,400	131,400	***131,400***	133,800	137,700	141,720
Hawaii	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Idaho	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Iowa	236,520	262,800	262,800	***262,800***	267,600	275,400	283,440
Kansas	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Kentucky	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Louisiana	197,100	219,000	219,000	***219,000***	223,000	229,500	236,200
Maryland	0	0	91,980	***197,100***	267,600	275,400	283,440
Missouri	131,400	131,400	131,400	***131,400***	133,800	137,700	141,720
Montana	118,260	118,260	118,260	***118,260***	120,420	123,930	127,548
Nebraska	157,680	157,680	157,680	***157,680***	160,560	165,240	170,064
New Hampshire	141,912	141,912	141,912	***141,912***	144,504	148,716	153,058
New Jersey	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
New Mexico	131,400	131,400	131,400	***131,400***	133,800	137,700	141,720
North Dakota	197,100	197,100	197,100	***197,100***	200,700	206,550	212,580
Oregon	131,400	131,400	131,400	***131,400***	133,800	137,700	141,720
Pennsylvania	157,680	157,680	157,680	***157,680***	160,560	165,240	170,064
Rhode Island	118,260	118,260	118,260	***118,260***	120,420	123,930	127,548
Tennessee	262,800	262,800	262,800	***262,800***	267,600	275,400	283,440
Utah	219,000	219,000	219,000	***219,000***	223,000	229,500	236,200
Washington	20,000	20,000	20,000	***20,000***	20,000	20,000	20,000
West Virginia	131,400	131,400	131,400	***131,400***	133,800	137,700	141,720
Wisconsin	262,800	262,800	262,800	***262,800***	267,600	275,400	283,440
TOTAL	***4,955,384***	5,003,564	5,095,544	***5,200,664***	5,362,188	5,517,902	5,678,407
Base Audit Fee (2-Tax)	219,000	219,000	219,000	219,000	223,000	229,500	236,200

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TOTAL FEE REVENUE - NATIONAL NEXUS PROGRAM							
	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	20,061	20,216	20,216	***20,153***	20,657	21,215	21,809
Arizona	26,702	26,024	26,024	***26,791***	27,461	28,202	28,992
Arkansas	19,407	19,375	19,375	***19,199***	19,679	20,210	20,776
Colorado	21,758	21,842	21,842	***22,116***	22,669	23,281	23,933
Connecticut	27,658	28,143	28,143	***28,965***	29,689	30,491	31,344
District of Columbia	17,285	17,706	17,706	***17,643***	18,084	18,572	19,092
Florida	41,818	42,803	42,803	***44,210***	45,315	46,539	47,842
Georgia	25,813	26,054	26,054	***25,836***	26,482	27,197	27,958
Hawaii	18,662	18,685	18,685	***18,766***	19,235	19,754	20,308
Idaho	17,234	17,396	17,396	***17,411***	17,846	18,328	18,841
Iowa	24,063	24,094	24,094	***23,864***	24,461	25,121	25,824
Kansas	18,912	18,920	18,920	***19,294***	19,776	20,310	20,879
Kentucky	20,918	20,818	20,818	***20,507***	21,020	21,587	22,192
Louisiana	19,889	20,735	20,735	***20,460***	20,972	21,538	22,141
Maryland	30,757	30,893	30,893	***30,404***	31,164	32,006	32,902
Massachusetts	35,266	35,000	35,000	***34,958***	35,832	36,799	37,830
Michigan	28,401	28,652	28,652	***28,517***	29,230	30,019	30,860
Minnesota	27,840	27,748	27,748	***27,350***	28,034	28,791	29,597
Missouri	21,452	21,466	21,466	***21,262***	21,794	22,382	23,009
Montana	10,324	10,261	10,261	***10,320***	10,578	10,864	11,168
Nebraska	21,255	21,239	21,239	***21,203***	21,733	22,320	22,945
New Hampshire	12,316	12,137	12,137	***12,300***	12,608	12,948	13,310
New Jersey	31,635	31,628	31,628	***31,831***	32,627	33,508	34,446
New Mexico	17,838	18,001	18,001	***17,761***	18,205	18,697	19,220
North Carolina	34,586	34,597	34,597	***33,941***	34,790	35,729	36,729
North Dakota	16,968	16,859	16,859	***17,105***	17,533	18,006	18,510
Oklahoma	23,388	23,367	23,367	***23,568***	24,157	24,809	25,504
Oregon	14,893	15,131	15,131	***15,030***	15,406	15,822	16,265
Rhode Island	16,735	16,758	16,758	***16,765***	17,184	17,648	18,142
South Carolina	24,037	24,118	24,118	***24,106***	24,709	25,376	26,086
South Dakota	12,008	11,975	11,975	***11,964***	12,263	12,594	12,947
Tennessee	26,483	26,637	26,637	***26,236***	26,892	27,618	28,391
Texas	40,902	40,493	40,493	***40,515***	41,528	42,649	43,843
Utah	18,748	19,096	19,096	***18,919***	19,392	19,916	20,473
Vermont	19,303	19,377	19,377	***19,402***	19,887	20,424	20,996
Washington	19,738	20,251	20,251	***20,313***	20,821	21,383	21,982
West Virginia	17,714	17,690	17,690	***17,678***	18,120	18,609	19,130
Wisconsin	29,044	29,159	29,159	***28,681***	29,398	30,192	31,037
TOTAL PER BUDGET	**871,811**	**875,344**	**875,344**	***875,344***	**897,228**	**921,453**	**947,253**

REVENUE SUMMARY

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
REVENUES BY PROGRAM							
General Operations	1,849,807	1,832,321	1,856,761	***1,803,343***	1,885,975	1,936,503	1,990,025
Training Programs	152,455	98,000	303,010	***180,000***	185,400	190,963	196,691
Audit	4,728,500	4,772,300	4,848,950	***4,936,550***	5,082,100	5,229,650	5,381,740
Nexus	807,030	810,417	810,417	***810,245***	830,502	852,925	876,806
Total	7,537,792	7,513,038	7,819,138	***7,730,138***	7,983,977	8,210,041	8,445,263
REVENUES BY TYPE							
Member Assessments	1,356,500	1,383,630	1,383,630	***1,383,630***	1,448,661	1,489,223	1,532,411
Audit Program Fees	4,955,384	5,003,564	5,095,544	***5,200,664***	5,362,188	5,517,902	5,678,407
Investment Income	162,757	122,000	135,255	***60,000***	60,000	60,000	60,000
Nexus Program Fees	871,811	875,344	875,344	***875,344***	897,228	921,453	947,253
Training Program Fees	152,455	98,000	303,010	***180,000***	185,400	190,963	196,691
Annual Conference Fees	35,290	30,000	26,355	***30,000***	30,000	30,000	30,000
Miscellaneous	3,595	500	0	***500***	500	500	500
Total	7,537,792	7,513,038	7,819,138	***7,730,138***	7,983,977	8,210,041	8,445,263

REVENUES - GENERAL OPERATIONS

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
GENERAL OPERATIONS							
Member Assessments	1,356,500	1,383,630	1,383,630	***1,383,630***	1,448,661	1,489,223	1,532,411
Investment Income	162,757	122,000	135,255	***60,000***	60,000	60,000	60,000
Annual Conference Fees	35,290	30,000	26,355	***30,000***	30,000	30,000	30,000
Operations Support Surcharge - (From Audit Program)	226,884	231,264	246,594	***264,114***	280,088	288,252	296,667
Operations Support Surcharge - (From Nexus Program)	64,781	64,927	64,927	***65,099***	66,726	68,528	70,447
Miscellaneous	3,595	500	0	***500***	500	500	500
Total General Operations Revenue	1,849,807	1,832,321	1,856,761	***1,803,343***	1,885,975	1,936,503	1,990,025

REVENUES - AUDIT PROGRAM

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Total Audit Program Fees (Gross)	4,955,384	5,003,564	5,095,544	***5,200,664***	5,362,188	5,517,902	5,678,407
Less: Transfer to General Operations Support Surcharge	(226,884)	(231,264)	(246,594)	***(264,114)***	(280,088)	(288,252)	(296,667)
Audit Program Fees - Net	4,728,500	4,772,300	4,848,950	***4,936,550***	5,082,100	5,229,650	5,381,740
Other Revenue	0	0	0	***0***	0	0	0
Total Audit Program Revenues	4,728,500	4,772,300	4,848,950	***4,936,550***	5,082,100	5,229,650	5,381,740

REVENUES - NEXUS PROGRAM

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Nexus Program Fees (Gross)	871,811	875,344	875,344	***875,344***	897,228	921,453	947,253
Less: Transfer to General Operations Support Surcharge	(64,781)	(64,927)	(64,927)	***(65,099)***	(66,726)	(68,528)	(70,447)
Other Revenue		0	0	***0***	0	0	0
Total Nexus Program Revenues	807,030	810,417	810,417	***810,245***	830,502	852,925	876,806

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Statements of Changes in Fund Balance
Appropriated Funds
For the Years Ended June 30,

Description	Equipment Reserve	Staff Development Training	MTC 50th Annual Conference	Enterprise Automation Project	Total
Fund Balance: June 30, 2018 - audited	$99,206	$0	$0	$555,715	$654,921
Appropriations	$15,000				$15,000
Expenditures	$0			$0	$0
Fund Balance: June 30, 2019 - audited	$114,206	$0	$0	$555,715	$669,921
Appropriations	$6,000				$6,000
Expenditures	$0			$0	$0
Fund Balance: June 30, 2020 - estimated	$120,206	$0	$0	$555,715	$675,921
Appropriations	$0				$0
Expenditures	$0			$0	$0
Fund Balance: June 30, 2021 - estimated	$120,206	$0	$0	$555,715	$675,921
Appropriations	$0				$0
Expenditures	($60,000)			$0	($60,000)
Fund Balance: June 30, 2022 - estimated	$60,206	$0	$0	$555,715	$615,921
Appropriations	$0				$0
Expenditures	$0			$0	$0
Fund Balance: June 30, 2023 - estimated	$60,206	$0	$0	$555,715	$615,921
Appropriations	$0				$0
Expenditures	$0			$0	$0
Fund Balance: June 30, 2024- estimated	$60,206	$0	$0	$555,715	$615,921

Statements of Changes in Fund Balance - Restricted Funds For the Years Ended June 30,		
	National Nexus Program	Total
Fund Balance - June 30, 2018 - audited	**$1,322,613**	**$1,322,613**
Revenues	$807,028	$807,028
Expenses	$811,026	$811,026
Surplus (Deficit)	($3,998)	($3,998)
Annual Audit related accruals	($12,873)	($12,873)
Fund Balance - June 30, 2019 - audited	**$1,305,742**	**$1,305,742**
Revenues	$810,416	$810,416
Expenses	$894,032	$894,032
Surplus (Deficit)	($83,616)	($83,616)
Annual Audit related accruals	($4,000)	($4,000)
Fund Balance - June 30, 2020 - estimated	**$1,218,126**	**$1,218,126**
Revenues	$810,244	$810,244
Expenses	$805,026	$805,026
Surplus (Deficit)	$5,218	$5,218
Annual Audit related accruals	($4,000)	($4,000)
Fund Balance - June 30, 2021 - estimated	**$1,219,344**	**$1,219,344**
Revenues	$830,500	$830,500
Expenses	$829,177	$829,177
Surplus (Deficit)	$1,323	$1,323
Annual Audit related accruals	($4,000)	($4,000)
Fund Balance - June 30, 2022 - estimated	**$1,216,667**	**$1,216,667**
Revenues	$852,923	$852,923
Expenses	$852,185	$852,185
Surplus (Deficit)	$738	$738
Annual Audit related accruals	($4,000)	($4,000)
Fund Balance - June 30, 2023 - estimated	**$1,213,405**	**$1,213,405**
Revenues	$876,805	$876,805
Expenses	$875,977	$875,977
Surplus (Deficit)	$828	$828
Annual Audit related accruals	($4,000)	($4,000)
Fund Balance - June 30, 2024 - estimated	**$1,210,233**	**$1,210,233**

FUND BALANCE SUMMARY

		2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
		ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
BEGINNING FUND BALANCES:	Unappropriated (TOTAL)	3,662,485	3,854,717	3,854,717	4,347,242	4,324,225	4,295,975	4,268,753
	Appropriated (TOTAL)	654,921	669,921	669,921	675,921	675,921	615,921	615,921
	Restricted (TOTAL)	1,322,613	1,305,743	1,305,743	1,218,128	1,219,346	1,216,671	1,213,410
	TOTAL	5,640,019	5,830,381	5,830,381	6,241,291	6,219,492	6,128,567	6,098,084
UNAPPROPRIATED								
General Operations Program - Change from Current Operations		43,923	3,001	254,058	3,724	1,239	1,201	2,142
Staff Development Training - Appropriation of funds by Executive Committee								
MTC 50th Annual Conference - Appropriatio of funds by Executive Committee								
Training & Education - Change from Current Operations		31,235	792	(14,025)	751	137	156	147
Audit Program - Change from Current Operations		159,856	5,504	288,492	2,508	374	1,421	469
Automation Plan - Transfer to this fund of value of purchased hardware & software								
Equipment Reserve - Transfer to this fund of value of purchased hardware & software								
Equipment Reserve - Appropriation of funds by Executive Committee		(15,000)	(6,000)	(6,000)				
Enterprise Auto. Project - Appropriation of funds by Executive Committee								
	TOTAL - UNAPPROPRIATED	220,014	3,297	522,525	6,983	1,750	2,778	2,758
APPROPRIATED								
Equipment Reserves - Purchases						(60,000)		
Staff Development Training - Appropriation of funds								
Staff Development Training - Expenditure of funds								
MTC 50th Annual Conference - Appropriation of funds								
MTC 50th Annual Conference - Expenditure of funds								
Equipment Reserves - Annual Amount Reserved		15,000	6,000	6,000				
Enterprise Auto. - Appropriation of funds by Executive Committee								
	TOTAL - APPROPRIATED	15,000	6,000	6,000	0	(60,000)	0	0
RESTRICTED FUNDS								
National Nexus Program - Changes from Current Operations		(3,996)	22	(83,615)	5,218	1,325	740	829
Refund - Propety Tax / Unitary Exchange Fund Balance (Project ended)		0						
	TOTAL - RESTRICTED	(3,996)	22	(83,615)	5,218	1,325	740	829
Audit Accruals & Unrealized Gains and Losses:	Unappropriated	(27,782)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
	Appropriated	0						
	Restricted	(12,874)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
	TOTAL - Audit Related Accruals	(40,656)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
Surplus/Deficit (Net of Adjustments):	Unappropriated	192,232	(26,703)	492,525	(23,017)	(28,250)	(27,222)	(27,242)
	Appropriated	15,000	6,000	6,000	0	(60,000)	0	0
	Restricted	(16,870)	(3,978)	(87,615)	1,218	(2,675)	(3,260)	(3,171)
	TOTAL - Surplus / (Deficits)	190,362	(24,681)	410,910	(21,799)	(90,925)	(30,482)	(30,412)
ENDING FUND BALANCES:	Unappropriated (TOTAL)	3,854,717	3,828,014	4,347,242	4,324,225	4,295,975	4,268,753	4,241,511
	Appropriated (TOTAL)	669,921	675,921	675,921	675,921	615,921	615,921	615,921
	Restricted (TOTAL)	1,305,743	1,301,765	1,218,128	1,219,346	1,216,671	1,213,410	1,210,240
TOTAL FUND BALANCES		5,830,381	5,805,700	6,241,291	6,219,492	6,128,567	6,098,084	6,067,672

EXPENDITURES SUMMARY

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
EXPENDITURES BY PROGRAM							
General Operations	1,805,884	1,829,320	1,602,703	***1,799,619***	1,884,736	1,935,302	1,987,883
Training & Education	121,220	97,208	317,035	***179,249***	185,263	190,807	196,544
Audit	4,568,644	4,766,796	4,560,458	***4,934,042***	5,081,726	5,228,229	5,381,271
Nexus	811,026	810,395	894,032	***805,027***	829,177	852,185	875,977
TOTAL EXPENDITURES	7,306,774	7,503,719	7,374,228	***7,717,937***	7,980,902	8,206,523	8,441,675
EXPENDITURES BY MAJOR TYPE							
Personnel	5,782,378	6,049,513	5,777,293	***6,234,984***	6,422,901	6,605,114	6,794,200
Operating Expenses	1,436,370	1,420,706	1,482,216	1,482,952	1,538,754	1,584,910	1,632,474
Equipment	88,025	33,500	114,718	***0***	19,250	16,500	15,000
Administrative Services Allocation	1	0	1	***1***	(3)	(1)	1
TOTAL EXPENDITURES	7,306,774	7,503,719	7,374,228	***7,717,937***	7,980,902	8,206,523	8,441,675

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EXPENDITURES DETAIL - BY PROGRAM

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
GENERAL OPERATIONS							
Personnel	1,027,313	1,064,143	903,248	***1,070,582***	1,112,023	1,142,244	1,173,549
Operating Expenses	484,430	474,911	420,999	***453,738***	478,350	492,370	506,812
Equipment	0	11,000	9,000	***0***	5,750	4,000	2,500
Administrative Services Allocation	294,141	279,266	269,456	***275,299***	288,613	296,688	305,022
Subtotal - General Operations	1,805,884	1,829,320	1,602,703	***1,799,619***	1,884,736	1,935,302	1,987,883
TRAINING & EDUCATION							
Personnel	70,654	56,758	127,991	***72,199***	74,180	76,232	78,361
Operating Expenses	50,566	39,450	189,044	***107,050***	110,583	114,075	117,683
Equipment	0	1,000	0	***0***	500	500	500
Administrative Services Allocation	0	0	0	***0***	0	0	0
Subtotal - Training & Education	121,220	97,208	317,035	***179,249***	185,263	190,807	196,544
AUDIT							
Personnel	3,514,157	3,713,768	3,517,098	***3,863,242***	3,973,998	4,088,980	4,208,391
Operating Expenses	364,989	312,035	278,706	***316,009***	325,482	335,238	345,288
Equipment	4,529	10,500	10,500	***0***	2,000	1,000	1,000
Administrative Services Allocation	684,969	730,493	754,154	***754,791***	780,246	803,011	826,592
Subtotal - Audit	4,568,644	4,766,796	4,560,458	***4,934,042***	5,081,726	5,228,229	5,381,271
NEXUS							
Personnel	511,141	529,008	528,654	***527,892***	541,942	556,482	571,535
Operating Expenses	169,552	155,653	145,906	***153,985***	158,604	163,520	168,593
Equipment	8,348	1,500	85,869	***0***	1,500	1,500	1,500
Administrative Services Allocation	121,985	124,234	133,603	***123,150***	127,131	130,683	134,349
Subtotal - Nexus	811,026	810,395	894,032	***805,027***	829,177	852,185	875,977
ADMINISTRATIVE SERVICES							
Personnel	659,113	685,836	700,302	***701,069***	720,758	741,176	762,364
Operating Expenses	366,833	438,657	447,561	***452,170***	465,735	479,707	494,098
Equipment	75,148	9,500	9,349	***0***	9,500	9,500	9,500
Administrative Services Allocation	(1,101,094)	(1,133,993)	(1,157,212)	***(1,153,239)***	(1,195,993)	(1,230,383)	(1,265,962)
Subtotal - Administrative Services	0	0	0	***0***	0	0	0
TOTAL EXPENDITURES	7,306,774	7,503,719	7,374,228	7,717,937	7,980,902	8,206,523	8,441,675

GENERAL OPERATIONS EXPENDITURES

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Executive							
Personnel Expenses	208,946	212,627	216,115	***219,549***	225,218	231,078	237,136
Operating Expenses	132,065	144,077	125,350	***136,167***	140,252	144,460	148,794
Furniture & Equipment	0	3,000	3,000	***0***	2,250	750	750
Administrative Services Allocation	63,611	64,725	67,294	***64,244***	66,324	68,161	70,055
Subtotal Executive	404,622	424,429	411,759	***419,960***	434,044	444,449	456,735
Legal							
Personnel Expenses	504,320	527,320	483,657	***851,033***	886,805	911,166	936,413
Operating Expenses	205,913	156,058	181,455	***288,371***	308,022	316,932	326,110
Furniture & Equipment	0	3,500	3,500	***0***	3,500	3,250	1,750
Administrative Services Allocation	130,016	124,001	131,720	***205,781***	216,831	222,904	229,175
Subtotal Legal	840,249	810,879	800,332	***1,345,185***	1,415,158	1,454,252	1,493,448
Policy, Research & Communications							
Personnel Expenses	152,949	156,370	34,264				
Operating Expenses	30,093	40,838	33,835				
Furniture & Equipment	0	2,000	0				
Administrative Services Allocation	32,906	35,784	19,132				
Subtotal Policy, Research & Comm.	215,948	234,992	87,231	***0***	0	0	0
Legislative							
Personnel Expenses	161,098	167,826	169,212				
Operating Expenses	54,019	87,038	58,038				
Furniture & Equipment	0	2,500	2,500				
Administrative Services Allocation	38,663	46,246	44,993				
Subtotal Legislative	253,780	303,610	274,743	***0***	0	0	0
Investment Related							
Personnel Expenses		0	0	***0***	0	0	0
Operating Expenses	3,113	0	0	***0***	0	0	0
Furniture & Equipment		0	0	***0***	0	0	0
Administrative Services Allocation	969	0	0	***0***	0	0	0
Subtotal Investment Related	4,082	0	0	***0***	0	0	0

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GENERAL OPERATIONS EXPENDITURES

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Annual Meeting							
Personnel Expenses		***0***	0	***0***	0	0	0
Operating Expenses	59,227	46,900	22,321	***29,200***	30,076	30,978	31,908
Furniture & Equipment	0	0	0	***0***	0	0	0
Administrative Services Allocation	27,976	8,510	6,317	***5,274***	5,458	5,623	5,792
Subtotal Annual Meeting	87,203	55,410	28,638	***34,474***	35,534	36,601	37,700
Total General Operating Expenses							
Personnel Expenses	1,027,313	1,064,143	903,248	***1,070,582***	1,112,023	1,142,244	1,173,549
Operating Expenses	484,430	474,911	420,999	***453,738***	478,350	492,370	506,812
Furniture & Equipment	0	11,000	9,000	***0***	5,750	4,000	2,500
Administrative Services Allocation	294,141	279,266	269,456	***275,299***	288,613	296,688	305,022
Total (two pages)	1,805,884	1,829,320	1,602,703	***1,799,619***	1,884,736	1,935,302	1,987,883
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TRAINING & EDUCATION PROGRAM EXPENDITURES

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Stat Sampling & CAAT Schools							
Personnel Expenses	27,216	7,809	10,684	***13,184***	13,571	13,973	14,392
Operating Expenses	14,288	5,350	7,734	***5,350***	5,831	6,181	6,552
Furniture & Equipment		0	0	***0***	0	0	0
Administrative Services Allocation		0	0	***0***	0	0	0
Subtotal Stat Sampling/CAAT Schools	41,504	13,159	18,418	***18,534***	19,402	20,154	20,944
Nexus Schools							
Personnel Expenses	9,451	11,302	0	***7,946***	8,145	8,349	8,561
Operating Expenses	6,858	13,250	0	***13,250***	13,648	14,057	14,479
Furniture & Equipment		0	0	***0***	0	0	0
Administrative Services Allocation		0	0	***0***	0	0	0
Subtotal Nexus Schools	16,309	24,552	0	***21,196***	21,793	22,406	23,040
Corporate Income Tax Schools							
Personnel Expenses	33,987	37,647	104,778	***51,069***	52,464	53,910	55,408
Operating Expenses	10,522	10,750	168,231	***78,350***	80,701	83,122	85,615
Furniture & Equipment	0	0	0	***0***	0	0	0
Administrative Services Allocation	0	0	0	***0***	0	0	0
Subtotal Corp. Income Tax Schools	44,509	48,397	273,009	***129,419***	133,165	137,032	141,023
Training Program Management & Other							
Personnel Expenses		0	12,529	***0***	0	0	0
Operating Expenses	18,898	10,100	13,079	***10,100***	10,403	10,715	11,037
Furniture & Equipment	0	1,000		***0***	500	500	500
Administrative Services Allocation	0	0	0	***0***	0	0	0
Subtotal Training Program Management	18,898	11,100	25,608	10,100	10,903	11,215	11,537
Total Training & Education Expenses							
Personnel Expenses	70,654	56,758	127,991	***72,199***	74,180	76,232	78,361
Operating Expenses	50,566	39,450	189,044	***107,050***	***110,583***	***114,075***	117,683
Furniture & Equipment	0	1,000	0	***0***	500	500	500
Administrative Services Allocation	0	0	0	***0***	0	0	0
Total Training & Education	121,220	97,208	317,035	***179,249***	185,263	190,807	196,544
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AUDIT PROGRAM EXPENDITURES

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Income Tax							
Personnel Expenses	1,671,039	1,864,973	1,696,194	***1,952,586***	2,009,135	2,067,866	2,128,884
Operating Expenses	162,808	143,247	143,583	***133,250***	137,248	141,365	145,606
Furniture & Equipment	0	3,500	3,500	***0***	500	500	500
Administrative Services Allocation	325,741	364,397	363,634	***376,711***	389,514	400,983	412,869
Total Income Tax	2,159,588	2,376,117	2,206,911	***2,462,547***	2,536,397	2,610,714	2,687,859
Sales Tax							
Personnel Expenses	1,125,103	1,163,780	1,146,961	***1,176,912***	1,210,827	1,246,043	1,282,623
Operating Expenses	92,578	82,000	68,985	***90,000***	92,700	95,481	98,345
Furniture & Equipment	1,850	3,500	3,500	***0***	500	500	500
Administrative Services Allocation	218,944	226,050	240,476	***228,810***	236,557	243,491	250,676
Total Sales Tax	1,438,475	1,475,330	1,459,922	***1,495,722***	1,540,584	1,585,515	1,632,144
Management/Administrative							
Personnel Expenses	718,015	685,015	673,943	***733,744***	754,036	775,071	796,884
Operating Expenses	109,603	86,788	66,138	***92,759***	95,534	98,392	101,337
Furniture & Equipment	2,679	3,500	3,500	***0***	1,000	0	0
Administrative Services Allocation	140,284	140,046	150,044	***149,270***	154,175	158,537	163,047
Total Management/Administrative	970,581	915,349	893,625	***975,773***	1,004,745	1,032,000	1,061,268
Total Audit Program Operating Expenses							
Personnel Expenses	3,514,157	3,713,768	3,517,098	***3,863,242***	3,973,998	4,088,980	4,208,391
Operating Expenses	364,989	312,035	278,706	***316,009***	325,482	335,238	345,288
Furniture & Equipment	4,529	10,500	10,500	***0***	2,000	1,000	1,000
Administrative Services Allocation	684,969	730,493	754,154	***754,791***	780,246	803,011	826,592
Total	4,568,644	4,766,796	4,560,458	***4,934,042***	5,081,726	5,228,229	5,381,271
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ADMINISTRATIVE SERVICES EXPENDITURES

	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Personnel Expenses	659,113	***685,836***	700,302	***701,069***	720,758	741,176	762,364
Operating Expenses	366,833	***438,657***	447,561	***452,170***	465,735	479,707	494,098
Furniture & Equipment	75,148	***9,500***	9,349	***0***	9,500	9,500	9,500
Administrative Services Allocation	(1,101,094)	***(1,133,993)***	(1,157,212)	***(1,153,239)***	(1,195,993)	(1,230,383)	(1,265,962)
Total Administrative Services	0	0	0	***0***	0	0	0

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