



To: Executive Committee
From: Glenn Hegar, Treasurer
Date: July 26, 2023
Subject: The FY 2024 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 April this year the Executive Committee also reviewed and approved the expenditures budget for FY 2024.

The entire FY 2024 budget as approved at the April Executive Committee meeting is now presented for ratification by the Commission at its annual 2023 business meeting.

II. The FY 2024 Budget

Revenues

The fees of the Multistate Tax Commission are expenditure driven by and based on the anticipated costs of operating the various programs. Those costs have increased along with the overall rate of inflation.

Membership Assessments:

The requested FY 2024 membership fees for all but one member state are being requested for approval at amounts less than the approved membership fees for FY 2022, before California joined as a Sovereignty during FY 2022.

Total membership fee amount requested for FY 2024 is \$1,706,000. That fee level represents a \$114,400 increase over the total approved membership fee of \$1,591,600 for FY 2023, and a \$81,775 increase over the total projected membership fee of \$1,624,225 for FY 2024 included in last year's budget.

Audit Program Fees:

The basic 2-tax audit fee is requested for FY 2024 at \$238,400 versus the FY 2023 approved amount of \$224,850, an increase of \$13,550 per year. That 2-tax audit fee amount represents a \$7,400

increase over the projected basis 2-tax audit fee of \$231,000 for FY 2024 included in last year's budget. The continuing phase-in of Vermont into the Audit Program helps hold down the fees of other participating states.

Nexus Program Fees:

The total Nexus program fee for FY 2024 is requested to be set at \$1,006,466 which is \$47,039 higher than the \$959,427 which was approved for FY 2023, and \$22,094 higher than the \$984,372 that was projected last year for FY 2024.

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 2024 the general operations support surcharges total \$256,471 from the Audit Program and total \$75,622 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 2024 budget reflect a continuation of current activities.

Important factors related to the FY 2024 expenditures budget are:

- The FY 2024 requested expenditures total is \$8,494,433. That amount is \$512,619 above total FY 2023 approved expenditures of \$7,981,814, but \$183,965 above the \$8,310,468 of total expenditures that had been projected for FY 2024 in last year's approved budget document.
- An estimated 5.0% health insurance premium increase over the current premium amount. This estimated percentage increase is being set at this anticipated level based on the recent history of fee increases and U. S. Bureau of Labor Statistics CPI related to medical care.
- A 4.0% overall salary adjustment is being requested.
- No additional positions have been added to the FY 2024 budget request. There are two vacant auditor positions and a seasonal/part-time legal intern that were approved as part of prior budgets.

Staffing Levels as budgeted for FY 2024 are as follows:

	<u>FTEs</u>
General Operations (Executive, Legal, Legislative, and Uniformity)	7.60
Audit Program	28.42
Training & Education	.09
Nexus Program	4.48
Administration (Information Technology and General Administration)	<u>7.11</u>
TOTAL	47.70

Staff time is allocated to and charged to Training & Education as staff perform duties associated with the various schools (Nexus schools, Statistical Sampling schools, *etc.*). Two in-person schools are included in the requested budget for FY 2024.

III. The FY 2025, FY 2026, and FY 2027 Budget Projections

Revenue Increases

The fee increases (percentages) projected for fiscal years *beyond* the FY 2024 budget year are:

Description	FY 2025	FY 2026	FY 2027
Membership Assessments - Total	2.2%	2.8%	3.1%
Audit Program Fees – Base Fee	1.2%	3.0%	3.3%
Nexus Program Fees - Total	2.9%	3.0%	3.1%

Expenditure Increases

The percentage increases used for each annual expenditure increase shown *beyond* the FY 2024 budget year are:

Description	FY 2025	FY 2026	FY 2027
Salaries and Retirement	2.5%	2.5%	2.5%
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 2024 Budget



April 2023

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BUDGET SUMMARY - REVENUES AND EXPENSES

	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
DESCRIPTION- linked	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
General Operations Program - Revenues	2,184,889	1,984,938	2,087,786	<i>2,195,593</i>	2,257,261	2,324,011	2,393,038
- Expenses	(1,837,133)	(1,984,927)	(2,127,937)	<i>(2,194,563)</i>	(2,257,094)	(2,322,965)	(2,392,961)
Surplus/Deficit - General Operation	347,756	11	(40,151)	<i>1,030</i>	167	1,046	77
Training and Education - Revenues	4,700	174,575	32,490	<i>42,000</i>	42,650	44,100	45,700
- Expenses	(31,538)	(174,560)	(24,340)	<i>(41,756)</i>	(42,423)	(44,005)	(45,657)
Surplus/Deficit - Training & Education	(26,838)	15	8,150	<i>244</i>	227	95	43
Audit Program - Revenues	4,733,817	4,936,346	4,936,346	<i>5,329,168</i>	5,548,244	5,770,290	5,960,038
- Expenses	(4,710,238)	(4,935,375)	(4,795,490)	<i>(5,327,729)</i>	(5,548,014)	(5,770,108)	(5,959,050)
Surplus/Deficit - Audit	23,579	971	140,856	<i>1,439</i>	230	182	988
Nexus Program - Revenues	837,574	886,983	886,983	<i>930,844</i>	957,838	986,573	1,017,157
- Expenses	(848,024)	(886,952)	(899,538)	<i>(930,385)</i>	(957,528)	(985,924)	(1,016,108)
Surplus/Deficit - Nexus	(10,450)	31	(12,555)	<i>459</i>	310	649	1,049
TOTAL OPERATIONS -							
- Revenues	7,760,980	7,982,842	7,943,605	<i>8,497,604</i>	8,805,993	9,124,974	9,415,933
- Expenses	(7,426,933)	(7,981,814)	(7,847,305)	<i>(8,494,433)</i>	(8,805,059)	(9,123,002)	(9,413,776)
Surplus/Deficit - Total All Programs	334,047	1,028	96,300	<i>3,171</i>	934	1,972	2,157

REVENUE / MEMBERSHIP ASSESSMENTS - COMPACT & SOVEREIGNTY MEMBER STATES							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Alabama	54,749	39,785	39,785	46,731	47,765	49,090	50,619
Alaska	7,981	7,999	7,999	8,031	8,209	8,437	8,699
Arkansas	44,836	32,646	32,646	36,965	37,783	38,831	40,041
California	414,306	547,939	547,939	559,798	572,185	588,058	606,368
Colorado	84,612	60,586	60,586	67,827	69,328	71,251	73,470
Delaware	21,884	17,468	17,468	19,685	20,120	20,678	21,322
District of Columbia	26,175	20,559	20,559	22,336	22,830	23,463	24,194
Hawaii	37,080	27,718	27,718	29,699	30,356	31,199	32,170
Idaho	24,734	18,354	18,354	22,004	22,491	23,115	23,834
Kansas	46,575	33,686	33,686	36,391	37,196	38,228	39,418
Kentucky	56,676	40,979	40,979	48,308	49,377	50,746	52,326
Louisiana	44,885	46,218	46,218	35,840	36,633	37,650	38,822
Michigan	112,086	74,089	74,089	77,439	79,153	81,349	83,882
Minnesota	100,146	71,124	71,124	76,177	77,863	80,023	82,515
Missouri	74,150	51,608	51,608	56,790	58,046	59,657	61,514
Montana	13,054	11,177	11,177	12,078	12,345	12,687	13,082
New Jersey	142,361	104,408	104,408	116,211	118,783	122,078	125,879
New Mexico	28,264	24,930	24,930	27,847	28,463	29,253	30,163
North Dakota	13,804	12,074	12,074	13,076	13,365	13,736	14,164
Oregon	53,728	40,494	40,494	42,964	43,914	45,133	46,538
Rhode Island	18,027	14,565	14,565	15,996	16,350	16,804	17,327
Texas	222,475	154,177	154,177	178,340	182,286	187,343	193,176
Utah	42,481	35,538	35,538	37,300	38,125	39,183	40,403
Vermont	0	10,670	10,670	11,449	11,703	12,027	12,402
Washington	104,196	74,544	74,544	87,355	89,288	91,765	94,622
West Virginia	22,507	18,265	18,265	19,364	19,792	20,341	20,975
TOTAL	1,811,772	1,591,600	1,591,600	1,706,000	1,743,750	1,792,125	1,847,925
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APPORTIONMENT OF 2023/24 MEMBERSHIP ASSESSMENTS

	STATES' FISCAL 2020 REVENUES UNDER COMPACT (THOUSANDS)	% OF TOTAL	EQUAL SHARE OF 10%	APPORTIONED SHARE OF 90%	TOTAL SHARE 2023/24 PROPOSED
Alabama	11,144,385	2.616%	6,562	40,170	46,731
Alaska	407,740	0.096%	6,562	1,470	8,031
Arkansas	8,435,051	1.980%	6,562	30,404	36,965
California - DTFA & FTB	153,486,497	36.032%	6,562	553,236	559,798
Colorado	16,997,209	3.990%	6,562	61,266	67,827
Delaware	3,640,794	0.855%	6,562	13,123	19,685
District of Columbia	4,376,239	1.027%	6,562	15,774	22,336
Hawaii	6,419,179	1.507%	6,562	23,138	29,699
Idaho	4,284,210	1.006%	6,562	15,442	22,004
Kansas	8,275,654	1.943%	6,562	29,829	36,391
Kentucky	11,581,779	2.719%	6,562	41,746	48,308
Louisiana	8,122,946	1.907%	6,562	29,279	35,840
Michigan	19,663,942	4.616%	6,562	70,878	77,439
Minnesota	19,313,764	4.534%	6,562	69,616	76,177
Missouri	13,934,992	3.271%	6,562	50,228	56,790
Montana	1,530,317	0.359%	6,562	5,516	12,078
New Jersey	30,420,561	7.141%	6,562	109,650	116,211
New Mexico	5,905,233	1.386%	6,562	21,285	27,847
North Dakota	1,807,277	0.424%	6,562	6,514	13,076
Oregon	10,099,186	2.371%	6,562	36,402	42,964
Rhode Island	2,617,464	0.614%	6,562	9,435	15,996
Texas	47,657,155	11.188%	6,562	171,778	178,340
Utah	8,527,911	2.002%	6,562	30,739	37,300
Vermont	1,356,064	0.318%	6,562	4,888	11,449
Washington	22,414,777	5.262%	6,562	80,793	87,355
West Virginia	3,551,773	0.834%	6,562	12,802	19,364
TOTAL	425,972,099	100.000%	170,600	1,535,400	1,706,000

Revenue Source: U.S. Census Bureau, Table 1 - 2020: State and Local Government Finances by Level of Government and by State

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TOTAL AUDIT FEES - MTC JOINT AUDIT PROGRAM							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
STATE	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Alaska	119,448	121,419	121,419	<i>128,736</i>	130,275	134,190	138,618
Arkansas	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Colorado	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Delaware	119,448	121,419	121,419	<i>128,736</i>	130,275	134,190	138,618
District of Columbia	199,080	202,365	202,365	<i>214,560</i>	217,125	223,650	231,030
Georgia	55,742	121,419	121,419	<i>128,736</i>	173,700	178,920	184,824
Hawaii	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Idaho	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Iowa	265,440	269,820	269,820	<i>286,080</i>	289,500	298,200	308,040
Kansas	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Kentucky	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Louisiana	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Maryland	265,440	269,820	269,820	<i>286,080</i>	289,500	298,200	308,040
Missouri	132,720	134,910	134,910	<i>143,040</i>	144,750	149,100	154,020
Montana	119,448	121,419	121,419	<i>128,736</i>	130,275	134,190	138,618
Nebraska	159,264	161,892	161,892	<i>171,648</i>	173,700	178,920	184,824
New Hampshire	143,338	145,703	145,703	<i>154,483</i>	156,330	161,028	166,342
New Jersey	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
New Mexico	132,720	134,910	134,910	<i>143,040</i>	144,750	149,100	154,020
North Dakota	199,080	202,365	202,365	<i>214,560</i>	217,125	223,650	231,030
Oregon	132,720	134,910	134,910	<i>143,040</i>	144,750	149,100	154,020
Pennsylvania	159,264	161,892	161,892	<i>171,648</i>	173,700	178,920	184,824
Rhode Island	119,448	149,750	149,750	<i>158,774</i>	195,413	223,650	231,030
Tennessee	265,440	269,820	269,820	<i>286,080</i>	289,500	298,200	308,040
Utah	221,200	224,850	224,850	<i>238,400</i>	241,250	248,500	256,700
Vermont	0	42,497	42,497	<i>96,552</i>	130,275	134,190	138,618
Washington	20,000	20,000	20,000	<i>20,000</i>	20,000	20,000	20,000
West Virginia	132,720	134,910	134,910	<i>143,040</i>	144,750	149,100	154,020
Probable New Participant	0	0	0	<i>54,069</i>	117,248	161,028	166,342
TOTAL	4,952,760	5,169,740	5,169,740	5,585,639	5,825,440	6,062,526	6,261,917
Base Audit Fee (2-Tax)	221,200	224,850	224,850	238,400	241,250	248,500	256,700

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	TOTAL FEE REVENUE - NATIONAL NEXUS PROGRAM						
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Alabama	20,336	22,023	22,023	<i>23,267</i>	23,942	24,660	25,425
Arizona	27,612	29,462	29,462	<i>30,964</i>	31,862	32,818	33,835
Arkansas	19,366	20,756	20,756	<i>21,788</i>	22,420	23,093	23,809
Colorado	22,467	23,749	23,749	<i>25,481</i>	26,220	27,007	27,844
Connecticut	28,112	30,481	30,481	<i>32,292</i>	33,228	34,225	35,286
Delaware	11,204	12,102	12,102	<i>12,784</i>	13,154	13,549	13,969
District of Columbia	17,956	18,999	18,999	<i>19,839</i>	20,414	21,026	21,678
Florida	42,651	45,213	45,213	<i>46,668</i>	48,021	49,462	50,995
Georgia	31,287	33,281	33,281	<i>34,957</i>	35,971	37,050	38,199
Hawaii	19,004	20,090	20,090	<i>20,745</i>	21,347	21,987	22,669
Idaho	17,501	18,886	18,886	<i>20,053</i>	20,634	21,253	21,912
Iowa	24,092	25,867	25,867	<i>26,882</i>	27,662	28,492	29,375
Kansas	19,487	20,671	20,671	<i>21,956</i>	22,593	23,270	23,992
Kentucky	20,829	22,578	22,578	<i>23,323</i>	24,000	24,720	25,486
Louisiana	20,570	21,870	21,870	<i>22,551</i>	23,205	23,901	24,642
Maryland	30,702	33,232	33,232	<i>33,485</i>	34,456	35,489	36,589
Massachusetts	35,599	38,361	38,361	<i>39,815</i>	40,970	42,199	43,507
Michigan	27,984	29,021	29,021	<i>31,293</i>	32,200	33,166	34,194
Minnesota	27,662	29,193	29,193	<i>30,830</i>	31,724	32,676	33,689
Missouri	21,236	22,407	22,407	<i>23,826</i>	24,517	25,253	26,035
Montana	10,458	11,247	11,247	<i>11,970</i>	12,317	12,686	13,080
Nebraska	21,474	23,005	23,005	<i>24,321</i>	25,027	25,778	26,577
New Hampshire	12,390	13,267	13,267	<i>13,977</i>	14,382	14,814	15,273
New Jersey	32,848	35,097	35,097	<i>36,412</i>	37,468	38,592	39,788
New Mexico	18,612	19,769	19,769	<i>20,452</i>	21,045	21,677	22,349
North Carolina	34,253	36,383	36,383	<i>38,963</i>	40,093	41,296	42,576
North Dakota	17,538	18,413	18,413	<i>18,924</i>	19,473	20,057	20,678
Oklahoma	24,173	25,628	25,628	<i>26,610</i>	27,382	28,203	29,078
Oregon	15,467	16,174	16,174	<i>18,228</i>	18,757	19,319	19,918
Rhode Island	16,976	18,012	18,012	<i>19,115</i>	19,670	20,260	20,888
South Carolina	24,416	26,519	26,519	<i>27,617</i>	28,418	29,270	30,178
South Dakota	12,053	13,010	13,010	<i>13,628</i>	14,023	14,444	14,891
Tennessee	26,394	29,512	29,512	<i>31,189</i>	32,094	33,057	34,081
Texas	40,960	44,349	44,349	<i>45,952</i>	47,285	48,703	50,213
Utah	19,799	20,598	20,598	<i>22,761</i>	23,421	24,124	24,872
Vermont	19,609	17,390	17,390	<i>18,482</i>	19,018	19,589	20,196
Washington	20,301	22,394	22,394	<i>22,838</i>	23,500	24,206	24,956
West Virginia	17,974	18,975	18,975	<i>19,862</i>	20,438	21,051	21,704
Wisconsin	29,167	31,443	31,443	<i>32,364</i>	33,303	34,302	35,365
TOTAL PER BUDGET	900,519	959,427	959,427	1,006,466	1,035,653	1,066,723	1,099,791
Revenue Source for apportionment of Nexus fees:							
2023 Statistical Abstract of the U.S., Table 501 (2021 data), "State Government Tax Collections by State"							
				1,029	1,030	1,031	
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REVENUE SUMMARY							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
REVENUES BY PROGRAM							
General Operations	2,184,889	1,984,938	2,087,786	2,195,593	2,257,261	2,324,011	2,393,038
Training Programs	4,700	174,575	32,490	42,000	42,650	44,100	45,700
Audit	4,733,817	4,936,346	4,936,346	5,329,168	5,548,244	5,770,290	5,960,038
Nexus	837,574	886,983	886,983	930,844	957,838	986,573	1,017,157
Total	7,760,980	7,982,842	7,943,605	8,497,604	8,805,993	9,124,974	9,415,933
REVENUES BY TYPE							
Member Assessments	1,811,772	1,591,600	1,591,600	1,706,000	1,743,750	1,792,125	1,847,925
Audit Program Fees	4,952,760	5,169,740	5,169,740	5,585,639	5,825,440	6,062,526	6,261,917
Investment Income	85,574	55,000	165,955	130,000	130,000	130,000	130,000
Nexus Program Fees	900,519	959,427	959,427	1,006,466	1,035,653	1,066,723	1,099,791
Training Program Fees	4,700	174,575	32,490	42,000	42,650	44,100	45,700
Annual Seminar Fees	4,645	32,000	23,850	27,000	28,000	29,000	30,000
Miscellaneous	1,010	500	543	500	500	500	600
Total	7,760,980	7,982,842	7,943,605	8,497,604	8,805,993	9,124,974	9,415,933
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REVENUES - GENERAL OPERATIONS							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
GENERAL OPERATIONS							
Member Assessments	1,811,772	1,591,600	1,591,600	1,706,000	1,743,750	1,792,125	1,847,925
Investment Income	77,855	55,000	165,955	130,000	130,000	130,000	130,000
Annual Seminar Fees	4,645	32,000	23,850	27,000	28,000	29,000	30,000
Operations Support Surcharge - (From Audit Program)	218,943	233,394	233,394	256,471	277,196	292,236	301,879
Operations Support Surcharge - (From Nexus Program)	70,664	72,444	72,444	75,622	77,815	80,150	82,634
Miscellaneous	1,010	500	543	500	500	500	600
Total General Operations Revenue	2,184,889	1,984,938	2,087,786	2,195,593	2,257,261	2,324,011	2,393,038
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REVENUES - AUDIT PROGRAM							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Total Audit Program Fees (Gross)	4,952,760	5,169,740	5,169,740	5,585,639	5,825,440	6,062,526	6,261,917
Less: Transfer to General Operations Support Surcharge	(218,943)	(233,394)	(233,394)	(256,471)	(277,196)	(292,236)	(301,879)
Audit Program Fees - Net	4,733,817	4,936,346	4,936,346	5,329,168	5,548,244	5,770,290	5,960,038
Other Revenue		0	0	0	0	0	0
Total Audit Program Revenues	4,733,817	4,936,346	4,936,346	5,329,168	5,548,244	5,770,290	5,960,038

REVENUES - NEXUS PROGRAM							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Nexus Program Fees (Gross)	900,519	959,427	959,427	1,006,466	1,035,653	1,066,723	1,099,791
Less: Transfer to General Operations Support Surcharge	(70,664)	(72,444)	(72,444)	(75,622)	(77,815)	(80,150)	(82,634)
Other Revenue - Investment Income	7,719	0	0	0	0	0	0
Total Nexus Program Revenues	837,574	886,983	886,983	930,844	957,838	986,573	1,017,157
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Statements of Changes in Fund Balance			
Appropriated Funds			
For the Years Ended June 30,			
		Enterprise Automation	
Description	Equipment Reserve	Project	Total
Fund Balance: June 30, 2021 - audited	\$120,206	\$555,715	\$675,921
Appropriations	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0
Fund Balance: June 30, 2022 - audited	\$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	\$0	\$0	\$0
Fund Balance: June 30, 2026- estimated	\$120,206	\$555,715	\$675,921
Appropriations	\$0	\$0	\$0
Expenditures	(\$70,000)	\$0	(\$70,000)
Fund Balance: June 30, 2027- 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, 2021 - audited	\$1,210,054	\$1,210,054
Revenues	\$837,571	\$837,571
Expenses	\$848,024	\$848,024
Surplus (Deficit)	(\$10,453)	(\$10,453)
Annual Audit related accruals	\$917	\$917
Fund Balance - June 30, 2022 - audited	\$1,200,518	\$1,200,518
Revenues	\$886,983	\$886,983
Expenses	\$899,538	\$899,538
Surplus (Deficit)	(\$12,555)	(\$12,555)
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2023 - estimated	\$1,183,963	\$1,183,963
Revenues	\$930,844	\$930,844
Expenses	\$930,386	\$930,386
Surplus (Deficit)	\$458	\$458
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2024 - estimated	\$1,180,421	\$1,180,421
Revenues	\$957,838	\$957,838
Expenses	\$957,528	\$957,528
Surplus (Deficit)	\$310	\$310
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2025 - estimated	\$1,176,731	\$1,176,731
Revenues	\$986,573	\$986,573
Expenses	\$985,925	\$985,925
Surplus (Deficit)	\$648	\$648
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2026 - estimated	\$1,173,379	\$1,173,379
Revenues	\$1,017,157	\$1,017,157
Expenses	\$1,016,108	\$1,016,108
Surplus (Deficit)	\$1,049	\$1,049
Annual Audit related accruals	(\$4,000)	(\$4,000)
Fund Balance - June 30, 2027 - estimated	\$1,170,428	\$1,170,428

		FUND BALANCE SUMMARY						
		2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
		<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
BEGINNING FUND BALANCES:	Unappropriated (TOTAL)	3,642,541	3,556,297	3,556,297	3,635,152	3,607,864	3,578,488	3,549,811
	Appropriated (TOTAL)	675,921	675,921	675,921	675,921	675,921	675,921	675,921
	Restricted (TOTAL)	1,210,057	1,200,524	1,200,524	1,183,969	1,180,428	1,176,738	1,173,387
	TOTAL	5,528,519	5,432,742	5,432,742	5,495,042	5,464,213	5,431,147	5,399,119
UNAPPROPRIATED								
General Operations Program - Change from Current Operations		347,756	11	(40,151)	1,030	167	1,046	77
Training & Education - Change from Current Operations		(26,838)	15	8,150	244	227	95	43
Audit Program - Change from Current Operations		23,579	971	140,856	1,439	230	182	988
Automation Plan - Transfer to this fund of value of purchased hardware & software			0	0				70,000
	TOTAL - UNAPPROPRIATED	344,497	997	108,855	2,713	624	1,323	71,108
APPROPRIATED								
Equipment Reserves - Purchases		0	0	0				(70,000)
	TOTAL - APPROPRIATED	0	0	0	0	0	0	(70,000)
RESTRICTED FUNDS								
National Nexus Program - Changes from Current Operations		(10,450)	31	(12,555)	459	310	649	1,049
	TOTAL - RESTRICTED	(10,450)	31	(12,555)	459	310	649	1,049
Audit Accruals & Unrealized Gains and Losses:	Unappropriated	(430,740)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
	Appropriated							
	Restricted	917	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
	TOTAL - Audit Related Accruals	(429,823)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
Surplus/Deficit (Net of Adjustments):	Unappropriated	(86,243)	(29,003)	78,855	(27,287)	(29,376)	(28,677)	41,108
	Appropriated	0	0	0	0	0	0	(70,000)
	Restricted	(9,533)	(3,969)	(16,555)	(3,541)	(3,690)	(3,351)	(2,951)
	TOTAL - Surplus / (Deficits)	(95,776)	(32,972)	62,300	(30,829)	(33,066)	(32,028)	(31,843)
ENDING FUND BALANCES:	Unappropriated (TOTAL)	3,556,297	3,527,294	3,635,152	3,607,864	3,578,488	3,549,811	3,590,920
	Appropriated (TOTAL)	675,921	675,921	675,921	675,921	675,921	675,921	605,921
	Restricted (TOTAL)	1,200,524	1,196,555	1,183,969	1,180,428	1,176,738	1,173,387	1,170,436
TOTAL FUND BALANCES		5,432,742	5,399,770	5,495,042	5,464,213	5,431,147	5,399,119	5,367,276

EXPENDITURES SUMMARY							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	<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	1,837,133	1,984,927	2,127,937	<i>2,194,563</i>	2,257,094	2,322,965	2,392,961
Training & Education	31,538	174,560	24,340	<i>41,756</i>	42,423	44,005	45,657
Audit	4,710,238	4,935,375	4,795,490	<i>5,327,729</i>	5,548,014	5,770,108	5,959,050
Nexus	848,024	886,952	899,538	<i>930,385</i>	957,528	985,924	1,016,108
TOTAL EXPENDITURES	7,426,933	7,981,814	7,847,305	<i>8,494,433</i>	8,805,059	9,123,002	9,413,776
EXPENDITURES BY MAJOR TYPE							
Personnel	6,005,179	6,632,615	6,417,092	<i>6,977,693</i>	7,244,962	7,516,134	7,758,694
Operating Expenses	1,361,844	1,343,701	1,387,838	1,511,239	1,554,097	1,601,117	1,649,582
Equipment	59,911	5,500	42,375	<i>5,500</i>	6,000	5,750	5,500
Administrative Services Allocation	(1)	(2)	0	<i>1</i>	0	1	0
TOTAL EXPENDITURES	7,426,933	7,981,814	7,847,305	<i>8,494,433</i>	8,805,059	9,123,002	9,413,776
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EXPENDITURES DETAIL - BY PROGRAM							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
GENERAL OPERATIONS							
Personnel	1,063,609	1,237,695	1,254,598	1,291,620	1,331,048	1,371,890	1,414,207
Operating Expenses	450,628	411,478	524,462	545,292	560,531	577,256	594,484
Equipment	14,121	5,500	5,500	5,500	5,500	5,250	5,000
Administrative Services Allocation	308,775	330,254	343,377	352,151	360,015	368,569	379,270
Subtotal - General Operations	1,837,133	1,984,927	2,127,937	2,194,563	2,257,094	2,322,965	2,392,961
TRAINING & EDUCATION							
Personnel	0	72,110	6,473	12,106	12,479	12,866	13,268
Operating Expenses	28,032	102,450	17,867	29,650	29,444	30,639	31,889
Equipment	3,506	0	0	0	500	500	500
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal - Training & Education	31,538	174,560	24,340	41,756	42,423	44,005	45,657
AUDIT							
Personnel	3,675,752	3,916,590	3,770,587	4,212,966	4,395,757	4,579,417	4,731,299
Operating Expenses	225,003	195,350	175,458	257,700	265,167	273,114	281,300
Equipment	13,254	0	19,460	0	0	0	0
Administrative Services Allocation	796,229	823,435	829,985	857,063	887,090	917,577	946,451
Subtotal - Audit	4,710,238	4,935,375	4,795,490	5,327,729	5,548,014	5,770,108	5,959,050
NEXUS							
Personnel	555,246	583,092	580,739	613,424	632,115	651,475	671,532
Operating Expenses	142,282	155,878	160,791	167,292	172,311	177,665	183,192
Equipment	9,284	0	5,098	0	0	0	0
Administrative Services Allocation	141,212	147,982	152,910	149,669	153,102	156,784	161,384
Subtotal - Nexus	848,024	886,952	899,538	930,385	957,528	985,924	1,016,108
STATE INTERCOMPANY TRANS. ADVISORY SERVICE		0	0	0	0	0	0
ADMINISTRATIVE SERVICES							
Personnel	710,572	823,128	804,695	847,577	873,563	900,486	928,388
Operating Expenses	515,899	478,545	509,260	511,305	526,644	542,443	558,717
Equipment	19,746	0	12,317	0	0	0	0
Administrative Services Allocation	(1,246,217)	(1,301,673)	(1,326,272)	(1,358,882)	(1,400,207)	(1,442,929)	(1,487,105)
Subtotal - Administrative Services	0	0	0	0	0	0	0
TOTAL EXPENDITURES	7,426,933	7,981,814	7,847,305	8,494,433	8,805,059	9,123,002	9,413,776
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	GENERAL OPERATIONS EXPENDITURES						
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Executive							
Personnel Expenses	227,500	234,709	239,031	<i>246,346</i>	253,660	261,226	269,055
Operating Expenses	143,533	141,214	159,294	<i>157,471</i>	162,135	166,939	171,887
Furniture & Equipment	7,929	2,500	2,500	<i>2,500</i>	2,500	2,250	2,000
Administrative Services Allocation	76,487	75,280	77,073	<i>77,415</i>	79,136	80,963	83,256
Subtotal Executive	455,449	453,703	477,898	<i>483,732</i>	497,431	511,378	526,198
Legal							
Personnel Expenses	736,660	1,002,986	1,015,567	<i>1,045,274</i>	1,077,388	1,110,664	1,145,152
Operating Expenses	273,402	234,664	348,471	<i>352,221</i>	361,728	372,549	383,696
Furniture & Equipment	6,192	3,000	3,000	<i>3,000</i>	3,000	3,000	3,000
Administrative Services Allocation	194,438	247,845	262,515	<i>267,911</i>	273,900	280,464	288,669
Subtotal Legal	1,210,692	1,488,495	1,629,553	<i>1,668,406</i>	1,716,016	1,766,677	1,820,517
Legislative							
Personnel Expenses	99,449	0	0	<i>0</i>	0	0	0
Operating Expenses	33,693	0	0	<i>0</i>	0	0	0
Furniture & Equipment	0	0	0	<i>0</i>	0	0	0
Administrative Services Allocation	37,850	0	0	<i>0</i>	0	0	0
Subtotal Legislative	170,992	0	0	<i>0</i>	0	0	0
Annual Meeting Seminar							
Personnel Expenses	0	0	0	<i>0</i>	0	0	0
Operating Expenses	0	35,600	16,697	<i>35,600</i>	36,668	37,768	38,901
Furniture & Equipment	0	0	0	<i>0</i>	0	0	0
Administrative Services Allocation	0	7,129	3,789	<i>6,825</i>	6,979	7,142	7,345
Subtotal Annual Meeting	0	42,729	20,486	<i>42,425</i>	43,647	44,910	46,246
Total General Operating Expenses							
Personnel Expenses	1,063,609	1,237,695	1,254,598	1,291,620	1,331,048	1,371,890	1,414,207
Operating Expenses	450,628	411,478	524,462	545,292	560,531	577,256	594,484
Furniture & Equipment	14,121	5,500	5,500	5,500	5,500	5,250	5,000
Administrative Services Allocation	308,775	330,254	343,377	352,151	360,015	368,569	379,270
Total	1,837,133	1,984,927	2,127,937	2,194,563	2,257,094	2,322,965	2,392,961
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TRAINING & EDUCATION PROGRAM EXPENDITURES							
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	<u>ACTUAL</u>	<u>APPROVED</u>	<u>ESTIMATED</u>	<u>PROPOSED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>	<u>PROJECTED</u>
Stat Sampling & CAAT Schools							
Personnel Expenses	0	8,317	0	5,839	6,029	6,227	6,433
Operating Expenses	0	5,350	0	9,650	10,389	11,012	11,673
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Stat Sampling/CAAT Schools	0	13,667	0	15,489	16,418	17,239	18,106
Nexus Schools							
Personnel Expenses	0	8,662	6,473	6,267	6,450	6,639	6,835
Operating Expenses	0	13,250	10,399	12,000	12,360	12,731	13,113
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Nexus Schools	0	21,912	16,872	18,267	18,810	19,370	19,948
Corporate Income Tax Schools							
Personnel Expenses	0	55,131	0	0	0	0	0
Operating Expenses	0	77,350	0	1,500	0	0	0
Furniture & Equipment	0	0	0	0	0	0	0
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Corp. Income Tax Schools	0	132,481	0	1,500	0	0	0
Training Program Management & Other							
Personnel Expenses	0	0	0	0	0	0	0
Operating Expenses	28,032	6,500	7,468	6,500	6,695	6,896	7,103
Furniture & Equipment	3,506	0	0	0	500	500	500
Administrative Services Allocation	0	0	0	0	0	0	0
Subtotal Training Program Management	31,538	6,500	7,468	6,500	7,195	7,396	7,603
Total Training & Education Expenses							
Personnel Expenses	0	72,110	6,473	12,106	12,479	12,866	13,268
Operating Expenses	28,032	102,450	17,867	29,650	29,444	30,639	31,889
Furniture & Equipment	3,506	0	0	0	500	500	500
Administrative Services Allocation	0	0	0	0	0	0	0
Total Training & Education	31,538	174,560	24,340	41,756	42,423	44,005	45,657
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	AUDIT PROGRAM EXPENDITURES						
	2021/22	2022/23		2023/24	2024/25	2025/26	2026/27
	ACTUAL	APPROVED	ESTIMATED	PROPOSED	PROJECTED	PROJECTED	PROJECTED
Income Tax							
Personnel Expenses	1,941,053	2,021,294	2,028,081	2,242,900	2,357,637	2,475,713	2,559,494
Operating Expenses	101,992	84,000	83,142	108,750	112,013	115,373	118,834
Furniture & Equipment	7,794	0	5,098	0	0	0	0
Administrative Services Allocation	412,484	421,595	434,709	450,830	470,036	489,955	505,707
Total Income Tax	2,463,323	2,526,889	2,551,030	2,802,480	2,939,686	3,081,041	3,184,035
Sales Tax							
Personnel Expenses	1,051,947	1,093,811	978,202	1,132,160	1,174,706	1,213,870	1,254,601
Operating Expenses	46,082	56,650	34,190	70,850	72,976	75,165	77,420
Furniture & Equipment	4,682	0	5,098	0	0	0	0
Administrative Services Allocation	233,627	230,385	223,017	230,627	237,465	243,747	251,505
Total Sales Tax	1,336,338	1,380,846	1,240,507	1,433,637	1,485,147	1,532,782	1,583,526
Management/Administrative							
Personnel Expenses	682,752	801,485	764,304	837,906	863,414	889,834	917,204
Operating Expenses	76,929	54,700	58,126	78,100	80,178	82,576	85,046
Furniture & Equipment	778	0	9,264	0	0	0	0
Administrative Services Allocation	150,118	171,455	172,259	175,606	179,589	183,875	189,239
Total Management/Administrative	910,577	1,027,640	1,003,953	1,091,612	1,123,181	1,156,285	1,191,489
Total Audit Program Operating Expenses							
Personnel Expenses	3,675,752	3,916,590	3,770,587	4,212,966	4,395,757	4,579,417	4,731,299
Operating Expenses	225,003	195,350	175,458	257,700	265,167	273,114	281,300
Furniture & Equipment	13,254	0	19,460	0	0	0	0
Administrative Services Allocation	796,229	823,435	829,985	857,063	887,090	917,577	946,451
Total	4,710,238	4,935,375	4,795,490	5,327,729	5,548,014	5,770,108	5,959,050
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