



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: July 29, 2020
Subject: The FY 2021 Budget

I. Commission Budget Process

Each year at a spring meeting, the Executive Committee approves 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.

At its virtual meeting in April this year the Executive Committee also reviewed and approved the expenditures budget for FY 2021.

Because of the COVID-19 pandemic and its fiscal impact on states, the FY2021 was presented and approved as a “flat” budget: fee levels and expenditures remain the same as the prior year’s budget. In addition, on July 15, 2020, the Executive Committee met again and approved a one-time 10% membership and program fee “credit” for FY2021 to offset costs for participating MTC states. This credit is being provided for out of the Commission’s reserves and has no effect on the FY 2021 operating budget as approved.

The entire FY 2021 budget as approved at the April Executive Committee meeting is now presented for ratification by the Commission at its annual 2020 business meeting.

II. The FY 2021 Budget

Revenues

No 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. This position will not be filled unless all Joint Audit Program states remain in the program for FY2021.
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)	<u>6.50</u>
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.

III. 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.

Attachment

SUMMARY OF MEMBERSHIP & PROGRAM FEES

General Membership Assessment (Compact & Sovereignty Members)

The general membership assessment (GMA) finances the uniformity, research, legal and administrative support for programs, legislative efforts and 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 reimbursement basis to cover the costs of operating 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. Overall audit fees are set on a reimbursement basis to cover the costs of operating the 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. Those participating states which are among the 10 smallest states by population (and the District of Columbia) have their audit fees reduced by 10 percent.

National Nexus Program Fees

Total nexus fees are set to cover the costs of operating the program (the Commission interprets Article VIII of the Compact limiting reimbursement to costs as applying to any of its compliance programs). Nexus fees support the compliance activities of the National Nexus Program. Total nexus fees are set to cover the costs of operating the 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 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.

Multistate Tax Commission

Fiscal Year 2021 Budget



April 2020

Table of Contents

BUDGET SUMMARY – REVENUES AND EXPENSES..... 1

REVENUE / MEMBER ASSESSMENTS – COMPACT & SOVEREIGNTY MEMBER STATES..... 2

APPORTIONMENT OF 2020/2021 MEMBERSHIP ASSESSMENTS..... 3

AUDIT PROGRAM FEES..... 4

NEXUS PROGRAM FEES..... 5

REVENUES BY PROGRAM AND BY TYPE..... 6

REVENUES – GENERAL OPERATIONS..... 7

REVENUES – AUDIT & NEXUS PROGRAMS..... 8

APPROPRIATED FUND BALANCES – STATEMENT OF CHANGES..... 9

RESTRICTED FUND BALANCES – STATEMENT OF CHANGES..... 10

FUND BALANCE SUMMARY..... 11

EXPENDITURES SUMMARY - BY PROGRAM AND BY TYPE..... 12

EXPENDITURES DETAIL - BY PROGRAM AND TYPE..... 13

GENERAL OPERATIONS PROGRAM EXPENDITURES 14

TRAINING & EDUCATION PROGRAM EXPENDITURES 16

AUDIT PROGRAM EXPENDITURES 17

ADMINISTRATIVE SERVICES EXPENDITURES 18

BUDGET SUMMARY - REVENUES AND EXPENSES

DESCRIPTION- linked	2018/19	2019/20		2020/21		2021/22		2022/23		2023/24	
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	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	(1,803,884)	(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
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
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	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Alabama	20,061	20,216	20,216	20,153	20,657	20,153	20,657	21,215	21,215	21,809	21,809
Arizona	26,702	26,024	26,024	26,791	27,461	26,791	27,461	28,202	28,202	28,992	28,992
Arkansas	19,407	19,375	19,375	19,199	19,679	19,199	19,679	20,210	20,210	20,776	20,776
Colorado	21,758	21,842	21,842	22,116	22,669	22,116	22,669	23,281	23,281	23,933	23,933
Connecticut	27,658	28,143	28,143	28,965	29,689	28,965	29,689	30,491	30,491	31,344	31,344
District of Columbia	17,285	17,706	17,706	17,643	18,084	17,643	18,084	18,572	18,572	19,092	19,092
Florida	41,818	42,803	42,803	44,210	45,315	44,210	45,315	46,539	46,539	47,842	47,842
Georgia	25,813	26,054	26,054	25,836	26,482	25,836	26,482	27,197	27,197	27,958	27,958
Hawaii	18,662	18,685	18,685	18,766	19,235	18,766	19,235	19,754	19,754	20,308	20,308
Idaho	17,234	17,396	17,396	17,411	17,846	17,411	17,846	18,328	18,328	18,841	18,841
Iowa	24,063	24,094	24,094	23,864	24,461	23,864	24,461	25,121	25,121	25,824	25,824
Kansas	18,912	18,920	18,920	19,294	19,776	19,294	19,776	20,310	20,310	20,879	20,879
Kentucky	20,918	20,818	20,818	20,507	21,020	20,507	21,020	21,587	21,587	22,192	22,192
Louisiana	19,889	20,735	20,735	20,460	20,972	20,460	20,972	21,538	21,538	22,141	22,141
Maryland	30,757	30,893	30,893	30,404	31,164	30,404	31,164	32,006	32,006	32,902	32,902
Massachusetts	35,266	35,000	35,000	34,958	35,832	34,958	35,832	36,799	36,799	37,830	37,830
Michigan	28,401	28,652	28,652	28,517	29,230	28,517	29,230	30,019	30,019	30,860	30,860
Minnesota	27,840	27,748	27,748	27,350	28,034	27,350	28,034	28,791	28,791	29,597	29,597
Missouri	21,452	21,466	21,466	21,262	21,794	21,262	21,794	22,382	22,382	23,009	23,009
Montana	10,324	10,261	10,261	10,320	10,578	10,320	10,578	10,864	10,864	11,168	11,168
Nebraska	21,255	21,239	21,239	21,203	21,733	21,203	21,733	22,320	22,320	22,945	22,945
New Hampshire	12,316	12,137	12,137	12,300	12,608	12,300	12,608	12,948	12,948	13,310	13,310
New Jersey	31,635	31,628	31,628	31,831	32,627	31,831	32,627	33,508	33,508	34,446	34,446
New Mexico	17,838	18,001	18,001	17,761	18,205	17,761	18,205	18,697	18,697	19,220	19,220
North Carolina	34,586	34,597	34,597	33,941	34,790	33,941	34,790	35,729	35,729	36,729	36,729
North Dakota	16,968	16,859	16,859	17,105	17,533	17,105	17,533	18,006	18,006	18,510	18,510
Oklahoma	23,388	23,367	23,367	23,568	24,157	23,568	24,157	24,809	24,809	25,504	25,504
Oregon	14,893	15,131	15,131	15,030	15,406	15,030	15,406	15,822	15,822	16,265	16,265
Rhode Island	16,735	16,758	16,758	16,765	17,184	16,765	17,184	17,648	17,648	18,142	18,142
South Carolina	24,037	24,118	24,118	24,106	24,709	24,106	24,709	25,376	25,376	26,086	26,086
South Dakota	12,008	11,975	11,975	11,964	12,263	11,964	12,263	12,594	12,594	12,947	12,947
Tennessee	26,483	26,637	26,637	26,236	26,892	26,236	26,892	27,618	27,618	28,391	28,391
Texas	40,902	40,493	40,493	40,515	41,528	40,515	41,528	42,649	42,649	43,843	43,843
Utah	18,748	19,096	19,096	18,919	19,392	18,919	19,392	19,916	19,916	20,473	20,473
Vermont	19,303	19,377	19,377	19,402	19,887	19,402	19,887	20,424	20,424	20,996	20,996
Washington	19,738	20,251	20,251	20,313	20,821	20,313	20,821	21,383	21,383	21,982	21,982
West Virginia	17,714	17,690	17,690	17,678	18,120	17,678	18,120	18,609	18,609	19,130	19,130
Wisconsin	29,044	29,159	29,159	28,681	29,398	28,681	29,398	30,192	30,192	31,037	31,037
TOTAL PER BUDGET	871,811	875,344	875,344	875,344	875,344	875,344	887,228	921,453	921,453	947,253	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 ACTUAL	2019/20 APPROVED	2019/20 ESTIMATED	2020/21 PROPOSED	2021/22 PROJECTED	2022/23 PROJECTED	2023/24 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
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
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
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
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	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	Total
	Program	
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
BEGINNING FUND BALANCES:						
Unappropriated (TOTAL)	3,662,485	3,854,717	3,854,717	4,347,242	4,295,975	4,268,753
Appropriated (TOTAL)	654,921	669,921	669,921	675,921	615,921	615,921
Restricted (TOTAL)	1,322,613	1,305,743	1,305,743	1,218,128	1,216,671	1,213,410
TOTAL	5,640,019	5,830,381	5,830,381	6,241,291	6,128,567	6,098,084
UNAPPROPRIATED						
General Operations Program - Change from Current Operations	43,923	3,001	254,058	3,724	1,239	2,142
Staff Development Training - Appropriation of funds by Executive Committee						
MTC 50th Annual Conference - Appropriation of funds by Executive Committee						
Training & Education - Change from Current Operations	31,235	792	(14,025)	751	137	147
Audit Program - Change from Current Operations	159,856	5,504	288,492	2,508	374	469
Automation Plan - Transfer to this fund 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	2,758
APPROPRIATED						
Equipment Reserves - Purchases						
Staff Development Training - Appropriation of funds					(60,000)	
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
RESTRICTED FUNDS						
National Nexus Program - Changes from Current Operations	(3,996)	22	(83,615)	5,218	1,325	740
Refund - Property Tax / Unitary Exchange Fund Balance (Project ended)	0					
TOTAL - RESTRICTED	(3,996)	22	(83,615)	5,218	1,325	740
Audit Accruals & Unrealized Gains and Losses:						
Unappropriated	(27,782)	(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)
TOTAL - Audit Related Accruals	(40,656)	(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)	(27,242)
Appropriated	15,000	6,000	6,000	0	(60,000)	0
Restricted	(16,870)	(3,978)	(87,615)	1,218	(2,675)	(3,171)
TOTAL - Surplus / (Deficits)	190,362	(24,681)	410,910	(21,799)	(90,925)	(30,412)
ENDING FUND BALANCES:						
Unappropriated (TOTAL)	3,854,717	3,828,014	4,347,242	4,324,225	4,295,975	4,241,511
Appropriated (TOTAL)	669,921	675,921	675,921	675,921	615,921	615,921
Restricted (TOTAL)	1,305,743	1,301,765	1,218,128	1,219,346	1,216,671	1,210,240
TOTAL FUND BALANCES	5,830,381	5,805,700	6,241,291	6,219,492	6,128,567	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

EXPENDITURES DETAIL - BY PROGRAM

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

GENERAL OPERATIONS EXPENDITURES						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
<u>Executive</u>						
Personnel Expenses	208,946	212,627	216,115	219,549	225,218	231,078
Operating Expenses	132,065	144,077	125,350	136,167	140,252	144,460
Furniture & Equipment	0	3,000	3,000	0	2,250	750
Administrative Services Allocation	63,611	64,725	67,294	64,244	66,324	68,161
Subtotal Executive	404,622	424,429	411,759	419,960	434,044	444,449
<u>Legal</u>						
Personnel Expenses	504,320	527,320	483,657	851,033	886,805	911,166
Operating Expenses	205,913	156,058	181,455	288,371	308,022	316,932
Furniture & Equipment	0	3,500	3,500	0	3,500	3,250
Administrative Services Allocation	130,016	124,001	131,720	205,781	216,831	222,904
Subtotal Legal	840,249	810,879	800,332	1,345,185	1,415,158	1,454,252
<u>Policy, Research & Communications</u>						
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
<u>Legislative</u>						
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
<u>Investment Related</u>						
Personnel Expenses		0	0	0	0	0
Operating Expenses	3,113	0	0	0	0	0
Furniture & Equipment		0	0	0	0	0
Administrative Services Allocation	969	0	0	0	0	0
Subtotal Investment Related	4,082	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	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
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Income Tax						
Personnel Expenses	1,671,039	1,864,973	1,696,194	1,952,586	2,067,866	2,128,884
Operating Expenses	162,808	143,247	143,583	133,250	141,365	145,606
Furniture & Equipment	0	3,500	3,500	0	500	500
Administrative Services Allocation	325,741	364,397	363,634	376,711	400,983	412,869
Total Income Tax	2,159,588	2,376,117	2,206,911	2,462,547	2,610,714	2,687,859
Sales Tax						
Personnel Expenses	1,125,103	1,163,780	1,146,961	1,176,912	1,246,043	1,282,623
Operating Expenses	92,578	82,000	68,985	90,000	95,481	98,345
Furniture & Equipment	1,850	3,500	3,500	0	500	500
Administrative Services Allocation	218,944	226,050	240,476	228,810	243,491	250,676
Total Sales Tax	1,438,475	1,475,330	1,459,922	1,495,722	1,585,515	1,632,144
Management/Administrative						
Personnel Expenses	718,015	685,015	673,943	733,744	775,071	796,884
Operating Expenses	109,603	86,788	66,138	92,759	98,392	101,337
Furniture & Equipment	2,679	3,500	3,500	0	0	0
Administrative Services Allocation	140,284	140,046	150,044	149,270	158,537	163,047
Total Management/Administrative	970,581	915,349	893,625	975,773	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	4,088,980	4,208,391
Operating Expenses	364,989	312,035	278,706	316,009	335,238	345,288
Furniture & Equipment	4,529	10,500	10,500	0	1,000	1,000
Administrative Services Allocation	684,969	730,493	754,154	754,791	803,011	826,592
Total	4,568,644	4,766,796	4,560,458	4,934,042	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
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Personnel Expenses	659,113	685,836	700,302	701,069	720,758	741,176
Operating Expenses	366,833	438,657	447,561	452,170	465,735	479,707
Furniture & Equipment	75,148	9,500	9,349	0	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)
Total Administrative Services	0	0	0	0	0	0

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