



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: August 4, 2021
Subject: The FY 2022 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 virtual meeting in April this year the Executive Committee also reviewed and approved the expenditures budget for FY 2022.

The entire FY 2022 budget as approved at the April Executive Committee meeting is now presented for ratification by the Commission at its annual 2021 business meeting. After the FY 2022 budget was approved by the Executive Committee in April, Delaware joined the National Nexus Program and Georgia joined the Joint Audit Program for income tax, effective July 1, 2021. The FY 2022 approved budget document has not been revised for either Delaware's \$11,204 fee amount or Georgia's \$55,742 fee amount (recall that the audit program fee is phased in full over three years) due to their minor financial impact on these programs for FY 2022.

II. The FY 2022 Budget

Revenues

Fee increases are requested for FY 2022:

Membership Assessments: 1.0% (calculated on the total membership assessments)

The total membership fees requested for FY 2022 are \$1,397,466 which is a 1.0% increase over the approved membership fees of \$1,383,630 for FY 2021. Total membership fees were last raised for FY 2020 when a 2.0% membership fee increase was approved above the FY 2019 membership fee total of \$1,356,500.

Audit Program Fees: 1.0% (calculated on the base audit fee)

The basic 2-tax audit fee is requested for FY 2022 is \$221,200 which is 1.0% above \$219,000 fee level for FY 2021. Audit program fees have been held at the \$219,000 level since the last increase was approved for the FY 2019 budget year.

Nexus Program Fees: 1.0% (calculated on the total Nexus fees)

The total Nexus program fees for FY 2022 are requested to be set at \$889,315 which is 1.0% more than the FY 2021 actual total of \$880,512.

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 2022 the general operations support surcharges total \$209,698 from the Audit Program and total \$70,664 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 2022 budget reflect a continuation of current activities.

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

1. The FY 2022 requested expenditures for the major fee-supported program areas (general operations, audit, and nexus, but excluding training) total \$7,267,841 versus the FY 2021 approved expenditures of \$7,538,688. This expenditure request is \$270,847 less than that approved for FY 2021 and is related to the reduction of audit program FTEs as noted in item 5 (below).
2. An estimated 8.0% 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, 2020.
3. A 3.0% overall salary adjustment is requested.
4. The legislative advisor position (page 14 of the budget document) will again be within the legislative department beginning with FY 2022 and not in the legal department in which it was placed in FY 2021.

5. The FY 2022 Audit Program FTEs of 26.53 is 3.0 FTEs lower than the FY 2021 budgeted amount. This is due to the loss of audit program fees totaling \$394,200 from two states that dropped out of the audit program beginning FY 2021.

Staffing Levels as budgeted for FY 2022 are as follows:

	<u>FTEs</u>
General Operations (Executive, Legal, Legislative, and Uniformity)	5.75
Audit Program	26.53
Training & Education	.49
Nexus Program	4.47
Administration (Information Technology and General Administration)	<u>6.50</u>
TOTAL	43.74

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 2022.

III. The FY 2023, FY 2024, and FY 2025 Budget Projections

Revenue Increases

The total fee increases (percentages) projected for fiscal years *beyond* the FY 2022 budget year are:

Description	FY 2023	FY 2024	FY 2025
Membership Assessments	2.8%	2.9%	2.9%
Audit Program Fees	2.9%	2.9%	2.9%
Nexus Program Fees	2.8%	2.8%	2.8%

Expenditure Increases

The percentage increases used for each annual expenditure increase shown *beyond* the FY 2022 budget year are:

Description	FY 2023	FY 2024	FY 2025
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 2022 Budget



April 2021

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BUDGET SUMMARY - REVENUES AND EXPENSES

DESCRIPTION- linked	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
General Operations Program - Revenues	1,852,067	1,803,343	1,641,426	4,753,828	1,801,003	1,850,956
- Expenses	(1,620,179)	(1,799,619)	(1,588,187)	(4,753,340)	(1,800,603)	(1,901,836)
Surplus/Deficit - General Operation	231,888	3,724	53,239	488	400	586
Training and Education - Revenues	126,010	180,000	14,000	173,000	178,750	184,000
- Expenses	(143,739)	(179,249)	(15,814)	(172,729)	(178,538)	(183,870)
Surplus/Deficit - Training & Education	(17,729)	751	(1,814)	271	212	130
Audit Program - Revenues	4,848,950	4,936,550	4,586,150	4,687,320	4,822,360	4,961,620
- Expenses	(4,572,776)	(4,934,042)	(4,596,172)	(4,685,190)	(4,819,903)	(4,959,778)
Surplus/Deficit - Audit	276,174	2,508	(10,022)	2,130	2,457	1,842
Nexus Program - Revenues	810,417	810,245	810,246	829,651	852,573	876,137
- Expenses	(870,945)	(805,027)	(794,383)	(829,311)	(851,925)	(875,444)
Surplus/Deficit - Nexus	(60,528)	5,218	15,863	340	648	693
TOTAL OPERATIONS -						
- Revenues	7,637,444	7,730,138	7,051,822	7,443,799	7,654,686	7,872,712
- Expenses	(7,207,639)	(7,171,937)	(6,994,556)	(7,440,570)	(7,650,969)	(7,869,462)
Surplus/Deficit - Total All Programs	429,805	12,201	57,266	3,229	3,717	3,250
						1,413

REVENUE / MEMBERSHIP ASSESSMENTS - COMPACT & SOVEREIGNTY MEMBER STATES

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Alabama	49,823	50,928	50,928	54,749	56,282	57,914
Alaska	7,968	7,293	7,293	7,981	8,204	8,442
Arkansas	43,685	42,490	42,490	44,836	46,092	47,428
Colorado	74,308	76,329	76,329	84,612	86,982	89,504
Delaware	0	0	21,175	21,884	22,497	23,150
District of Columbia	24,699	24,348	24,348	26,175	26,908	27,688
Georgia	107,079	106,912	0	0	0	0
Hawaii	33,698	33,053	33,053	37,080	38,118	39,224
Idaho	21,911	22,555	22,555	24,734	25,427	26,164
Kansas	39,518	39,177	39,177	46,575	47,879	49,268
Kentucky	55,027	53,685	53,685	56,676	58,263	59,952
Louisiana	36,978	41,783	41,783	44,885	46,142	47,480
Michigan	103,794	103,013	103,013	112,086	115,224	118,566
Minnesota	94,512	92,680	92,680	100,146	102,950	105,936
Missouri	69,656	69,136	69,136	74,150	76,226	78,436
Montana	12,196	11,976	11,976	13,054	13,419	13,808
New Jersey	129,520	128,763	128,763	142,361	146,347	150,591
New Mexico	28,524	28,652	28,652	28,264	29,055	29,897
North Dakota	14,326	12,866	12,866	13,804	14,191	14,602
Oregon	47,256	49,152	49,152	53,728	55,233	56,834
Rhode Island	17,397	17,024	17,024	18,027	18,532	19,070
Texas	221,578	216,735	216,735	222,475	228,704	235,337
Utah	37,988	40,315	40,315	42,481	43,670	44,937
Washington	90,093	93,290	93,290	104,196	107,114	110,220
West Virginia	22,096	21,476	21,476	22,507	23,137	23,808
TOTAL	1,383,630	1,383,630	1,297,893	1,397,466	1,436,595	1,478,257
						1,521,126

APPORTIONMENT OF 2021/22 MEMBERSHIP ASSESSMENTS

STATES' FISCAL 2018

	REVENUES UNDER COMPACT (THOUSANDS)	% OF TOTAL	EQUAL SHARE OF 10%	APPORTIONED SHARE OF 90%	TOTAL SHARE 2021/22 PROPOSED
Alabama	10,026,604	3.890%	5,823	48,926	54,749
Alaska	442,240	0.172%	5,823	2,158	7,981
Arkansas	7,995,169	3.102%	5,823	39,013	44,836
Colorado	16,146,664	6.264%	5,823	78,790	84,612
Delaware	3,291,590	1.277%	5,823	16,062	21,884
District of Columbia	4,170,905	1.618%	5,823	20,352	26,175
Georgia	0	0.000%	0	0	0
Hawaii	6,405,646	2.485%	5,823	31,257	37,080
Idaho	3,875,552	1.504%	5,823	18,911	24,734
Kansas	8,351,526	3.240%	5,823	40,752	46,575
Kentucky	10,421,471	4.043%	5,823	50,853	56,676
Louisiana	8,005,243	3.106%	5,823	39,063	44,885
Michigan	21,776,847	8.449%	5,823	106,263	112,086
Minnesota	19,330,062	7.500%	5,823	94,323	100,146
Missouri	14,002,485	5.433%	5,823	68,327	74,150
Montana	1,481,861	0.575%	5,823	7,231	13,054
New Jersey	27,981,322	10.856%	5,823	136,538	142,361
New Mexico	4,598,868	1.784%	5,823	22,441	28,264
North Dakota	1,635,686	0.635%	5,823	7,982	13,804
Oregon	9,817,433	3.809%	5,823	47,905	53,728
Rhode Island	2,501,137	0.970%	5,823	12,205	18,027
Texas	44,399,343	17.226%	5,823	216,652	222,475
Utah	7,512,481	2.915%	5,823	36,658	42,481
Washington	20,160,092	7.822%	5,823	98,374	104,196
West Virginia	3,419,128	1.327%	5,823	16,684	22,507
TOTAL	257,749,355	100.000%	139,747	1,257,719	1,397,466

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

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TOTAL AUDIT FEES - MTC JOINT AUDIT PROGRAM

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Alabama	219,000	219,000	219,000	221,200	227,600	234,200
Alaska	118,260	118,260	118,260	119,448	122,904	126,468
Arkansas	219,000	219,000	219,000	221,200	227,600	234,200
Colorado	219,000	219,000	219,000	221,200	227,600	234,200
Delaware	141,912	141,912	118,260	119,448	122,904	126,468
District of Columbia	197,100	197,100	197,100	199,080	204,840	210,780
Georgia	131,400	131,400	0	0	0	0
Hawaii	219,000	219,000	219,000	221,200	227,600	234,200
Idaho	219,000	219,000	219,000	221,200	227,600	234,200
Iowa	262,800	262,800	262,800	265,440	273,120	281,040
Kansas	219,000	219,000	219,000	221,200	227,600	234,200
Kentucky	219,000	219,000	219,000	221,200	227,600	234,200
Louisiana	219,000	219,000	219,000	221,200	227,600	234,200
Maryland	91,980	197,100	197,100	265,440	273,120	281,040
Missouri	131,400	131,400	131,400	132,720	136,560	140,520
Montana	118,260	118,260	118,260	119,448	122,904	126,468
Nebraska	157,680	157,680	157,680	159,264	163,872	168,624
New Hampshire	141,912	141,912	141,912	143,338	147,485	151,762
New Jersey	219,000	219,000	219,000	221,200	227,600	234,200
New Mexico	131,400	131,400	131,400	132,720	136,560	140,520
North Dakota	197,100	197,100	197,100	199,080	204,840	210,780
Oregon	131,400	131,400	131,400	132,720	136,560	140,520
Pennsylvania	157,680	157,680	157,680	159,264	163,872	168,624
Rhode Island	118,260	118,260	118,260	119,448	122,904	126,468
Tennessee	262,800	262,800	262,800	265,440	273,120	281,040
Utah	219,000	219,000	219,000	221,200	227,600	234,200
Washington	20,000	20,000	20,000	20,000	20,000	20,000
West Virginia	131,400	131,400	131,400	132,720	136,560	140,520
Wisconsin	262,800	262,800	0	0	0	0
TOTAL	5,095,544	5,200,664	4,782,812	4,897,018	5,038,125	5,183,642
Base Audit Fee (2-Tax)	219,000	219,000	219,000	221,200	227,600	234,200
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TOTAL FEE REVENUE - NATIONAL NEXUS PROGRAM

	2019/20		2020/21		2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED				
Alabama	20,216	20,153	20,153	20,336	20,905	21,491	22,093	
Arizona	26,024	26,791	26,791	27,612	28,385	29,180	29,997	
Arkansas	19,375	19,199	19,199	19,366	19,908	20,466	21,039	
Colorado	21,842	22,116	22,116	22,467	23,096	23,743	24,408	
Connecticut	28,143	28,965	28,965	28,112	28,899	29,708	30,540	
District of Columbia	17,706	17,643	17,643	17,956	18,459	18,976	19,507	
Florida	42,803	44,210	44,210	42,651	43,845	45,073	46,335	
Georgia	26,054	25,836	31,004	31,287	32,163	33,064	33,989	
Hawaii	18,685	18,766	18,766	19,004	19,536	20,083	20,645	
Idaho	17,396	17,411	17,411	17,501	17,991	18,495	19,013	
Iowa	24,094	23,864	23,864	24,092	24,767	25,460	26,173	
Kansas	18,920	19,294	19,294	19,487	20,033	20,594	21,170	
Kentucky	20,818	20,507	20,507	20,829	21,412	22,012	22,628	
Louisiana	20,735	20,460	20,460	20,570	21,146	21,738	22,347	
Maryland	30,893	30,404	30,404	30,702	31,562	32,445	33,354	
Massachusetts	35,000	34,958	34,958	35,599	36,596	37,620	38,674	
Michigan	28,652	28,517	28,517	27,984	28,768	29,573	30,401	
Minnesota	27,748	27,350	27,350	27,662	28,437	29,233	30,051	
Missouri	21,466	21,262	21,262	21,236	21,831	22,442	23,070	
Montana	10,261	10,320	10,320	10,458	10,751	11,052	11,361	
Nebraska	21,239	21,203	21,203	21,474	22,075	22,693	23,329	
New Hampshire	12,137	12,300	12,300	12,390	12,737	13,094	13,460	
New Jersey	31,628	31,831	31,831	32,848	33,768	34,713	35,685	
New Mexico	18,001	17,761	17,761	18,612	19,133	19,669	20,220	
North Carolina	34,597	33,941	33,941	34,253	35,212	36,198	37,212	
North Dakota	16,859	17,105	17,105	17,538	18,029	18,534	19,053	
Oklahoma	23,367	23,568	23,568	24,173	24,850	25,546	26,261	
Oregon	15,131	15,030	15,030	15,467	15,900	16,345	16,803	
Rhode Island	16,758	16,765	16,765	16,976	17,451	17,940	18,442	
South Carolina	24,118	24,106	24,106	24,416	25,100	25,802	26,525	
South Dakota	11,975	11,964	11,964	12,053	12,390	12,737	13,094	
Tennessee	26,637	26,236	26,236	26,394	27,133	27,893	28,674	
Texas	40,493	40,515	40,515	40,960	42,107	43,286	44,498	
Utah	19,096	18,919	18,919	19,799	20,353	20,923	21,509	
Vermont	19,377	19,402	19,402	19,609	20,158	20,722	21,303	
Washington	20,251	20,313	20,313	20,301	20,869	21,454	22,054	
West Virginia	17,690	17,678	17,678	17,974	18,477	18,995	19,526	
Wisconsin	29,159	28,681	28,681	29,167	29,984	30,823	31,686	
TOTAL PER BUDGET	875,344	875,344	880,512	889,315	914,216	939,814	966,129	

REVENUE SUMMARY						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
REVENUES BY PROGRAM						
General Operations	1,852,067	1,803,343	1,641,426	1,753,828	1,801,003	1,902,362
Training Programs	126,010	180,000	14,000	173,000	178,750	189,500
Audit	4,848,950	4,936,550	4,586,150	4,687,320	4,822,360	5,105,100
Nexus	810,417	810,245	810,246	829,651	852,573	900,361
Total	7,637,444	7,730,138	7,051,822	7,443,799	7,654,686	8,097,323
REVENUES BY TYPE						
Member Assessments	1,383,630	1,383,630	1,297,893	1,397,466	1,436,595	1,521,126
Audit Program Fees	5,095,544	5,200,664	4,782,812	4,897,018	5,038,125	5,333,568
Investment Income	130,561	60,000	76,569	61,000	61,000	61,000
Nexus Program Fees	875,344	875,344	880,512	889,315	914,216	966,129
Training Program Fees	126,010	180,000	14,000	173,000	178,750	189,500
Annual Conference Fees	26,355	30,000	0	25,500	25,500	25,500
Miscellaneous	0	500	36	500	500	500
Total	7,637,444	7,730,138	7,051,822	7,443,799	7,654,686	8,097,323

REVENUES - GENERAL OPERATIONS

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
GENERAL OPERATIONS						
Member Assessments	1,383,630	1,383,630	1,297,893	1,397,466	1,436,595	1,478,257
Investment Income	130,561	60,000	76,569	50,000	50,000	50,000
Annual Conference Fees	26,355	30,000	0	25,500	25,500	25,500
Operations Support Surcharge - (From Audit Program	246,594	264,114	196,662	209,698	215,765	222,022
Operations Support Surcharge - (From Nexus Progra	64,927	65,099	70,266	70,664	72,643	74,677
Miscellaneous	0	500	36	500	500	500
Total General Operations Revenue	1,852,067	1,803,343	1,641,426	1,753,828	1,801,003	1,850,956
						1,902,362

REVENUES - AUDIT PROGRAM

	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Total Audit Program Fees (Gross)	5,095,544	5,200,664	4,782,812	4,897,018	5,038,125	5,183,642	5,333,568
Less: Transfer to General Operations Support Surcharge	(246,594)	(264,114)	(196,662)	(209,698)	(215,765)	(222,022)	(228,468)
Audit Program Fees - Net	4,848,950	4,936,550	4,586,150	4,687,320	4,822,360	4,961,620	5,105,100
Other Revenue		0	0	0	0	0	0
Total Audit Program Revenues	4,848,950	4,936,550	4,586,150	4,687,320	4,822,360	4,961,620	5,105,100

REVENUES - NEXUS PROGRAM

	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Nexus Program Fees (Gross)	875,344	875,344	880,512	889,315	914,216	939,814	966,129
Less: Transfer to General Operations Support Surcharge	(64,927)	(65,099)	(70,266)	(70,664)	(72,643)	(74,677)	(76,768)
Other Revenue - Investment Income		0	0	11,000	11,000	11,000	11,000
Total Nexus Program Revenues	810,417	810,245	810,246	829,651	852,573	876,137	900,361

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, 2019 - audited	\$114,206	\$0	\$0	\$555,715	\$669,921
Appropriations	\$6,000				\$6,000
Expenditures	\$0			\$0	\$0
Fund Balance: June 30, 2020 - audited	\$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
Appropriations	\$0				\$0
Expenditures	\$0			\$0	\$0
Fund Balance: June 30, 2025- 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, 2019 - audited	\$1,305,742	\$1,305,742
Revenues	\$810,416	\$810,416
Expenses	\$870,945	\$870,945
Surplus (Deficit)	(\$60,529)	(\$60,529)
Annual Audit related accruals	\$42,525	\$42,525
Fund Balance - June 30, 2020 - audited	\$1,287,738	\$1,287,738
Revenues	\$810,244	\$810,244
Expenses	\$794,383	\$794,383
Surplus (Deficit)	\$15,861	\$15,861
COVID-19 Credit as approved by Executive Committee	(\$81,024)	(\$81,024)
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2021 - estimated	\$1,218,575	\$1,218,575
Revenues	\$829,648	\$829,648
Expenses	\$829,311	\$829,311
Surplus (Deficit)	\$337	\$337
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2022 - estimated	\$1,214,912	\$1,214,912
Revenues	\$852,570	\$852,570
Expenses	\$851,924	\$851,924
Surplus (Deficit)	\$646	\$646
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2023 - estimated	\$1,211,558	\$1,211,558
Revenues	\$876,134	\$876,134
Expenses	\$875,443	\$875,443
Surplus (Deficit)	\$691	\$691
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2024 - estimated	\$1,208,249	\$1,208,249
Revenues	\$900,358	\$900,358
Expenses	\$899,764	\$899,764
Surplus (Deficit)	\$594	\$594
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2025 - estimated	\$1,204,843	\$1,204,843

FUND BALANCE SUMMARY

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
BEGINNING FUND BALANCES:						
Unappropriated (TOTAL)	3,854,717	4,331,653	3,727,959	3,760,847	3,733,916	3,706,474
Appropriated (TOTAL)	669,921	675,921	675,921	615,921	615,921	615,921
Restricted (TOTAL)	1,305,743	1,287,740	1,218,579	1,214,919	1,211,567	1,208,260
TOTAL	5,830,381	6,295,314	5,622,459	5,591,687	5,561,404	5,530,654
UNAPPROPRIATED						
General Operations Program - Change from Current Operations	231,888	3,724	488	400	586	526
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	(17,729)	751	271	212	130	115
Audit Program - Change from Current Operations	276,174	2,508	2,130	2,457	1,842	175
Automation Plan - Transfer to this fund of value of purchased hardware & software			60,000			
Equipment Reserve - Transfer to this fund of value of purchased hardware & software						
Equipment Reserve - Appropriation of funds by Executive Committee	(6,000)					
COVID-19 10% FEE CREDIT - Aoonved by the Executive Committee		(615,098)				
Enterprise Auto. Project - Appropriation of funds by Executive Committee						
TOTAL - UNAPPROPRIATED	484,333	6,983	62,889	3,069	2,558	816
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	6,000					
Enterprise Auto. - Appropriation of funds by Executive Committee						
TOTAL - APPROPRIATED	6,000	0	(60,000)	0	0	0
RESTRICTED FUNDS						
National Nexus Program - Changes from Current Operations						
COVID-19 10% FEE CREDIT - Aoonved by the Executive Committee	(60,528)	5,218	15,863	648	693	597
Refund - Property Tax / Unitary Exchange Fund Balance (Project ended)		(81,024)				
TOTAL - RESTRICTED	(60,528)	5,218	(65,161)	648	693	597
Audit Accruals & Unrealized Gains and Losses:						
Unappropriated	(7,397)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Appropriated	0					
Restricted	42,525	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
TOTAL - Audit Related Accruals	35,128	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
Surplus/Deficit (Net of Adjustments):						
Unappropriated	476,936	(23,017)	(603,695)	32,889	(26,931)	(27,442)
Appropriated	6,000	0	(60,000)	0	0	0
Restricted	(18,003)	1,218	(3,660)	(3,352)	(3,307)	(3,403)
TOTAL - Surplus / (Deficits)	464,933	(21,799)	(672,856)	(30,771)	(30,283)	(32,587)
ENDING FUND BALANCES:						
Unappropriated (TOTAL)	4,331,653	4,308,636	3,727,959	3,760,847	3,706,474	3,677,290
Appropriated (TOTAL)	675,921	675,921	675,921	615,921	615,921	615,921
Restricted (TOTAL)	1,287,740	1,288,958	1,218,579	1,211,567	1,208,260	1,204,856
TOTAL FUND BALANCES	6,295,314	6,273,515	5,622,459	5,591,687	5,530,654	5,498,067

EXPENDITURES SUMMARY						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
EXPENDITURES BY PROGRAM						
General Operations	1,620,179	1,799,619	1,588,187	1,800,603	1,850,370	1,901,836
Training & Education	143,739	179,249	15,814	178,538	183,870	189,385
Audit	4,572,776	4,934,042	4,596,172	4,819,903	4,959,778	5,104,925
Nexus	870,945	805,027	794,383	851,925	875,444	899,764
TOTAL EXPENDITURES	7,207,639	7,717,937	6,994,556	7,650,969	7,869,462	8,095,910
EXPENDITURES BY MAJOR TYPE						
Personnel	5,805,424	6,234,984	6,055,666	6,374,691	6,555,114	6,742,317
Operating Expenses	1,309,020	1,482,952	903,267	1,269,777	1,308,099	1,347,595
Equipment	93,194	0	35,623	6,500	6,250	6,000
Administrative Services Allocation	1	1	0	1	(1)	(2)
TOTAL EXPENDITURES	7,207,639	7,717,937	6,994,556	7,650,969	7,869,462	8,095,910
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EXPENDITURES DETAIL - BY PROGRAM

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
GENERAL OPERATIONS						
Personnel	936,926	1,070,582	1,093,003	1,096,204	1,125,686	1,187,831
Operating Expenses	381,264	453,738	239,611	367,847	377,763	400,585
Equipment	8,451	0	0	6,000	6,000	5,500
Administrative Services Allocation	293,538	275,299	255,573	283,289	291,154	307,920
Subtotal - General Operations	1,620,179	1,799,619	1,588,187	1,753,340	1,800,603	1,901,836
TRAINING & EDUCATION						
Personnel	69,052	72,199	0	69,679	71,575	75,573
Operating Expenses	74,687	107,050	15,814	103,050	106,463	113,312
Equipment	0	0	0	0	500	500
Administrative Services Allocation	0	0	0	0	0	0
Subtotal - Training & Education	143,739	179,249	15,814	172,729	178,538	189,385
AUDIT						
Personnel	3,546,952	3,863,242	3,732,280	3,727,316	3,833,962	4,059,631
Operating Expenses	238,497	316,009	118,386	198,284	203,968	216,374
Equipment	4,988	0	0	0	0	0
Administrative Services Allocation	782,339	754,791	745,506	759,590	781,973	828,920
Subtotal - Audit	4,572,776	4,934,042	4,596,172	4,685,190	4,819,903	5,104,925
NEXUS						
Personnel	537,186	527,892	525,797	560,800	575,630	606,851
Operating Expenses	134,720	153,985	115,630	134,058	138,080	146,812
Equipment	57,246	0	28,623	0	0	0
Administrative Services Allocation	141,793	123,150	124,333	134,453	138,215	146,101
Subtotal - Nexus	870,945	805,027	794,383	829,311	851,925	899,764
ADMINISTRATIVE SERVICES						
Personnel	715,308	701,069	704,586	746,747	767,838	812,431
Operating Expenses	479,852	452,170	413,826	430,585	443,503	470,512
Equipment	22,509	0	7,000	0	0	0
Administrative Services Allocation	(1,217,669)	(1,153,239)	(1,125,412)	(1,177,332)	(1,211,341)	(1,282,943)
Subtotal - Administrative Services	0	0	0	0	0	0
TOTAL EXPENDITURES						
	7,207,639	7,717,937	6,994,556	7,440,570	7,650,969	8,095,910

GENERAL OPERATIONS EXPENDITURES						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
<u>Executive</u>						
Personnel Expenses	213,679	219,549	222,852	224,243	229,919	235,781
Operating Expenses	111,723	136,167	89,184	118,129	121,613	125,201
Furniture & Equipment	6,332	0	0	2,500	2,500	2,250
Administrative Services Allocation	72,237	64,244	58,699	66,248	68,077	71,868
Subtotal Executive	403,971	419,960	370,735	411,120	422,109	433,176
<u>Legal</u>						
Personnel Expenses	520,562	851,033	870,151	693,047	711,597	730,800
Operating Expenses	158,707	288,371	150,427	167,654	171,624	176,742
Furniture & Equipment	2,119	0	0	3,000	3,000	3,000
Administrative Services Allocation	140,240	205,781	196,874	166,543	171,042	175,846
Subtotal Legal	821,628	1,345,185	1,217,452	1,030,244	1,057,263	1,086,388
<u>Policy, Research & Communications</u>						
Personnel Expenses	34,264	0	0	0	0	0
Operating Expenses	33,507	0	0	0	0	0
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	24,645	0	0	0	0	0
Subtotal Policy, Research & Comm.	92,416	0	0	0	0	0
<u>Legislative</u>						
Personnel Expenses	168,421	0	0	178,914	184,170	189,633
Operating Expenses	55,006	0	0	57,364	59,085	60,857
Furniture & Equipment	0	0	0	500	500	500
Administrative Services Allocation	46,932	0	0	45,719	47,108	48,535
Subtotal Legislative	270,359	0	0	282,497	290,863	299,525
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GENERAL OPERATIONS EXPENDITURES						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Annual Meeting						
Personnel Expenses	0	0	0	0	0	0
Operating Expenses	22,321	29,200	24,700	25,441	26,204	26,990
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	9,484	5,274	4,779	4,927	5,077	5,232
Subtotal Annual Meeting	31,805	34,474	29,479	30,368	31,281	32,222
Total General Operating Expenses						
Personnel Expenses	936,926	1,070,582	1,096,204	1,125,686	1,156,214	1,187,831
Operating Expenses	381,264	453,738	367,847	377,763	389,004	400,585
Furniture & Equipment	8,451	0	6,000	6,000	5,750	5,500
Administrative Services Allocation	293,538	275,299	283,289	291,154	299,402	307,920
Total (two pages)	1,620,179	1,799,619	1,753,340	1,800,603	1,850,370	1,901,836

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TRAINING & EDUCATION PROGRAM EXPENDITURES

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
Stat Sampling & CAAT Schools						
Personnel Expenses	10,684	13,184	0	8,543	8,792	9,051
Operating Expenses	8,012	5,350	10,000	5,831	6,181	9,320
Furniture & Equipment	0	0	0	0	0	6,552
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Stat Sampling/CAAT Schools	18,696	18,534	10,000	14,623	15,232	15,872
Nexus Schools						
Personnel Expenses	0	7,946	0	8,360	8,571	8,788
Operating Expenses	0	13,250	0	13,250	13,648	14,057
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Nexus Schools	0	21,196	0	22,219	22,845	23,491
Corporate Income Tax Schools						
Personnel Expenses	45,839	51,069	0	52,776	54,212	55,700
Operating Expenses	50,463	78,350	0	77,850	80,186	82,591
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Corp. Income Tax Schools	96,302	129,419	0	130,626	134,398	138,291
Training Program Management & Other						
Personnel Expenses	12,529	0	0	0	0	0
Operating Expenses	16,212	10,100	5,814	6,600	7,002	7,212
Furniture & Equipment	0	0	0	0	500	500
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Training Program Management	28,741	10,100	5,814	6,600	7,298	7,712
Total Training & Education Expenses						
Personnel Expenses	69,052	72,199	0	69,679	71,575	73,539
Operating Expenses	74,687	107,050	15,814	103,050	106,463	109,831
Furniture & Equipment	0	0	0	0	500	500
Administrative Services Allocation	0	0	0	0	0	0
Total Training & Education	143,739	179,249	15,814	172,729	178,538	183,870
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AUDIT PROGRAM EXPENDITURES

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>ACTUAL</u>	<u>APPROVED ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Income Tax						
Personnel Expenses	1,704,195	1,952,586	1,945,862	2,002,445	2,061,220	2,122,294
Operating Expenses	129,727	133,250	83,000	85,490	88,055	90,696
Furniture & Equipment	1,654	0	0	0	0	0
Administrative Services Allocation	370,967	374,711	392,578	404,343	416,446	428,997
Total Income Tax	2,206,543	2,462,547	2,421,440	2,492,278	2,565,721	2,641,987
Sales Tax						
Personnel Expenses	1,149,538	1,178,710	1,107,712	1,139,909	1,173,353	1,208,105
Operating Expenses	49,313	90,000	55,400	57,062	58,774	60,537
Furniture & Equipment	3,334	0	0	0	0	0
Administrative Services Allocation	251,202	228,810	225,058	231,802	238,739	245,931
Total Sales Tax	1,453,387	1,495,722	1,388,170	1,428,773	1,470,866	1,514,573
Management/Administrative						
Personnel Expenses	693,219	733,744	673,742	691,608	710,096	729,232
Operating Expenses	59,457	92,759	59,884	61,416	63,250	65,141
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	160,170	149,270	141,954	145,828	149,845	153,992
Total Management/Administrative	912,846	975,773	875,580	898,852	923,191	948,365
Total Audit Program Operating Expenses						
Personnel Expenses	3,546,952	3,863,242	3,727,316	3,833,962	3,944,669	4,059,631
Operating Expenses	238,497	316,009	198,284	203,968	210,079	216,374
Furniture & Equipment	4,988	0	0	0	0	0
Administrative Services Allocation	782,339	754,791	759,590	781,973	805,030	828,920
Total	4,572,776	4,934,042	4,685,190	4,819,903	4,959,778	5,104,925

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ADMINISTRATIVE SERVICES EXPENDITURES

	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Personnel Expenses	715,308	701,069	704,586	746,747	767,838	789,720	812,431
Operating Expenses	479,852	452,170	413,826	430,585	443,503	456,808	470,512
Furniture & Equipment	22,509	0	7,000	0	0	0	0
Administrative Services Allocation	(1,217,669)	(1,153,239)	(1,125,412)	(1,177,332)	(1,211,341)	(1,246,528)	(1,282,943)
Total Administrative Services	0	0	0	0	0	0	0

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