



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: April 22, 2022
Subject: The FY 2023 Budget

I. Commission Budget Process

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

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

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

This is also the time when the Executive Committee reviews and approves the expenditures budget for the upcoming fiscal year, subject to any major issues developing between now and the Annual Commission Business Meeting. If anything like this were to occur, then the proposed budget could be revised, and a teleconference meeting of the Executive Committee could be held before the early August 2022 Commission meeting.

If both the fees part of the budget and the expenditures part of the budget are approved, there would be no need (*based on what is now known*) for any additional budget related meetings of the Executive Committee before the ratification of the FY 2023 budget by the at the upcoming Commission meeting in early August.

II. Commission Fee Structure

General Membership Assessment (Compact & Sovereignty Members)

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

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

Joint Audit Program Fees

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

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

National Nexus Program Fees

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

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

Training Fees

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

III. The FY 2023 Budget

Revenues

Fee increases are requested for FY 2023:

Membership Assessments:

The total membership fees requested for FY 2023 for states other than California are \$1,043,661, a reduction of \$353,805 in membership fees for states other than California, from the \$1,397,466 of membership fees that were approved for FY 2022. On the average that reduction in membership fees is approximately 25% for those Compact and Sovereignty member states participating as of July 1, 2021.

Membership fees requested for FY 2023 are \$1,591,600. That is a \$194,134 increase over the approved membership fees of \$1,397,466 for FY 2022. That year-to-year increase will be entirely covered by the FY 2023 California membership fee.

Audit Program Fees: 1.7% (calculated on the base audit fee)

The basic 2-tax audit fee is requested for FY 2023 is \$224,850 which is 1.7% above \$221,200 fee level for FY 2022. The increase in total audit program fees for FY 2023 versus FY 2022 is more than 1.7% due to the audit fee amount increases related to the phase-in of Georgia, Rhode Island, and Vermont into the Audit Program.

Nexus Program Fees: 6.5% (calculated on the total Nexus fees)

The total Nexus program fees for FY 2023 are requested to be set at \$959,428 which is a 6.5% increase over the FY 2022 actual total of \$900,516. Much of the need for this increase is related to a necessary reallocation of the DC office rental costs among the various programs. This reallocation stopped the allocation of DC office rental costs to the Audit Program and thus shifted those rental costs to the other program areas. Nexus program fee increases in the years following FY 2023 are now projected at only 2.6% to 2.7% each year.

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 2023 the general operations support surcharges total \$233,394 from the Audit Program and total \$72,444 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 2023 budget reflect a continuation of current activities.

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

- The FY 2023 requested expenditures total \$7,981,816 versus the FY 2022 approved expenditures of \$7,440,569, an increase of \$541,247. That increase is explained by the next three bullet points.
- An estimated 5.0% health insurance premium increase over the current premium amount. We believe this estimated percentage increase has been set at an appropriate level based on the recent history of fee increases and anticipated future increases based on various sources.
- A 4.0% overall salary adjustment is requested.
- Several additional positions have been added into the FY 2023 budget request:
 1. One legal counsel position (full-time)
 2. One legal intern position (\$5,000)
 3. One e-learning specialist (full-time)
 4. One audit administrative assistant position (part-time, one-half FTE)
 5. One auditor position (full-time, but funding effective June 1, 2023)
- The legislative advisor position (page 14 of the budget document) has been eliminated and the funding for that position transferred to the legal department to support an additional legal counsel position.

Staffing Levels as budgeted for FY 2023 are as follows:

	<u>FTEs</u>
General Operations (Executive, Legal, Legislative, and Uniformity)	7.40
Audit Program	27.38
Training & Education	.49
Nexus Program	4.47
Administration (Information Technology and General Administration)	7.00
TOTAL	46.74

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 2023.

IV. The FY 2024, FY 2025, and FY 2026 Budget Projections

Revenue Increases

The fee increases (percentages) projected for fiscal years *beyond* the FY 2023 budget year are:

Description	FY 2024	FY 2025	FY 2026
Membership Assessments - Total	2.1%	2.9%	2.9%
Audit Program Fees – Base Fee	2.7%	2.7%	3.0%
Nexus Program Fees - Total	2.6%	2.6%	2.7%

Expenditure Increases

The percentage increases used for each annual expenditure increase shown *beyond* the FY 2023 budget year are:

Description	FY 2024	FY 2025	FY 2026
Salaries and Retirement	2.0%	2.0%	2.0%
Employee Insurance	6.0%	6.0%	6.0%
Other Operating Expenses	3.0%	3.0%	3.0%

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

Multistate Tax Commission

Fiscal Year 2023 Budget



April 2022

Table of Contents

BUDGET SUMMARY – REVENUES AND EXPENSES.....	1
REVENUE / MEMBER ASSESSMENTS – COMPACT & SOVEREIGNTY MEMBER STATES.....	2
APPORTIONMENT OF 2022/2023 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	15
AUDIT PROGRAM EXPENDITURES	16
ADMINISTRATIVE SERVICES EXPENDITURES	17

BUDGET SUMMARY - REVENUES AND EXPENSES

DESCRIPTION- linked	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25	2025/26
	ACTUAL	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
General Operations Program - Revenues	1,852,067	1,666,564	1,753,828	2,180,760	1,984,938	2,034,261	2,089,690	2,146,925
- Expenses	(1,620,179)	(1,595,017)	(1,753,340)	(1,802,100)	(1,984,927)	(2,033,661)	(2,088,196)	(2,146,496)
Surplus/Deficit - General Operation	231,888	71,547	488	378,660	11	600	1,494	429
Training and Education - Revenues	126,010	26,500	173,000	0	174,575	180,450	185,800	191,400
- Expenses	(143,739)	(61,884)	(172,729)	(16,158)	(174,560)	(180,414)	(185,795)	(191,360)
Surplus/Deficit - Training & Education	(17,729)	(35,384)	271	(16,158)	15	36	5	40
Audit Program - Revenues	4,848,950	4,586,150	4,687,320	4,733,822	4,936,346	5,188,625	5,380,720	5,538,920
- Expenses	(4,572,776)	(4,553,146)	(4,685,190)	(4,738,569)	(4,935,375)	(5,187,586)	(5,380,396)	(5,538,770)
Surplus/Deficit - Audit	276,174	33,004	2,130	(4,747)	971	1,039	324	150
Nexus Program - Revenues	810,417	810,245	829,651	837,166	886,983	910,044	933,706	958,916
- Expenses	(870,945)	(802,806)	(829,311)	(845,757)	(886,952)	(908,807)	(933,026)	(958,916)
Surplus/Deficit - Nexus	(60,528)	7,439	340	(8,591)	31	1,237	680	(0)
TOTAL OPERATIONS -								
- Revenues	7,637,444	7,089,459	7,443,799	7,751,748	7,982,842	8,313,380	8,589,915	8,836,160
- Expenses	(7,207,639)	(7,012,853)	(7,440,570)	(7,402,584)	(7,981,814)	(8,310,468)	(8,587,413)	(8,835,542)
Surplus/Deficit - Total All Programs	429,805	76,606	3,229	349,164	1,028	2,912	2,502	618

	REVENUE / MEMBERSHIP ASSESSMENTS - COMPACT & SOVEREIGNTY MEMBER STATES									
	2020/21	2021/22		2022/23	2023/24	2024/25	2025/26			
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Alabama	50,928	54,749	54,749	39,785	40,600	41,772	42,964			
Alaska	7,293	7,981	7,981	7,999	8,163	8,399	8,638			
Arkansas	42,490	44,836	44,836	32,646	33,315	34,277	35,255			
California	0	0	414,306	547,939	559,171	575,309	591,730			
Colorado	76,329	84,612	84,612	60,586	61,828	63,612	65,428			
Delaware	21,175	21,884	21,884	17,468	17,826	18,340	18,864			
District of Columbia	24,348	26,175	26,175	20,559	20,981	21,586	22,202			
Hawaii	33,053	37,080	37,080	27,718	28,286	29,102	29,933			
Idaho	22,555	24,734	24,734	18,354	18,730	19,271	19,821			
Kansas	39,177	46,575	46,575	33,686	34,376	35,368	36,378			
Kentucky	53,685	56,676	56,676	40,979	41,819	43,026	44,254			
Louisiana	41,783	44,885	44,885	46,218	47,165	48,526	49,911			
Michigan	103,013	112,086	112,086	74,089	75,607	77,789	80,010			
Minnesota	92,680	100,146	100,146	71,124	72,582	74,676	76,808			
Missouri	69,136	74,150	74,150	51,608	52,666	54,186	55,733			
Montana	11,976	13,054	13,054	11,177	11,406	11,735	12,070			
New Jersey	128,763	142,361	142,361	104,408	106,549	109,624	112,753			
New Mexico	28,652	28,264	28,264	24,930	25,441	26,176	26,923			
North Dakota	12,866	13,804	13,804	12,074	12,321	12,677	13,039			
Oregon	49,152	53,728	53,728	40,494	41,324	42,517	43,730			
Rhode Island	17,024	18,027	18,027	14,565	14,864	15,293	15,730			
Texas	216,735	222,475	222,475	154,177	157,337	161,878	166,498			
Utah	40,315	42,481	42,481	35,538	36,267	37,314	38,379			
Vermont				10,670	10,889	11,203	11,523			
Washington	93,290	104,196	104,196	74,544	76,072	78,267	80,502			
West Virginia	21,476	22,507	22,507	18,265	18,639	19,177	19,725			
TOTAL	1,297,893	1,397,466	1,811,772	1,591,600	1,624,225	1,671,100	1,718,800			

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APPORTIONMENT OF 2022/23 MEMBERSHIP ASSESSMENTS

	STATES' FISCAL 2019		% OF TOTAL	EQUAL SHARE OF 10%	APPORTIONED SHARE OF 90%	TOTAL SHARE 2022/23 PROPOSED
	REVENUES UNDER COMPACT (THOUSANDS)					
Alabama	10,676,962	2.350%	6,122	33,663	39,785	
Alaska	595,489	0.131%	6,122	1,878	7,999	
Arkansas	8,412,789	1.852%	6,122	26,525	32,646	
California - DTFA & FTB	171,848,391	37.825%	6,122	541,818	547,939	
Colorado	17,274,475	3.802%	6,122	54,464	60,586	
Delaware	3,598,666	0.792%	6,122	11,346	17,468	
District of Columbia	4,579,194	1.008%	6,122	14,438	20,559	
Hawaii	6,849,682	1.508%	6,122	21,596	27,718	
Idaho	3,879,742	0.854%	6,122	12,232	18,354	
Kansas	8,742,492	1.924%	6,122	27,564	33,686	
Kentucky	11,055,812	2.433%	6,122	34,858	40,979	
Louisiana	12,717,309	2.799%	6,122	40,096	46,218	
Michigan	21,557,122	4.745%	6,122	67,967	74,089	
Minnesota	20,616,737	4.538%	6,122	65,002	71,124	
Missouri	14,427,004	3.175%	6,122	45,487	51,608	
Montana	1,603,395	0.353%	6,122	5,055	11,177	
New Jersey	31,173,635	6.861%	6,122	98,287	104,408	
New Mexico	5,965,617	1.313%	6,122	18,809	24,930	
North Dakota	1,887,924	0.416%	6,122	5,952	12,074	
Oregon	10,901,918	2.400%	6,122	34,372	40,494	
Rhode Island	2,678,154	0.589%	6,122	8,444	14,565	
Texas	46,958,655	10.336%	6,122	148,055	154,177	
Utah	9,330,149	2.054%	6,122	29,417	35,538	
Vermont	1,442,753	0.318%	6,122	4,549	10,670	
Washington	21,701,560	4.777%	6,122	68,422	74,544	
West Virginia	3,851,511	0.848%	6,122	12,143	18,265	
TOTAL	454,327,137	100.000%	159,160	1,432,440	1,591,600	

Revenue Source: U.S. Census Bureau, 2019: State and Local Government Finances (Table J) and State Government Tax Tables

TOTAL AUDIT FEES - MTC JOINT AUDIT PROGRAM

STATE	2020/21	2021/22		2022/23	2023/24	2024/25	2025/26
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Alaska	118,260	119,448	119,448	121,419	124,740	128,088	131,868
Arkansas	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Colorado	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Delaware	118,260	119,448	119,448	121,419	124,740	128,088	131,868
District of Columbia	197,100	199,080	199,080	202,365	207,900	213,480	219,780
Georgia	0	0	55,742	121,419	166,320	170,784	175,824
Hawaii	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Idaho	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Iowa	262,800	265,440	265,440	269,820	277,200	284,640	293,040
Kansas	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Kentucky	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Louisiana	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Maryland	197,100	265,440	265,440	269,820	277,200	284,640	293,040
Missouri	131,400	132,720	132,720	134,910	138,600	142,320	146,520
Montana	118,260	119,448	119,448	121,419	124,740	128,088	131,868
Nebraska	157,680	159,264	159,264	161,892	166,320	170,784	175,824
New Hampshire	141,912	143,338	143,338	145,703	149,688	153,706	158,242
New Jersey	219,000	221,200	221,200	224,850	231,000	237,200	244,200
New Mexico	131,400	132,720	132,720	134,910	138,600	142,320	146,520
North Dakota	197,100	199,080	199,080	202,365	207,900	213,480	219,780
Oregon	131,400	132,720	132,720	134,910	138,600	142,320	146,520
Pennsylvania	157,680	159,264	159,264	161,892	166,320	170,784	175,824
Rhode Island	118,260	119,448	119,448	149,750	187,110	213,480	219,780
Tennessee	262,800	265,440	265,440	269,820	277,200	284,640	293,040
Utah	219,000	221,200	221,200	224,850	231,000	237,200	244,200
Vermont	0	0	0	42,497	93,555	128,088	131,868
Washington	20,000	20,000	20,000	20,000	20,000	20,000	20,000
West Virginia	131,400	132,720	132,720	134,910	138,600	142,320	146,520
TOTAL	4,782,812	4,897,018	4,952,760	5,169,740	5,435,333	5,634,050	5,799,726
Base Audit Fee (2-Tax)	219,000	221,200	221,200	224,850	231,000	237,200	244,200

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	TOTAL FEE REVENUE - NATIONAL NEXUS PROGRAM									
	2020/21	2021/22		2022/23	2023/24	2024/25	2025/26			
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Alabama	20,153	20,336	20,336	22,023	22,596	23,183	23,809			
Arizona	26,791	27,612	27,612	29,462	30,228	31,014	31,851			
Arkansas	19,199	19,366	19,366	20,736	21,296	21,849	22,439			
Colorado	22,116	22,467	22,467	23,749	24,366	25,000	25,675			
Connecticut	28,965	28,112	28,112	30,481	31,274	32,087	32,953			
Delaware			11,204	12,102	12,417	12,739	13,083			
District of Columbia	17,643	17,956	17,956	18,999	19,493	20,000	20,540			
Florida	44,210	42,651	42,651	45,213	46,389	47,595	48,880			
Georgia	31,003	31,287	31,287	33,281	34,146	35,034	35,980			
Hawaii	18,766	19,004	19,004	20,090	20,612	21,148	21,719			
Idaho	17,411	17,501	17,501	18,886	19,377	19,881	20,418			
Iowa	23,864	24,092	24,092	25,867	26,540	27,230	27,965			
Kansas	19,294	19,487	19,487	20,671	21,208	21,760	22,347			
Kentucky	20,507	20,829	20,829	22,578	23,165	23,767	24,409			
Louisiana	20,460	20,570	20,570	21,870	22,439	23,022	23,644			
Maryland	30,404	30,702	30,702	33,232	34,096	34,983	35,927			
Massachusetts	34,958	35,599	35,599	38,361	39,358	40,382	41,472			
Michigan	28,517	27,984	27,984	29,021	29,776	30,550	31,375			
Minnesota	27,350	27,662	27,662	29,193	29,952	30,731	31,561			
Missouri	21,262	21,236	21,236	22,407	22,990	23,587	24,224			
Montana	10,320	10,458	10,458	11,247	11,539	11,839	12,159			
Nebraska	21,203	21,474	21,474	23,005	23,603	24,217	24,871			
New Hampshire	12,300	12,390	12,390	13,267	13,612	13,966	14,343			
New Jersey	31,831	32,848	32,848	35,097	36,010	36,946	37,943			
New Mexico	17,761	18,612	18,612	19,769	20,283	20,810	21,372			
North Carolina	33,941	34,253	34,253	36,383	37,329	38,300	39,334			
North Dakota	17,105	17,538	17,538	18,413	18,892	19,383	19,906			
Oklahoma	23,568	24,173	24,173	25,628	26,294	26,978	27,706			
Oregon	15,030	15,467	15,467	16,174	16,595	17,026	17,486			
Rhode Island	16,765	16,976	16,976	18,012	18,480	18,961	19,473			
South Carolina	24,106	24,416	24,416	26,519	27,208	27,916	28,670			
South Dakota	11,964	12,053	12,053	13,010	13,348	13,695	14,065			
Tennessee	26,236	26,394	26,394	29,512	30,279	31,067	31,905			
Texas	40,515	40,960	40,960	44,349	45,502	46,685	47,946			
Utah	18,919	19,799	19,799	20,598	21,134	21,683	22,268			
Vermont	19,402	19,609	19,609	17,390	17,842	18,306	18,800			
Washington	20,313	20,301	20,301	22,394	22,976	23,574	24,210			
West Virginia	17,678	17,974	17,974	18,975	19,468	19,975	20,514			
Wisconsin	28,681	29,167	29,167	31,443	32,261	33,099	33,993			
TOTAL PER BUDGET	880,511	889,315	900,519	959,427	984,372	1,009,966	1,037,235			

REVENUE SUMMARY

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
REVENUES BY PROGRAM						
General Operations	1,666,564	1,753,828	2,180,760	1,984,938	2,034,261	2,089,690
Training Programs	26,500	173,000	0	174,575	180,450	185,800
Audit	4,586,150	4,687,320	4,733,822	4,936,346	5,188,625	5,380,720
Nexus	810,245	829,651	837,166	886,983	910,044	933,706
Total	7,089,459	7,443,799	7,751,748	7,982,842	8,313,380	8,589,915
REVENUES BY TYPE						
Member Assessments	1,297,893	1,397,466	1,811,772	1,591,600	1,624,225	1,671,100
Audit Program Fees	4,782,812	4,897,018	4,952,760	5,169,740	5,435,333	5,634,050
Investment Income	101,470	61,000	81,531	55,000	56,000	56,000
Nexus Program Fees	880,511	889,315	900,519	959,427	984,372	1,009,966
Training Program Fees	26,500	173,000	0	174,575	180,450	185,800
Annual Conference Fees	0	25,500	4,645	32,000	32,500	32,500
Miscellaneous	273	500	521	500	500	500
Total	7,089,459	7,443,799	7,751,748	7,982,842	8,313,380	8,589,915
						8,836,160

REVENUES - GENERAL OPERATIONS

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
GENERAL OPERATIONS						
Member Assessments	1,297,893	1,397,466	1,811,772	1,591,600	1,624,225	1,671,100
Investment Income	101,470	50,000	74,220	55,000	56,000	56,000
Annual Conference Fees	0	25,500	4,645	32,000	32,500	32,500
Operations Support Surcharge - (From Audit Program	196,662	209,698	218,938	233,394	246,708	253,330
Operations Support Surcharge - (From Nexus Progra	70,266	70,664	70,664	72,444	74,328	76,260
Miscellaneous	273	500	521	500	500	500
Total General Operations Revenue	1,666,564	1,753,828	2,180,760	1,984,938	2,034,261	2,089,690
						2,146,925

REVENUES - AUDIT PROGRAM

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
Total Audit Program Fees (Gross)	4,782,812	4,897,018	4,952,760	5,169,740	5,435,333	5,634,050
Less: Transfer to General Operations Support Surcharge	(196,662)	(209,698)	(218,938)	(233,394)	(246,708)	(253,330)
Audit Program Fees - Net	4,586,150	4,687,320	4,733,822	4,936,346	5,188,625	5,380,720
Other Revenue	0	0	0	0	0	0
Total Audit Program Revenues	4,586,150	4,687,320	4,733,822	4,936,346	5,188,625	5,380,720

REVENUES - NEXUS PROGRAM

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
Nexus Program Fees (Gross)	880,511	889,315	900,519	959,427	984,372	1,009,966
Less: Transfer to General Operations Support Surcharge	(70,266)	(70,664)	(70,664)	(72,444)	(74,328)	(76,260)
Other Revenue - Investment Income	0	11,000	7,311	0	0	0
Total Nexus Program Revenues	810,245	829,651	837,166	886,983	910,044	933,706

12-Apr-22

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

Description	Enterprise			Total
	Equipment Reserve	Automation Project		
Fund Balance: June 30, 2020 - audited	\$120,206	\$555,715		\$675,921
Appropriations	\$0	\$0		\$0
Expenditures	\$0	\$0		\$0
Fund Balance: June 30, 2021 - estimated	\$120,206	\$555,715		\$675,921
Appropriations	\$0	\$0		\$0
Expenditures	\$0	\$0		\$0
Fund Balance: June 30, 2022 - estimated	\$120,206	\$555,715		\$675,921
Appropriations	\$0	\$0		\$0
Expenditures	\$0	\$0		\$0
Fund Balance: June 30, 2023 - estimated	\$120,206	\$555,715		\$675,921
Appropriations	\$0	\$0		\$0
Expenditures	\$0	\$0		\$0
Fund Balance: June 30, 2024 - estimated	\$120,206	\$555,715		\$675,921
Appropriations	\$0	\$0		\$0
Expenditures	\$0	\$0		\$0
Fund Balance: June 30, 2025 - estimated	\$120,206	\$555,715		\$675,921
Appropriations	\$0	\$0		\$0
Expenditures	(\$70,000)	\$0		(\$70,000)
Fund Balance: June 30, 2026 - estimated	\$50,206	\$555,715		\$605,921

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

	National Nexus	
	Program	Total
Fund Balance - June 30, 2020 - audited	\$1,287,738	\$1,287,738
Revenues	\$810,244	\$810,244
Expenses	\$802,806	\$802,806
Surplus (Deficit)	\$7,438	\$7,438
COVID-19 Credit as approved by Executive Committee	(\$81,024)	(\$81,024)
Annual Audit related accruals	(\$4,098)	(\$4,098)
Fund Balance - June 30, 2021 - audited	\$1,210,054	\$1,210,054
Revenues	\$837,163	\$837,163
Expenses	\$845,757	\$845,757
Surplus (Deficit)	(\$8,594)	(\$8,594)
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2022 - estimated	\$1,197,460	\$1,197,460
Revenues	\$866,983	\$866,983
Expenses	\$866,952	\$866,952
Surplus (Deficit)	\$31	\$31
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2023 - estimated	\$1,193,491	\$1,193,491
Revenues	\$910,045	\$910,045
Expenses	\$908,807	\$908,807
Surplus (Deficit)	\$1,238	\$1,238
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2024 - estimated	\$1,190,729	\$1,190,729
Revenues	\$933,706	\$933,706
Expenses	\$933,026	\$933,026
Surplus (Deficit)	\$680	\$680
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2025 - estimated	\$1,187,409	\$1,187,409
Revenues	\$958,916	\$958,916
Expenses	\$958,916	\$958,916
Surplus (Deficit)	\$0	\$0
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2026 - estimated	\$1,183,409	\$1,183,409

FUND BALANCE SUMMARY

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
BEGINNING FUND BALANCES:						
Unappropriated (TOTAL)	4,331,653	3,642,541	3,642,541	3,970,295	3,941,292	3,912,967
Appropriated (TOTAL)	675,921	675,921	675,921	675,921	675,921	675,921
Restricted (TOTAL)	1,287,740	1,210,057	1,210,057	1,197,466	1,193,497	1,187,414
TOTAL	6,295,314	5,528,519	5,528,519	5,843,682	5,810,710	5,779,622
UNAPPROPRIATED						
General Operations Program - Change from Current Operations	71,547	488	378,660	11	600	1,494
Training & Education - Change from Current Operations	(35,384)	271	(16,158)	15	36	5
Audit Program - Change from Current Operations	33,004	2,130	(4,747)	971	1,039	324
Automation Plan - Transfer to this fund of value of purchased hardware & software		60,000	0	0		70,000
Equipment Reserve - Transfer to this fund of value of purchased hardware & software						
Equipment Reserve - Appropriation of funds by Executive Committee						
COVID-19 10% FEE CREDIT - Avoorved by the Executive Committee	(615,098)					
Enterprise Auto. Project - Appropriation of funds by the Executive Committee						
TOTAL - UNAPPROPRIATED	(545,931)	62,889	357,755	997	1,675	1,823
APPROPRIATED						
Equipment Reserves - Purchases		(60,000)	0			(70,000)
Equipment Reserves - Annual Amount Reserved						
Enterprise Auto. - Appropriation of funds by Executive Committee						
TOTAL - APPROPRIATED	0	(60,000)	0	0	0	0
RESTRICTED FUNDS						
National Nexus Program - Changes from Current Operations	7,439	340	(8,591)	31	1,237	680
COVID-19 10% FEE CREDIT - Avoorved by the Executive Committee	(81,024)					
Refund - Property Tax / Unitary Exchange Fund Balance (Project ended)						
TOTAL - RESTRICTED	(73,585)	340	(8,591)	31	1,237	680
Audit Accruals & Unrealized Gains and Losses:						
Unappropriated	(143,182)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Appropriated	(4,098)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Restricted	(147,280)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
TOTAL - Audit Related Accruals	(4098)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Surplus/Deficit (Net of Adjustments):						
Unappropriated	(689,113)	32,889	327,755	(29,003)	(28,325)	(28,177)
Appropriated	0	(60,000)	0	0	0	(70,000)
Restricted	(77,683)	(3,660)	(12,591)	(3,969)	(2,763)	(3,320)
TOTAL - Surplus / (Deficits)	(766,796)	(30,771)	315,164	(32,972)	(31,088)	(33,382)
ENDING FUND BALANCES:						
Unappropriated (TOTAL)	3,642,541	3,675,429	3,970,295	3,941,292	3,912,967	3,884,789
Appropriated (TOTAL)	675,921	615,921	675,921	675,921	675,921	675,921
Restricted (TOTAL)	1,210,057	1,206,397	1,197,466	1,193,497	1,190,734	1,183,414
TOTAL FUND BALANCES	5,528,519	5,497,747	5,843,682	5,810,710	5,779,622	5,714,743

EXPENDITURES SUMMARY

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
EXPENDITURES BY PROGRAM						
General Operations	1,595,017	1,753,340	1,802,100	1,984,927	2,033,661	2,088,196
Training & Education	61,884	172,729	16,158	174,560	180,414	185,795
Audit	4,553,146	4,685,190	4,738,569	4,935,375	5,187,586	5,380,396
Nexus	802,806	829,311	845,757	886,952	908,807	933,026
TOTAL EXPENDITURES	7,012,853	7,440,570	7,402,584	7,981,814	8,310,468	8,587,413
EXPENDITURES BY MAJOR TYPE						
Personnel	6,002,239	6,200,746	6,040,846	6,632,615	6,921,519	7,156,964
Operating Expenses	975,327	1,233,824	1,264,443	1,343,701	1,382,948	1,424,699
Equipment	35,287	6,000	97,299	5,500	6,000	5,750
Administrative Services Allocation	0	0	(4)	(2)	1	0
TOTAL EXPENDITURES	7,012,853	7,440,570	7,402,584	7,981,814	8,310,468	8,587,413

12-Apr-22

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EXPENDITURES DETAIL - BY PROGRAM

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
GENERAL OPERATIONS						
Personnel	1,074,864	1,096,204	1,075,576	1,237,695	1,271,258	1,306,020
Operating Expenses	246,621	367,847	425,687	411,478	422,702	435,293
Equipment	0	6,000	17,198	5,500	5,500	5,250
Administrative Services Allocation	273,532	283,289	283,639	330,254	334,201	341,197
Subtotal - General Operations	1,595,017	1,753,340	1,802,100	1,984,927	2,033,661	2,088,196
TRAINING & EDUCATION						
Personnel	47,295	69,679	0	72,110	74,069	76,100
Operating Expenses	14,589	103,050	12,652	102,450	105,845	109,195
Equipment	0	0	3,506	0	500	500
Administrative Services Allocation	0	0	0	0	0	0
Subtotal - Training & Education	61,884	172,729	16,158	174,560	180,414	185,795
AUDIT						
Personnel	3,652,962	3,727,316	3,701,504	3,916,590	4,131,827	4,290,968
Operating Expenses	115,092	198,284	225,752	195,350	200,946	206,967
Equipment	0	0	54,158	0	0	0
Administrative Services Allocation	785,092	759,590	757,155	823,435	854,813	882,461
Subtotal - Audit	4,553,146	4,685,190	4,738,569	4,935,375	5,187,586	5,380,396
NEXUS						
Personnel	526,403	560,800	556,727	583,092	598,499	614,440
Operating Expenses	116,052	134,058	145,949	155,878	160,554	165,556
Equipment	28,623	0	9,079	0	0	0
Administrative Services Allocation	131,728	134,453	134,002	147,982	149,754	153,030
Subtotal - Nexus	802,806	829,311	845,757	886,952	908,807	933,026
ADMINISTRATIVE SERVICES						
Personnel	700,715	746,747	707,039	823,128	845,866	869,436
Operating Expenses	482,973	430,585	454,403	478,545	492,901	507,688
Equipment	6,664	0	13,358	0	0	0
Administrative Services Allocation	(1,190,352)	(1,177,332)	(1,174,800)	(1,304,673)	(1,338,767)	(1,377,124)
Subtotal - Administrative Services	0	0	0	0	0	0
TOTAL EXPENDITURES	7,012,853	7,440,570	7,402,584	7,981,814	8,310,468	8,587,413
						8,835,542

GENERAL OPERATIONS EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Executive						
Personnel Expenses	221,467	224,243	230,077	234,709	240,703	246,894
Operating Expenses	92,955	118,129	151,008	141,214	145,390	149,692
Furniture & Equipment	0	2,500	4,700	2,500	2,500	2,250
Administrative Services Allocation	64,161	66,248	71,387	75,280	76,172	77,807
Subtotal Executive	378,583	411,120	457,172	453,703	464,765	476,643
Legal						
Personnel Expenses	853,397	693,047	746,051	1,002,986	1,030,555	1,059,126
Operating Expenses	153,666	167,654	240,861	234,664	240,644	247,833
Furniture & Equipment	0	3,000	12,498	3,000	3,000	3,000
Administrative Services Allocation	209,371	166,543	186,304	247,845	250,795	256,416
Subtotal Legal	1,216,434	1,030,244	1,185,714	1,488,495	1,524,994	1,566,375
Legislative						
Personnel Expenses	0	178,914	99,448	0	0	0
Operating Expenses	0	57,364	33,818	0	0	0
Furniture & Equipment	0	500	0	0	0	0
Administrative Services Allocation	0	45,719	25,948	0	0	0
Subtotal Legislative	0	282,497	159,214	0	0	0
Annual Conference						
Personnel Expenses	0	0	0	0	0	0
Operating Expenses	0	24,700	0	35,600	36,668	37,768
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	0	4,779	0	7,129	7,234	7,410
Subtotal Annual Meeting	0	29,479	0	42,729	43,902	45,178
Total General Operating Expenses						
Personnel Expenses	2,149,728	2,192,408	2,151,152	2,475,390	2,542,516	2,612,040
Operating Expenses	493,242	710,994	851,374	787,356	808,736	832,818
Furniture & Equipment	0	12,000	34,396	11,000	11,000	10,500
Administrative Services Allocation	547,064	561,799	567,278	653,379	661,168	675,856
Total	3,190,034	3,477,201	3,604,200	3,927,125	4,023,420	4,131,214

TRAINING & EDUCATION PROGRAM EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED
Stat Sampling & CAAT Schools						
Personnel Expenses	47,295	8,543	0	8,317	8,556	8,805
Operating Expenses	2,401	5,350	0	5,350	5,831	6,181
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Stat Sampling/CAAT Schools	49,696	13,893	0	13,667	14,387	14,986
Nexus Schools						
Personnel Expenses	0	8,360	0	8,662	8,879	9,103
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	21,610	0	21,912	22,527	23,160
Corporate Income Tax Schools						
Personnel Expenses	0	52,776	0	53,131	56,634	58,192
Operating Expenses	0	77,850	0	77,350	79,671	82,061
Furniture & Equipment	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Corp. Income Tax Schools	0	130,626	0	132,481	136,305	140,253
Training Program Management & Other						
Personnel Expenses	0	0	0	0	0	0
Operating Expenses	12,188	6,600	12,652	6,500	6,695	6,896
Furniture & Equipment	0	0	3,506	0	500	500
Administrative Services Allocation	0	0	0	0	0	0
Subtotal Training Program Management	12,188	6,600	16,158	6,500	7,195	7,396
Total Training & Education Expenses						
Personnel Expenses	47,295	69,679	0	72,110	74,069	76,100
Operating Expenses	14,589	103,050	12,652	102,450	105,845	109,195
Furniture & Equipment	0	0	3,506	0	500	500
Administrative Services Allocation	0	0	0	0	0	0
Total Training & Education	61,884	172,729	16,158	174,560	180,414	185,795
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AUDIT PROGRAM EXPENDITURES

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Income Tax						
Personnel Expenses	1,866,590	1,945,862	1,939,366	2,021,294	2,182,904	2,286,403
Operating Expenses	48,322	83,000	96,298	84,000	86,520	89,116
Furniture & Equipment	0	0	31,245	0	0	0
Administrative Services Allocation	396,027	392,578	391,627	421,595	447,735	466,059
Total Income Tax	2,310,939	2,421,440	2,458,536	2,526,889	2,717,159	2,841,578
Sales Tax						
Personnel Expenses	1,144,501	1,107,712	1,078,893	1,093,811	1,126,000	1,159,452
Operating Expenses	25,391	55,400	57,792	56,650	58,350	60,100
Furniture & Equipment	0	0	18,747	0	0	0
Administrative Services Allocation	246,262	225,058	222,164	230,385	233,660	239,267
Total Sales Tax	1,416,154	1,388,170	1,377,596	1,380,846	1,418,010	1,458,819
Management / Administrative						
Personnel Expenses	641,871	673,742	683,245	801,485	822,923	845,113
Operating Expenses	41,379	59,884	71,662	54,700	56,076	57,751
Furniture & Equipment	0	0	4,166	0	0	0
Administrative Services Allocation	142,803	141,954	143,364	171,455	173,418	177,135
Total Management / Administrative	826,053	875,580	902,437	1,027,640	1,052,417	1,079,999
Total Audit Program Operating Expenses						
Personnel Expenses	3,652,962	3,727,316	3,701,504	3,916,590	4,131,827	4,290,968
Operating Expenses	115,092	198,284	225,752	195,350	200,946	206,967
Furniture & Equipment	0	0	54,158	0	0	0
Administrative Services Allocation	785,092	759,590	757,155	823,435	854,813	882,461
Total	4,553,146	4,685,190	4,738,569	4,935,375	5,187,586	5,380,396

12-Apr-22 07:57:13 AM

ADMINISTRATIVE SERVICES EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	
Personnel Expenses	700,715	746,747	707,039	823,128	845,866	869,436	893,876
Operating Expenses	482,973	430,585	454,403	478,545	492,901	507,688	522,919
Furniture & Equipment	6,664	0	13,358	0	0	0	0
Administrative Services Allocation	(1,190,352)	(1,177,332)	(1,174,800)	(1,301,673)	(1,338,767)	(1,377,124)	(1,416,795)
Total Administrative Services	0	0	0	0	0	0	0