



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: August 7, 2019
Subject: The FY 2020 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.

At its meeting in Denver in April this year the Executive Committee also reviewed and approved the expenditures budget for FY 2020.

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

II. The FY 2020 Budget – presented for ratification by the Commission

Revenues

Fee increases are requested for FY 2020:

Membership Assessments: 2.0% (calculated on the total assessments)

The total membership fees are increasing from the approved \$1,356,500 for FY 2019 to a requested \$1,383,630 for FY 2020 which is a \$27,130 or 2.00% increase.

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

The basic 2-tax audit fee will remain at \$219,000. Total audit fees are increasing \$48,180 as of result of an increase in fees for Iowa and Louisiana because in FY 2020 these two states will be fully phased-in following adding a second tax to each state's participation in the audit program. Each state upgraded its audit program participation in FY 2018.

Nexus Program Fees: 0.4% (calculated on the total Nexus fees)

The total Nexus Program fees for FY 2020 are requested to be set at 0.4% or \$3,534 above the final and actual Nexus Program fees for FY 2019.

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 2020 the amount of general operations support surcharges are \$231,264 from the Audit Program and \$64,927 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 2020 budget reflect a continuation of current activities.

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

1. The FY 2020 requested expenditures for the major program areas (general operations, audit, and nexus) total \$7,406,512 which is 1.6% more than the FY 2019 approved expenditures of \$7,289,369. This expenditure request is substantially a same services / same positions continuation request.
2. An estimated 7.0% 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 previous anniversary date of September 1, 2018.
3. A proposed 2.0% overall salary adjustment.
4. A temporary and part-time paid intern position is included in the legal department for FY 2020. This non-benefited position (.25 FTEs) has been budgeted at \$12,500.

Staffing Levels as budgeted for FY 2020 remain at the same level as for FY 2019 and are as follows:

	<u>FTEs</u>
General Operations (Executive, Legal, Legislative, and Policy & Research)	6.15
Audit Program	28.25
Training & Education	.47
Nexus Program	4.53
Administration (Information Technology and General Administration)	<u>6.50</u>
TOTAL	45.90

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 2020.

III. The FY 2021, FY 2022, and FY 2023 Budget Projections

Revenue Increases

The percentage fee increases projected for fiscal years *beyond* the FY 2020 budget year are:

Description	FY 2021	FY 2022	FY 2023
Membership Assessments	2.70%	2.80%	2.90%
Audit Program Fees	2.10%	2.70%	2.80%
Nexus Program Fees	2.80%	2.80%	2.80%

Expenditure Increases

The percentage increases used for each annual expenditure increase shown *beyond* the FY 2020 budget year are:

Description	FY 2021	FY 2022	FY 2023
Salaries and Retirement	2.00%	2.00%	2.00%
Employee Insurance	6.00%	6.00%	6.00%
Other Operating Expenses	3.00%	3.00%	3.00%

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 2020 Budget



April 2019

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BUDGET SUMMARY - REVENUES AND EXPENSES

DESCRIPTION	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
General Operations Program - Revenues	1,774,276	1,765,853	1,830,030	1,832,321	1,876,249	1,924,242	1,975,389
- Expenses	(1,696,209)	(1,762,941)	(1,801,596)	(1,829,320)	(1,873,327)	(1,923,537)	(1,975,086)
Surplus/Deficit - General Operation	78,067	2,912	28,434	3,001	2,922	705	303
Training and Education - Revenues	67,603	180,000	123,940	98,000	100,940	103,968	107,088
- Expenses	(69,789)	(178,688)	(108,053)	(97,208)	(100,211)	(103,163)	(106,223)
Surplus/Deficit - Training & Education	(2,186)	1,312	15,887	792	729	805	865
Audit Program - Revenues	4,587,614	4,728,500	4,728,500	4,772,300	4,869,950	5,000,150	5,141,200
- Expenses	(4,406,322)	(4,717,418)	(4,507,843)	(4,766,796)	(4,867,847)	(4,999,163)	(5,140,924)
Surplus/Deficit - Audit	181,292	11,082	220,657	5,504	2,103	987	276
Nexus Program - Revenues	825,536	817,971	807,030	810,417	833,109	856,436	880,416
- Expenses	(834,237)	(809,010)	(815,777)	(810,395)	(832,633)	(855,417)	(878,902)
Surplus/Deficit - Nexus	(8,701)	8,961	(8,747)	22	476	1,019	1,514
TOTAL OPERATIONS -							
- Revenues	7,255,029	7,492,324	7,489,500	7,513,038	7,680,248	7,884,796	8,104,093
- Expenses	(7,006,557)	(7,468,057)	(7,233,269)	(7,503,719)	(7,674,018)	(7,881,280)	(8,101,135)
Surplus/Deficit - Total All Programs	248,472	24,267	256,231	9,319	6,230	3,516	2,958

REVENUE / MEMBERSHIP ASSESSMENTS - COMPACT & SOVEREIGNTY MEMBER STATES

	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	48,279	49,016	49,016	49,823	51,169	52,601	54,127
Alaska	9,068	7,941	7,941	7,968	8,183	8,412	8,656
Arkansas	43,518	42,729	42,729	43,685	44,864	46,121	47,458
Colorado	70,866	73,769	73,769	74,308	76,314	78,451	80,726
District of Columbia	22,880	23,943	23,943	24,699	25,366	26,076	26,832
Georgia	104,397	104,940	104,940	107,079	109,970	113,050	116,328
Hawaii	31,538	31,975	31,975	33,698	34,608	35,577	36,609
Idaho	20,998	21,425	21,425	21,911	22,503	23,133	23,804
Kansas	41,443	39,399	39,399	39,518	40,585	41,722	42,932
Kentucky	53,128	53,794	53,794	55,027	56,513	58,095	59,780
Louisiana	39,028	37,121	37,121	36,978	37,976	39,039	40,172
Michigan	99,834	104,037	104,037	103,794	106,596	109,581	112,759
Minnesota	92,718	92,875	92,875	94,512	97,064	99,781	102,675
Missouri	67,324	68,690	68,690	69,656	71,537	73,540	75,673
Montana	12,156	12,395	12,395	12,196	12,525	12,876	13,249
New Jersey	128,903	131,638	131,638	129,520	133,017	136,742	140,707
New Mexico	29,745	30,068	30,068	28,524	29,294	30,115	30,988
North Dakota	17,662	17,292	17,292	14,326	14,712	15,124	15,563
Oregon	43,687	45,753	45,753	47,256	48,532	49,891	51,337
Rhode Island	12,438	17,402	17,402	17,397	17,866	18,367	18,899
Texas	212,027	211,109	211,109	221,578	227,561	233,933	240,717
Utah	35,667	36,391	36,391	37,988	39,014	40,106	41,269
Washington	82,581	80,033	80,033	90,093	92,526	95,117	97,875
West Virginia	22,553	22,765	22,765	22,096	22,692	23,328	24,004
TOTAL	1,342,438	1,356,500	1,356,500	1,383,630	1,420,988	1,460,776	1,503,138

APPORTIONMENT OF 2019/20 MEMBERSHIP ASSESSMENTS

	STATES' FISCAL 2016						TOTAL SHARE
	REVENUES	EQUAL	APPORTIONED			2019/20	
	UNDER COMPACT	SHARE OF 10%	SHARE OF 90%			PROPOSED	
	(THOUSANDS)	% OF TOTAL					
Alabama	8,936,211	3.538%	5,765	44,058	49,823		
Alaska	446,797	0.177%	5,765	2,203	7,968		
Arkansas	7,691,159	3.045%	5,765	37,920	43,685		
Colorado	13,902,330	5.504%	5,765	68,543	74,308		
District of Columbia	3,840,286	1.520%	5,765	18,934	24,699		
Georgia	20,549,287	8.136%	5,765	101,314	107,079		
Hawaii	5,665,541	2.243%	5,765	27,933	33,698		
Idaho	3,274,847	1.297%	5,765	16,146	21,911		
Kansas	6,846,098	2.711%	5,765	33,753	39,518		
Kentucky	9,991,684	3.956%	5,765	49,262	55,027		
Louisiana	6,330,753	2.506%	5,765	31,213	36,978		
Michigan	19,882,882	7.872%	5,765	98,029	103,794		
Minnesota	18,000,263	7.127%	5,765	88,747	94,512		
Missouri	12,958,878	5.131%	5,765	63,891	69,656		
Montana	1,304,293	0.516%	5,765	6,431	12,196		
New Jersey	25,100,903	9.938%	5,765	123,755	129,520		
New Mexico	4,616,159	1.828%	5,765	22,759	28,524		
North Dakota	1,736,308	0.687%	5,765	8,561	14,326		
Oregon	8,415,437	3.332%	5,765	41,491	47,256		
Rhode Island	2,359,179	0.934%	5,765	11,631	17,397		
Texas	43,772,847	17.331%	5,765	215,813	221,578		
Utah	6,535,681	2.588%	5,765	32,223	37,988		
Washington	17,104,092	6.772%	5,765	84,328	90,093		
West Virginia	3,312,280	1.311%	5,765	16,331	22,096		
TOTAL	252,574,195	100.000%	138,363	1,245,267	1,383,630		

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

TOTAL AUDIT FEES - MTC JOINT AUDIT PROGRAM

	2017/18		2018/19		2019/20	2020/21		2021/22		2022/23	
	ACTUAL	APPROVED	ESTIMATED	PROPOSED		PROJECTED	PROJECTED	PROJECTED	PROJECTED		
Alabama	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Alaska	116,505	118,260	118,260	118,260	118,260	120,690	123,930	123,930	127,440	127,440	127,440
Arkansas	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Colorado	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Delaware	139,806	141,912	141,912	141,912	141,912	144,828	148,716	148,716	152,928	152,928	152,928
District of Columbia	194,175	197,100	197,100	197,100	197,100	201,150	206,550	206,550	212,400	212,400	212,400
Georgia	129,450	131,400	131,400	131,400	131,400	134,100	137,700	137,700	141,600	141,600	141,600
Hawaii	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Idaho	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Iowa	185,542	236,520	236,520	236,520	262,800	268,200	275,400	275,400	283,200	283,200	283,200
Kansas	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Kentucky	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Louisiana	159,656	197,100	197,100	197,100	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Missouri	129,450	131,400	131,400	131,400	131,400	134,100	137,700	137,700	141,600	141,600	141,600
Montana	116,505	118,260	118,260	118,260	118,260	120,690	123,930	123,930	127,440	127,440	127,440
Nebraska	155,340	157,680	157,680	157,680	157,680	160,920	165,240	165,240	169,920	169,920	169,920
New Hampshire	139,806	141,912	141,912	141,912	141,912	144,828	148,716	148,716	152,928	152,928	152,928
New Jersey	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
New Mexico	129,450	131,400	131,400	131,400	131,400	134,100	137,700	137,700	141,600	141,600	141,600
North Dakota	194,175	197,100	197,100	197,100	197,100	201,150	206,550	206,550	212,400	212,400	212,400
Oregon	129,450	131,400	131,400	131,400	131,400	134,100	137,700	137,700	141,600	141,600	141,600
Pennsylvania	155,340	157,680	157,680	157,680	157,680	160,920	165,240	165,240	169,920	169,920	169,920
Rhode Island	116,505	118,260	118,260	118,260	118,260	120,690	123,930	123,930	127,440	127,440	127,440
Tennessee	258,900	262,800	262,800	262,800	262,800	268,200	275,400	275,400	283,200	283,200	283,200
Utah	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000
Washington	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
West Virginia	129,450	131,400	131,400	131,400	131,400	134,100	137,700	137,700	141,600	141,600	141,600
Wisconsin	258,900	262,800	262,800	262,800	262,800	268,200	275,400	275,400	283,200	283,200	283,200
TOTAL	4,800,155	4,955,384	4,955,384	4,955,384	5,003,564	5,105,966	5,242,502	5,242,502	5,390,416	5,390,416	5,390,416
Base Audit Fee (2-Tax)	215,750	219,000	219,000	219,000	219,000	223,500	229,500	229,500	236,000	236,000	236,000

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TOTAL FEE REVENUE - NATIONAL NEXUS PROGRAM

	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	20,323	20,061	20,061	20,216	20,782	21,364	21,962
Arizona	26,633	26,702	26,702	26,024	26,753	27,502	28,272
Arkansas	19,696	19,407	19,407	19,375	19,918	20,475	21,048
Colorado	21,908	21,758	21,758	21,842	22,454	23,082	23,729
Connecticut	29,139	27,658	27,658	28,143	28,931	29,741	30,574
Delaware	13,224	13,129	0	0	0	0	0
District of Columbia	17,624	17,285	17,285	17,706	18,202	18,711	19,235
Florida	42,390	41,818	41,818	42,803	44,001	45,234	46,500
Georgia	25,363	25,813	25,813	26,054	26,784	27,533	28,304
Hawaii	18,659	18,662	18,662	18,685	19,208	19,746	20,299
Idaho	17,318	17,234	17,234	17,396	17,883	18,384	18,899
Iowa	23,916	24,063	24,063	24,094	24,769	25,462	26,175
Kansas	19,352	18,912	18,912	18,920	19,450	19,994	20,554
Kentucky	21,219	20,918	20,918	20,818	21,401	22,000	22,616
Louisiana	20,707	19,889	19,889	20,735	21,316	21,912	22,526
Maryland	30,683	30,757	30,757	30,893	31,758	32,647	33,561
Massachusetts	35,472	35,266	35,266	35,000	35,980	36,987	38,023
Michigan	28,227	28,401	28,401	28,652	29,454	30,279	31,127
Minnesota	27,890	27,840	27,840	27,748	28,525	29,324	30,145
Missouri	21,599	21,452	21,452	21,466	22,067	22,685	23,320
Montana	10,572	10,324	10,324	10,261	10,548	10,844	11,147
Nebraska	21,603	21,255	21,255	21,239	21,834	22,445	23,073
New Hampshire	12,355	12,316	12,316	12,137	12,477	12,826	13,185
New Jersey	32,081	31,635	31,635	31,628	32,514	33,424	34,360
New Mexico	18,442	17,838	17,838	18,001	18,505	19,023	19,556
North Carolina	34,221	34,586	34,586	34,597	35,566	36,562	37,585
North Dakota	18,707	16,968	16,968	16,859	17,331	17,816	18,315
Oklahoma	24,482	23,388	23,388	23,367	24,021	24,694	25,385
Oregon	14,703	14,893	14,893	15,131	15,555	15,990	16,438
Rhode Island	12,645	16,735	16,735	16,758	17,227	17,710	18,205
South Carolina	24,352	24,037	24,037	24,118	24,793	25,488	26,201
South Dakota	12,156	12,008	12,008	11,975	12,310	12,655	13,009
Tennessee	26,324	26,483	26,483	26,637	27,383	28,150	28,938
Texas	43,986	40,902	40,902	40,493	41,627	42,792	43,991
Utah	18,817	18,748	18,748	19,096	19,631	20,180	20,745
Vermont	19,617	19,303	19,303	19,377	19,920	20,477	21,051
Washington	19,138	19,738	19,738	20,251	20,818	21,401	22,000
West Virginia	18,285	17,714	17,714	17,690	18,185	18,695	19,218
Wisconsin	29,353	29,044	29,044	29,159	29,975	30,815	31,678
TOTAL PER BUDGET	893,181	884,940	871,811	875,344	899,854	925,050	950,951

REVENUE SUMMARY							
	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
REVENUES BY PROGRAM							
General Operations	1,774,276	1,765,853	1,830,030	1,832,321	1,876,249	1,924,242	1,975,389
Training Programs	67,603	180,000	123,940	98,000	100,940	103,968	107,088
Audit	4,587,614	4,728,500	4,728,500	4,772,300	4,869,950	5,000,150	5,141,200
Nexus	825,536	817,971	807,030	810,417	833,109	856,436	880,416
Total	7,255,029	7,492,324	7,489,500	7,513,038	7,680,248	7,884,796	8,104,093
REVENUES BY TYPE							
Member Assessments	1,342,438	1,356,500	1,356,500	1,383,630	1,420,988	1,460,776	1,503,138
Audit Program Fees	4,803,218	4,955,384	4,955,384	5,003,564	5,105,966	5,242,502	5,390,416
Investment Income	121,449	92,000	143,295	122,000	122,000	122,000	122,000
Nexus Program Fees	893,181	884,940	871,811	875,344	899,854	925,050	950,951
Training Program Fees	67,603	180,000	123,940	98,000	100,940	103,968	107,088
Annual Conference Fees	27,140	23,000	35,290	30,000	30,000	30,000	30,000
Miscellaneous	0	500	3,280	500	500	500	500
Total	7,255,029	7,492,324	7,489,500	7,513,038	7,680,248	7,884,796	8,104,093

REVENUES - GENERAL OPERATIONS

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
GENERAL OPERATIONS						
Member Assessments	1,342,438	1,356,500	1,356,500	1,383,630	1,420,988	1,460,776
Investment Income	121,449	92,000	143,295	122,000	122,000	122,000
Annual Conference Fees	27,140	23,000	35,290	30,000	30,000	30,000
Operations Support Surcharge - (From Audit Program)	215,604	226,884	226,884	231,264	236,016	242,352
Operations Support Surcharge - (From Nexus Program)	67,645	66,969	64,781	64,927	66,745	68,614
Miscellaneous	0	500	3,280	500	500	500
Total General Operations Revenue	1,774,276	1,765,853	1,830,030	1,832,321	1,876,249	1,924,242
						1,975,389

REVENUES - AUDIT PROGRAM

	2018/19		2019/20		2020/21		2021/22		2022/23	
<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Total Audit Program Fees (Gross)	4,800,155	4,955,384	4,955,384	5,003,564	5,105,966	5,242,502	5,390,416			
Less: Transfer to General Operations Support Surcharge	(215,604)	(226,884)	(226,884)	(231,264)	(236,016)	(242,352)	(249,216)			
Audit Program Fees - Net	4,584,551	4,728,500	4,728,500	4,772,300	4,869,950	5,000,150	5,141,200			
Other Revenue	3,063	0	0	0	0	0	0			
Total Audit Program Revenues	4,587,614	4,728,500	4,728,500	4,772,300	4,869,950	5,000,150	5,141,200			

REVENUES - NEXUS PROGRAM

	2018/19		2019/20		2020/21		2021/22		2022/23	
<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Nexus Program Fees (Gross)	893,181	884,940	871,811	875,344	899,854	925,050	950,951			
Less: Transfer to General Operations Support Surcharge	(67,645)	(66,969)	(64,781)	(64,927)	(66,745)	(68,614)	(70,535)			
Other Revenue	0	0	0	0	0	0	0			
Total Nexus Program Revenues	825,536	817,971	807,030	810,417	833,109	856,436	880,416			

**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, 2017 - audited	\$84,206	\$58,438	\$14,282	\$555,715	\$712,641
Appropriations	\$15,000				\$15,000
Expenditures	\$0	(\$58,438)	(\$14,282)	\$0	(\$72,720)
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 - estimated	\$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	\$0			\$0	\$0
Fund Balance: June 30, 2022 - estimated	\$120,206	\$0	\$0	\$555,715	\$675,921
Appropriations	\$0				\$0
Expenditures	\$0			\$0	\$0
Fund Balance: June 30, 2023 - estimated	\$120,206	\$0	\$0	\$555,715	\$675,921

Statements of Changes in Fund Balance - Restricted Funds

For the Years Ended June 30,

	Property Tax Project	National Nexus Program	Total
Fund Balance - June 30, 2017 - audited	\$42,694	\$1,339,880	\$1,382,574
Revenues	\$0	\$825,535	\$825,535
Expenses or other reductions	\$42,694	\$834,237	\$876,931
Surplus (Deficit)	(\$42,694)	(\$8,702)	(\$51,396)
Annual Audit related accruals		(\$8,565)	(\$8,565)
Fund Balance - June 30, 2018 - audited	\$0	\$1,322,613	\$1,322,613
Revenues	\$0	\$807,028	\$807,028
Expenses	\$0	\$815,777	\$815,777
Surplus (Deficit)	\$0	(\$8,749)	(\$8,749)
Annual Audit related accruals		(\$4,000)	(\$4,000)
Fund Balance - June 30, 2019 - estimated	\$0	\$1,309,864	\$1,309,864
Revenues	\$0	\$810,415	\$810,415
Expenses	\$0	\$810,395	\$810,395
Surplus (Deficit)	\$0	\$20	\$20
Annual Audit related accruals		(\$4,000)	(\$4,000)
Fund Balance - June 30, 2020 - estimated	\$0	\$1,305,884	\$1,305,884
Revenues	\$0	\$833,107	\$833,107
Expenses	\$0	\$832,633	\$832,633
Surplus (Deficit)	\$0	\$474	\$474
Annual Audit related accruals		(\$4,000)	(\$4,000)
Fund Balance - June 30, 2021 - estimated	\$0	\$1,302,358	\$1,302,358
Revenues	\$0	\$856,434	\$856,434
Expenses	\$0	\$855,417	\$855,417
Surplus (Deficit)	\$0	\$1,017	\$1,017
Annual Audit related accruals		(\$4,000)	(\$4,000)
Fund Balance - June 30, 2022 - estimated	\$0	\$1,299,375	\$1,299,375
Revenues	\$0	\$880,414	\$880,414
Expenses	\$0	\$878,902	\$878,902
Surplus (Deficit)	\$0	\$1,512	\$1,512
Annual Audit related accruals		(\$4,000)	(\$4,000)
Fund Balance - June 30, 2023 - estimated	\$0	\$1,296,887	\$1,296,887

FUND BALANCE SUMMARY

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
BEGINNING FUND BALANCES:						
Unappropriated (TOTAL)	3,342,856	3,662,485	3,662,485	3,842,463	3,791,514	3,764,011
Appropriated (TOTAL)	712,641	654,921	654,921	675,921	675,921	675,921
Restricted (TOTAL)	1,382,573	1,322,613	1,322,613	1,309,866	1,302,364	1,299,382
TOTAL	5,438,070	5,640,019	5,640,019	5,822,250	5,769,799	5,739,314
UNAPPROPRIATED						
General Operations Program - Change from Current Operations	78,067	2,912	28,434	3,001	2,922	705
Staff Development Training - Appropriation of funds by Executive Committee	0	0				303
MTC 50th Annual Conference - Appropriation of funds by Executive Committee	0					
Training & Education - Change from Current Operations	(2,186)	1,312	15,887	792	729	865
Audit Program - Change from Current Operations	181,292	11,082	220,657	5,504	2,103	987
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)	(15,000)	(15,000)	(6,000)		
Enterprise Auto. Project - Appropriation of funds by Executive Committee						
TOTAL - UNAPPROPRIATED	242,173	306	249,978	3,297	5,754	2,497
APPROPRIATED						
Equipment Reserves - Purchases						
Staff Development Training - Appropriation of funds	0					
Staff Development Training - Expenditure of funds	(58,438)					
MTC 50th Annual Conference - Appropriation of funds	0					
MTC 50th Annual Conference - Expenditure of funds	(14,282)					
Equipment Reserves - Annual Amount Reserved	15,000	15,000	15,000	6,000		
Enterprise Auto. - Appropriation of funds by Executive Committee						
TOTAL - APPROPRIATED	(57,720)	15,000	15,000	6,000	0	0
RESTRICTED FUNDS						
National Nexus Program - Changes from Current Operations	(8,701)	8,961	(8,747)	22	476	1,019
Refund - Property Tax / Unitary Exchange Fund Balance (Project ended)	(42,694)					
TOTAL - RESTRICTED	(51,395)	8,961	(8,747)	22	476	1,019
Audit Accruals & Unrealized Gains and Losses:						
Unappropriated	77,456	(30,000)	(70,000)	(30,000)	(30,000)	(30,000)
Appropriated	0					
Restricted	(8,565)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
TOTAL - Audit Related Accruals	68,891	(34,000)	(74,000)	(34,000)	(34,000)	(34,000)
Surplus/Deficit (Net of Adjustments):						
Unappropriated	319,629	(29,694)	179,978	(26,703)	(24,246)	(27,503)
Appropriated	(57,720)	15,000	15,000	6,000	0	0
Restricted	(59,960)	4,961	(12,747)	(3,978)	(3,524)	(2,981)
TOTAL - Surplus / (Deficits)	201,949	(9,733)	182,231	(24,681)	(27,770)	(31,042)
ENDING FUND BALANCES:						
Unappropriated (TOTAL)	3,662,485	3,632,791	3,842,463	3,815,760	3,791,514	3,764,011
Appropriated (TOTAL)	654,921	669,921	669,921	675,921	675,921	675,921
Restricted (TOTAL)	1,322,613	1,327,574	1,309,866	1,305,888	1,302,364	1,299,382
TOTAL FUND BALANCES	5,640,019	5,630,286	5,822,250	5,797,569	5,769,799	5,739,314

EXPENDITURES SUMMARY

	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
EXPENDITURES BY PROGRAM							
General Operations	1,696,209	1,762,941	1,801,596	1,829,320	1,873,327	1,923,537	1,975,086
Training & Education	69,789	178,688	108,053	97,208	100,211	103,163	106,223
Audit	4,406,322	4,717,418	4,507,843	4,766,796	4,867,847	4,999,163	5,140,924
Nexus	834,237	809,010	815,777	810,395	832,633	855,417	878,902
TOTAL EXPENDITURES	7,006,557	7,468,057	7,233,269	7,503,719	7,674,018	7,881,280	8,101,135

EXPENDITURES BY MAJOR TYPE

Personnel	5,524,445	6,060,183	5,826,286	6,049,513	6,222,111	6,395,953	6,576,239
Operating Expenses	1,336,082	1,360,973	1,317,426	1,420,706	1,434,156	1,470,828	1,511,397
Equipment	146,030	46,900	89,559	33,500	17,750	14,500	13,500
Administrative Services Allocation	0	1	(2)	0	1	(1)	(1)
TOTAL EXPENDITURES	7,006,557	7,468,057	7,233,269	7,503,719	7,674,018	7,881,280	8,101,135

EXPENDITURES DETAIL - BY PROGRAM						
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROJECTED	PROJECTED	PROJECTED
GENERAL OPERATIONS						
Personnel	925,209	1,060,775	1,040,415	1,092,790	1,122,451	1,153,173
Operating Expenses	454,862	435,179	467,175	489,128	502,323	515,913
Equipment	25,669	15,800	10,000	3,250	2,500	1,500
Administrative Services Allocation	290,469	251,187	284,006	288,159	296,263	304,500
Subtotal - General Operations	1,696,209	1,762,941	1,801,596	1,873,327	1,923,537	1,975,086
TRAINING & EDUCATION						
Personnel	40,789	113,623	70,232	58,256	59,805	61,408
Operating Expenses	29,000	64,065	37,821	40,955	42,358	43,815
Equipment	0	1,000	0	1,000	1,000	1,000
Administrative Services Allocation	0	0	0	0	0	0
Subtotal - Training & Education	69,789	178,688	108,053	100,211	103,163	106,223
AUDIT						
Personnel	3,381,294	3,696,758	3,535,310	3,823,716	3,932,700	4,045,817
Operating Expenses	240,643	334,045	278,140	291,934	295,489	301,927
Equipment	48,684	9,800	4,350	2,500	0	0
Administrative Services Allocation	735,701	676,815	690,043	749,697	770,974	793,180
Subtotal - Audit	4,406,322	4,717,418	4,507,843	4,867,847	4,999,163	5,140,924
NEXUS						
Personnel	527,503	521,535	514,468	542,741	556,938	571,620
Operating Expenses	171,577	168,595	169,505	160,323	165,287	170,410
Equipment	1,766	3,000	8,638	1,500	1,500	1,500
Administrative Services Allocation	133,391	115,880	123,166	128,069	131,692	135,372
Subtotal - Nexus	834,237	809,010	815,777	832,633	855,417	878,902
ADMINISTRATIVE SERVICES						
Personnel	649,650	667,492	665,861	704,608	724,059	744,221
Operating Expenses	440,000	359,089	364,785	451,816	465,371	479,332
Equipment	69,911	17,300	66,571	9,500	9,500	9,500
Administrative Services Allocation	(1,159,561)	(1,043,881)	(1,097,217)	(1,165,924)	(1,198,930)	(1,233,053)
Subtotal - Administrative Services	0	0	0	0	0	0
TOTAL EXPENDITURES	7,006,557	7,468,057	7,233,269	7,674,018	7,881,280	8,101,135

GENERAL OPERATIONS EXPENDITURES							
	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
<u>Executive</u>							
Personnel Expenses	198,786	208,629	210,868	212,627	218,016	223,581	229,330
Operating Expenses	95,019	119,362	123,015	144,577	148,914	153,381	157,983
Furniture & Equipment	6,817	2,000	2,000	2,500	2,000	2,000	750
Administrative Services Allocation	60,011	55,073	60,537	63,263	65,293	67,151	69,036
Subtotal Executive	360,633	385,064	396,420	422,967	434,223	446,113	457,099
<u>Legal</u>							
Personnel Expenses	429,415	523,664	515,849	527,320	541,635	556,462	571,825
Operating Expenses	218,316	172,407	191,658	158,058	162,770	167,623	172,622
Furniture & Equipment	6,995	8,800	3,000	3,100	1,500	1,500	750
Administrative Services Allocation	126,788	116,878	130,410	121,384	125,344	128,987	132,693
Subtotal Legal	781,514	821,749	840,917	809,862	831,249	854,572	877,890
<u>Policy, Research & Communications</u>							
Personnel Expenses	147,582	165,208	152,688	156,370	160,562	164,901	169,394
Operating Expenses	22,947	30,480	31,248	40,838	42,063	43,325	44,625
Furniture & Equipment	1,766	2,500	2,500	2,500	1,500	1,500	750
Administrative Services Allocation	34,767	32,858	33,034	34,927	36,056	37,093	38,148
Subtotal Policy, Research & Comm.	207,062	231,046	219,470	234,635	240,181	246,819	252,917
<u>Legislative</u>							
Personnel Expenses	149,426	163,274	161,010	167,826	172,577	177,507	182,624
Operating Expenses	33,826	74,030	58,958	87,538	90,164	92,869	95,655
Furniture & Equipment	10,091	2,500	2,500	2,500	0	0	0
Administrative Services Allocation	38,506	39,846	38,984	45,226	46,753	48,164	49,602
Subtotal Legislative	231,849	279,650	261,452	303,090	309,494	318,540	327,881
<u>Investment Related</u>							
Personnel Expenses	0	0	0	0	0	0	0
Operating Expenses	36,807	2,000	3,069	0	0	0	0
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	10,292	336	708	0	0	0	0
Subtotal Investment Related	47,099	2,336	3,777	0	0	0	0

GENERAL OPERATIONS EXPENDITURES							
	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
<u>Annual Meeting</u>							
Personnel Expenses	0	0	0	0	0	0	0
Operating Expenses	47,947	36,900	59,227	46,900	48,307	48,307	48,307
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	20,105	6,196	20,333	8,510	8,799	8,808	8,813
Subtotal Annual Meeting	68,052	43,096	79,560	55,410	57,106	57,115	57,120
<u>Total General Operating Expenses</u>							
Personnel Expenses	925,209	1,060,775	1,040,415	1,064,143	1,092,790	1,122,451	1,153,173
Operating Expenses	454,862	435,179	467,175	474,911	489,128	502,323	515,913
Furniture & Equipment	25,669	15,800	10,000	11,000	3,250	2,500	1,500
Administrative Services Allocation	290,469	251,187	284,006	279,266	288,159	296,263	304,500
Total (two pages)	1,696,209	1,762,941	1,801,596	1,829,320	1,873,327	1,923,537	1,975,086
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TRAINING & EDUCATION PROGRAM EXPENDITURES							
	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
<u>Stat Sampling & CAAT Schools</u>							
Personnel Expenses	0	8,534	17,688	7,809	8,028	8,254	8,489
Operating Expenses	825	6,843	8,759	5,350	5,831	6,181	6,552
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Stat Sampling/CAAT Schools	825	15,377	26,447	13,159	13,859	14,435	15,041
<u>Nexus Schools</u>							
Personnel Expenses	8,442	26,448	13,224	11,302	11,590	11,888	12,195
Operating Expenses	7,641	26,072	13,036	13,250	13,648	14,057	14,479
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Nexus Schools	16,083	52,520	26,260	24,552	25,238	25,945	26,674
<u>Corporate Income Tax Schools</u>							
Personnel Expenses	32,347	78,641	39,320	37,647	38,638	39,663	40,724
Operating Expenses	7,935	21,050	10,525	10,750	11,073	11,405	11,747
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Corp. Income Tax Schools	40,282	99,691	49,845	48,397	49,711	51,068	52,471
<u>Training Program Management & Other</u>							
Personnel Expenses	0	0	0	0	0	0	0
Operating Expenses	12,599	10,100	5,501	10,100	10,403	10,715	11,037
Furniture & Equipment	0	1,000	0	1,000	1,000	1,000	1,000
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Training Program Management	12,599	11,100	5,501	11,100	11,403	11,715	12,037
<u>Total Training & Education Expenses</u>							
Personnel Expenses	40,789	113,623	70,232	56,758	58,256	59,805	61,408
Operating Expenses	29,000	64,065	37,821	39,450	40,955	42,358	43,815
Furniture & Equipment	0	1,000	0	1,000	1,000	1,000	1,000
Administrative Services Allocation	0	0	0	0	0	0	0
Total Training & Education	69,789	178,688	108,053	97,208	100,211	103,163	106,223
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AUDIT PROGRAM EXPENDITURES

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Income Tax						
Personnel Expenses	1,586,470	1,793,885	1,687,358	1,917,917	1,972,858	2,029,893
Operating Expenses	132,449	145,274	127,148	118,090	116,437	117,510
Furniture & Equipment	24,772	0	0	0	0	0
Administrative Services Allocation	349,987	325,605	327,267	370,874	380,965	391,761
Total Income Tax	2,093,678	2,264,764	2,141,773	2,406,881	2,470,260	2,539,164
Sales Tax						
Personnel Expenses	1,156,135	1,200,683	1,132,876	1,197,116	1,231,720	1,267,657
Operating Expenses	67,277	84,878	75,066	84,460	86,994	89,604
Furniture & Equipment	14,254	0	1,850	1,500	0	0
Administrative Services Allocation	246,075	215,860	218,792	233,449	240,456	247,612
Total Sales Tax	1,483,741	1,501,421	1,428,584	1,516,525	1,559,170	1,604,873
Management/Administrative						
Personnel Expenses	638,689	702,190	715,076	708,683	728,122	748,267
Operating Expenses	40,917	103,893	75,926	89,384	92,058	94,813
Furniture & Equipment	9,658	9,800	2,500	1,000	0	0
Administrative Services Allocation	139,639	135,350	143,984	145,374	149,553	153,807
Total Management/Administrative	828,903	951,233	937,486	944,441	969,733	996,887
Total Audit Program Operating Expenses						
Personnel Expenses	3,381,294	3,696,758	3,535,310	3,823,716	3,932,700	4,045,817
Operating Expenses	240,643	334,045	278,140	291,934	295,489	301,927
Furniture & Equipment	48,684	9,800	4,350	2,500	0	0
Administrative Services Allocation	735,701	676,815	690,043	749,697	770,974	793,180
Total	4,406,322	4,717,418	4,507,843	4,867,847	4,999,163	5,140,924

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ADMINISTRATIVE SERVICES EXPENDITURES

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Personnel Expenses	649,650	667,492	665,861	685,836	704,608	744,221
Operating Expenses	440,000	359,089	364,785	438,657	451,816	479,332
Furniture & Equipment Administrative Services	69,911	17,300	66,571	9,500	9,500	9,500
Allocation	(1,159,561)	(1,043,881)	(1,097,217)	(1,133,993)	(1,165,924)	(1,233,053)
<u>Total Administrative Services</u>	0	0	0	0	0	0

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