

AGENDA

Northern Virginia Cigarette Tax Board (NVCTB)
Board Meeting: November 6th, 2025, 1100 a.m.

NVCTB Headquarters Conference Room
14150 Newbrook Drive, Suite 210
Chantilly, VA 22151

Virtual Meeting

Microsoft Teams meeting
Click [here](#) to join the meeting
Meeting ID: 240 140 287 668 2
Passcode: PV2Xc6sy
Or call in (audio only)
[+1 571-786-9500](#)

1. Members of the public viewing the meeting through the Microsoft Teams option are required to mute themselves during the meeting unless called upon by the NVCTB Chair to speak. The NVCTB reserves the right to remove from its virtual meetings anyone who does not abide by these rules.
2. Members of the public who wish to send comments may do so by email to the Administrator at jrengel@nvctb.org no later than 24 hours prior to the meeting.
3. Members of the public who wish to address the Board should give prior notice by contacting the Administrator at least 24 hours before the meeting at jrengel@nvctb.org.
4. Access to meeting materials for members of the public is available on [Commonwealth Calendar](#).

- | | |
|--|--------------------------------|
| I. Call to Order | (Chair) |
| II. Roll Call/Verification of Quorum | (Secretary) |
| III. Administration | |
| a. Review/Approval of Agenda | (Chair) |
| b. Review/Approval of Board Meeting Minutes – June 5, 2025 | (Chair) |
| c. Public Comment Period | (Chair) |
| d. NVCTB Officers Reports | (Chair, Vice-Chair, Secretary) |
| IV. Regulatory Items | |
| a. None | (Administrator) |
| V. FY2025 NVCTB Draft Audit | (Administrator) |
| VI. Administrator Updates | (Administrator) |
| VII. EXECUTIVE SESSION | (Secretary) |

VIII. RECONVENE TO OPEN SESSION

(Secretary)

IX. ADJOURNMENT

(Chair)

It is the policy of the Northern Virginia Cigarette Tax Board that public meetings are accessible to people with disabilities. Special assistance in participating due to a disability as defined in the Americans with Disabilities Act (ADA) may be requested by contacting the NVCTB by email at info@nvctb.org, or call 703-802-0373. Every reasonable effort will be made to meet requests.

THE NORTHERN VIRGINIA CIGARETTE TAX BOARD

MEETING MINUTES

June 5, 2025

MEMBERS PRESENT:

P. Johnson, City of Fairfax
G. Bruch, Fairfax County
K. Acoff, City of Alexandria
T. Demeria, City of Manassas
R. Lamb, Prince William County
J. Elliott, Spotsylvania County
C. Fazenbaker, Town of Leesburg
A. Fletcher, Town of Middleburg
A. Linn, Town of Occoquan
C. LeMarr, Town of Purcellville
C. Owens, Town of Round Hill
S. Barlow, Town of Vienna
S. Miller, Town of Warrenton

ALSO PRESENT:

J. Rengel, Administrator
J. Zottig, Deputy Administrator-Finance
D. Johnson, Staff
T. Webber, Staff
K. Hampton, Staff
A. DeFelice, Staff
N. Robles, Staff

I. Call to Order:

The meeting commenced at 11:03 A.M. with a Roll Call of each Jurisdiction by Mr. G. Bruch, Vice Chairman. Upon completion of Roll Call, Mr. P. Johnson, Chairman, noted that a Quorum was present.

II. Approve the Agenda:

As first order of business, Mr. P. Johnson requested a motion to adopt the agenda. Mr. G. Bruch made the motion to adopt the agenda and was seconded by Mr. T. Demeria. With no changes noted, the agenda was unanimously approved.

III. Approval of the Minutes:

Mr. P. Johnson moved to review the minutes of the November 7, 2024, meeting. Ms. J. Elliott made the motion to adopt the minutes as recorded and was seconded by Ms. C. LeMarr. With no corrections or additions noted, the minutes were unanimously approved.

IV. Petitions / Communications from Public:

Mr. J. Rengel confirmed for Mr. P. Johnson that none were received and nobody from the public had logged onto the meeting.

V. Officers Reports:

Mr. P. Johnson, Chairman, no report.

Mr. G. Bruch, Vice-Chairman, no report.

Mr. K. Greenlief, Secretary/Treasurer, no report.

VI. Town of Occoquan Request to Join the NVCTB:

Mr. P. Johnson welcomed the Town of Occoquan. Mr. J. Rengel presented the Town of Occoquan's request to join NVCTB. A new Ordinance was approved at their May 20th Council meeting with effective date of July 1, 2025, and tax rate of \$0.40 per pack. Currently there are no tobacco stores within Town limits, so at this time there are no revenues or assigned expenses for this new jurisdiction. Mr. Adam Linn, Occoquan's Town Manager and Chief of Police, was introduced to the Board. Mr. P. Johnson requested a motion to admit the Town of Occoquan. Mr. T. Demeria made the motion to admit and was seconded by Mr. G. Bruch. The motion to admit was approved unanimously.

VII. Approve Changes to NVCTB Pension Plan and Trust Agreement:

Mr. J. Rengel presented two changes to the agreement for Fiscal Year 2025-2026. First, the annual contribution rate increased from 33.46% to 33.71%. Second, a change in the definition for early retirement, to match the VRS definition and to be consistent with the Health Insurance Plan. Mr. P. Johnson requested a motion to approve changes. Ms. J. Elliott made the motion and was seconded by Mr. G. Bruch. The motion carried unanimously.

VIII. Approve Changes to NVCTB Agreement:

Mr. J. Rengel presented the changes in addition to adding Town of Occoquan to the Agreement. First, an increase to the liability insurance from \$500,000 to \$1,000,000 to match our current Policy. Second, an increase in the fiscal year ceiling from 6% to 7% for total expenditures. With no questions from the Board, Mr. P. Johnson asked to entertain a motion to approve the Agreement. Mr. K. Acoff made the motion and was seconded by Mr. G. Bruch. The motion carried unanimously. The Agreement was signed by each locality in attendance.

IX. FY2026 Proposed Budget with Administrator Updates:

Mr. J. Rengel provided a summary document to all members with support for the FY 2026 Budget prior to today's meeting. The highlights of this document were reviewed with the Board during the meeting. A one-page handout of projected revenues and expenditures was distributed. This was a tough budget year, with revenues continuing to decline. There is a 3.76% net decrease in overall budgeted expenses from FY 2025, noting that certain personnel expenses will increase for annual merit pay and retirement contributions, as well as increases for the insurance policy and office rent. Reductions to expenses include a decrease in employer's health insurance contributions and elimination of the previously vacant position. Mr. P. Johnson asked if this is an action item in the future, given steady declines in revenue. Mr. J. Rengel responded yes, but attempts to increase revenues, such as taxing vape products, require legislative action for ability to tax at the local level. Mr. T. Demeria questioned the removal of Legal Services from the Budget. Mr. J. Rengel advised that we have a Reserve Fund for Legal Services plus a Retainer on file, but does not foresee any upcoming legal matters based on the prior years' history that would need additional build-up of the Reserve Fund for now. Ms. C. LeMarr questioned the reduction in health insurance contribution. Mr. J. Rengel advised that NVCTB was previously included with the City of Fairfax benefits, but now NVCTB has its own separate coverage and can set the employer contribution percentage independently but are following in line with the City of Fairfax contribution rates of 80% for Individual and 70% for Dual + Family coverage. Mr. P. Johnson inquired if Professional Services was for the accounting services (Audit).

Mr. J. Rengel affirmed yes and then expanded on expenditures related to the new web-based software system for maintenance, security, data-storage along with debugging, modifications and enhancements. Ms. J. Elliott questioned Rent expense, if that was a known certain percentage increase each year. Mr. J. Rengel confirmed that with the office expansion it is a fixed escalation each year, but there are also uncontrollable landlord costs, like snow removal and real estate taxes, which are allocated to all the tenants annually. The 2022 study to include the five counties dictated the expansion based on operations at that time. Ms. C. LeMarr asked about the over 50% reduction in Travel expenses and if that would impact field work. Mr. J. Rengel clarified that Travel expenses were not related to daily field work. Mr. P. Johnson redirected back to Rent expense and wondered if there was opportunity to renegotiate the current lease in light of current commercial real estate market downturn and the continued vacancy within the building. Mr. J. Rengel confirmed that staff were planning to look into renegotiation or even reducing the size over the remaining 13 years of the current lease. With no additional questions, Mr. P. Johnson requested before making a motion on the budget to temporarily table it and enter into executive session to discuss personnel matters, then come back for the adoption of the budget.

X. Appointment of Officers for FY2026

Mr. P. Johnson asked if anyone else was interested in serving on the Executive Committee of the Board. With no response, Mr. P. Johnson advised that he, along with Mr. G. Bruch and Mr. K. Greenlief, expressed interest in continuing as well. Mr. P. Johnson requested to entertain a motion to adopt the current Officers of Chairman, Vice-Chairman and Secretary/Treasurer. Ms. J. Elliott made the motion to adopt Officers and Mr. T. Demeria seconded, by acclamation.

XI. Executive Session:

Mr. P. Johnson asked to move into Executive Session and requested a motion for the Executive Session. Mr. G. Bruch moved to recess and convened in Closed Session for the purpose of discussing personnel matters under Section 2.2-3711.A.1 of the Code of Virginia. The motion was seconded by Ms. C. LeMarr. All Board members present voted aye unanimously and Board retired into closed session at 11:22am.

XII. Reconvene to Open Session:

The meeting was reconvened at 11:33am from Closed Session. Mr. G. Bruch reported that during the Closed Session members of the Board discussed matters of personnel and no other business had been conducted. Mr. T. Demeria made the motion to reconvene and seconded by Ms. C. LeMarr. All Board members present voted aye unanimously and Board reconvened.

XIII. Adoption of the FY2026 Budget:

Mr. P. Johnson shared his thanks to the Administrator for his hard work and the advancements he has made on behalf of the Board. From discussions during closed session, the Board is in agreement with a three-year contract extension for Mr. J. Rengel as Administrator at his current salary, plus any future staff merit increases. Regarding additional compensation, the Board agreed to modify the budgeted merit increase from 2% to 3% for employees, provided adjustments could be made to other line items in order to maintain the \$1,376,900 cap for the proposed total budgeted expenditures. Mr. P. Johnson asked to entertain a motion to adopt FY2026 Budget, with line-item changes. Mr. G. Bruch made the motion to adopt the Budget and Ms. J. Elliott seconded the motion. The motion to adopt carried unanimously.

See final adopted FY 2025-2026 Budget in Attachment A on page six.

XIV. Adjournment:

Mr. P. Johnson thanked everyone for their time today and requested a motion to adjourn. Mr. T. Demeria made the motion to adjourn and was seconded by Mr. G. Bruch. The motion carried unanimously, and the meeting adjourned at 11:39am.

William Page Johnson, II
Chairman of the Board

PROPOSED FISCAL YEAR 2025 / 2026 BUDGET

ACCT.	ACCOUNT NAME	FY 24/25 APPROVED	FY 25/26 REQUESTED	DIFFERENCE
703	AUTOMOBILE EXPENSE	12,000	8,000	(4,000)
704	BOND AND INSURANCE	11,200	12,075	875
705	TELEPHONE	8,000	6,300	(1,700)
706	EMPLOYER LIFE INSURANCE	1,200	1,100	(100)
707	EMPLOYER MEDICAL INSURANCE	105,000	92,000	(13,000)
708	EMPLOYER RETIREMENT	238,000	247,300	9,300
709	SOCIAL SECURITY/MEDICARE	11,000	10,800	(200)
710	COMPUTER SERVICES	40,000	37,000	(3,000)
711	PAYROLL	750,000	736,300	(13,700)
712	OFFICE SUPPLIES	2,500	875	(1,625)
713	POSTAGE	500	250	(250)
714	PRINTING	1,000	500	(500)
715	OFFICE EQUIPMENT	10,000	6,000	(4,000)
716	RENT	117,000	128,250	11,250
717	PROFESSIONAL FEES	15,000	12,000	(3,000)
718	TAX STAMPS	30,000	30,000	-
719	EMPLOYER DISABILITY	5,700	5,575	(125)
720	TRAVEL	4,500	1,000	(3,500)
721	UNEMPLOYMENT INSURANCE	100	75	(25)
722	MISCELLANEOUS	10,000	1,750	(8,250)
724	RETIREMENT PLAN MAINT.	2,000	2,000	-
725	OFFICE EQUIP MAINT/REPAIR	1,000	500	(500)
726	PURCHASE OF TAX BOARD VEHICLE	0	0	-
727	RESERVE FOR VEHICLE REPAIR & REPLACE	5,000	5,000	-
728	COMPUTER SYSTEM DEVELOPMENT	35,000	30,000	(5,000)
729	TRAINING AND DEVELOPMENT	10,000	2,250	(7,750)
730	LEGAL SERVICES	5,000	0	(5,000)
	TOTALS	1,430,700	1,376,900	(53,800)

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

**AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

DRAFT
DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, VA

NORTHERN VIRGINIA CIGARETTE TAX BOARD FAIRFAX, VIRGINIA

CURRENT MEMBERS OF THE BOARD AS OF JUNE 30, 2025

Mr. William Page Johnson, II
Commissioner of the Revenue
City of Fairfax
Fairfax, Virginia

Mr. Gregory Bruch
Deputy Director, DTA
County of Fairfax
Fairfax, Virginia

Mr. Kevin Greenlief
Director of Finance
City of Alexandria
Alexandria, Virginia

Mr. Tom Clinton
Commissioner of the Revenue
City of Falls Church
Falls Church, Virginia

Ms. Lois Jacob
Commissioner of the Revenue
City of Fredericksburg
Fredericksburg, Virginia

Mr. Tim Demeria
Commissioner of the Revenue
City of Manassas
Manassas, Virginia

Mr. Joshua McNeal
Director of Finance
City of Manassas Park
Manassas Park, Virginia

Mr. Eric Maybach
Commissioner of the Revenue
County of Fauquier
Warrenton, Virginia

Mr. Mike Franks
Assistant Budget Director
County of Loudoun
Leesburg, Virginia

Ms. Michelle Attreed
Director of Finance, CFO
County of Prince William
Prince William, Virginia

Ms. Julie Elliott
Budget Manager
County of Spotsylvania
Spotsylvania, Virginia

Mr. Scott Mayausky
Commissioner of the Revenue
County of Stafford
Stafford, Virginia

Ms. Lynn Screen
Councilmember
Town of Clifton
Clifton, Virginia

Mr. Brian K. Fields
Councilmember
Town of Dumfries
Dumfries, Virginia

Mr. Roberto Gonzalez
Town Treasurer
Town of Haymarket
Haymarket, Virginia

Ms. Marjorie Sloan
Director of Finance
Town of Herndon
Herndon, Virginia

The Honorable Roger Vance
Mayor of Hillsboro
Town of Hillsboro
Hillsboro, Virginia

Mr. Cole Fazenbaker
Deputy Director of Finance/Treasurer
Town of Leesburg
Leesburg, Virginia

Mr. Jason Cournoyer
Town Manager
Town of Lovettsville
Lovettsville, Virginia

Ms. Angela Fletcher
Finance Director/Town Treasurer
Town of Middleburg
Middleburg, Virginia

Ms. Connie LeMarr
Assistant Finance Director
Town of Purcellville
Purcellville, Virginia

Ms. Cathy Owens
Town Treasurer
Town of Round Hill
Round Hill, Virginia

Ms. Rachael Brinson
Town Administrator
Town of Remington
Remington, Virginia

Mr. Steven Barlow
Director of Finance/Treasurer
Town of Vienna
Vienna, Virginia

Ms. Stephanie Miller
Director of Finance
Town of Warrenton
Warrenton, Virginia

BOARD OF OFFICERS AS OF JUNE 30, 2025

Mr. William Page Johnson, II Chairman

Mr. Gregory Bruch, Vice-Chairman

Mr. Kevin Greenlief, Secretary/Treasurer

ADMINISTRATOR AS OF JUNE 30, 2025

Juan Rengel

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

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Independent Auditor's Report

To the Board of Commissioners
Northern Virginia Cigarette Tax Board
Chantilly, VA

Opinion

We have audited the accompanying financial statements of the Northern Virginia Cigarette Tax Board as of and for the years ended June 30, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the Northern Virginia Cigarette Tax Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position and changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northern Virginia Cigarette Tax Board, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Northern Virginia Cigarette Tax Board's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud of error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northern Virginia Cigarette Tax Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northern Virginia Cigarette Tax Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of budget versus actual administration expenses on pages 4 through 6 and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northern Virginia Cigarette Tax Board's basic financial statements. The schedules of cash distributions to member jurisdictions on page 17 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of cash distributions to member jurisdictions is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 2025, on our consideration of the Northern Virginia Cigarette Tax Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northern Virginia Cigarette Tax Board's internal control over financial reporting and compliance.

Certified Public Accountants
Chantilly, Virginia

November XX, 2025

NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA
Management's Discussion and Analysis

Our discussion and analysis of the Northern Virginia Cigarette Tax Board's financial performance provide an overview of the Board's financial activities for the fiscal years ended June 30, 2025 and 2024. Please read it in conjunction with the accompanying financial statements that follow this section.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The notes to the financial statements also contain more detail on some of the important information presented in the financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the Board reporting entity consist of a single fiduciary fund.

Fiduciary Funds. The Board is trustee, or fiduciary, for cigarette tax collected on behalf of member jurisdictions and the Board is responsible for ensuring that the assets reported in this fund are used for their intended purpose. Each month Board operating expenses are paid from Tax Revenues and the remaining taxes collected are distributed to member jurisdictions. The two statements included for the fiduciary fund are the statements of fiduciary net position and changes in fiduciary net position.

The Statements of Fiduciary Net Position presents information on all of the Board's assets and liabilities, with the difference between the two reported as net position. The Board has no net position because under the operating agreement all such amounts are payable to the member jurisdictions after funding the administrative expenses.

The Statements of Changes in Fiduciary Net Position presents information showing how the Board's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, additions and deductions are recorded in these statements for some items that will only result in cash flows in future periods.

Financial Analysis

Summary Statements of Fiduciary Net Position

	<u>2025</u>	<u>2024</u>
Assets:		
Current Assets	\$1,989,836	\$1,925,669
Capital Assets, net	97,843	155,587
Other Noncurrent Assets, net	<u>1,129,260</u>	<u>1,221,444</u>
Total Assets	<u>3,216,939</u>	<u>3,302,700</u>
Liabilities:		
Current Liabilities	\$1,895,698	\$1,902,733
Noncurrent Liabilities	<u>1,321,241</u>	<u>1,399,967</u>
Total Liabilities	<u>\$3,216,939</u>	<u>\$3,302,700</u>

Summary Statements of Changes in Fiduciary Net Position

	<u>2025</u>	<u>2024</u>
Additions	<u>\$21,811,784</u>	<u>\$21,382,012</u>
Deductions		
Distributions to jurisdictions	20,377,308	20,011,867
Administration	<u>1,434,476</u>	<u>1,370,145</u>
Changes in Net Position	<u>\$_____ -</u>	<u>\$_____ -</u>

During the fiscal years ended June 30, 2025, and 2024, there was a slight increase in Additions to Jurisdictions. This increase is primarily attributed to a rate adjustment implemented on July 1, 2024, which raised the tax rate to \$0.40 per pack for the remaining 6 localities with lower tax rates. In addition to this rate change, there was a one-time book adjustment related to the seized cigarettes inventory valuation, reducing the value of cigarette seizures sold in fiscal year 2024.

The total increase in distributions is attributable to the jurisdictional rate increase in addition to the one-time tax assessed on retailer's existing unsold inventory as of June 30, 2024 equal to the difference between the old and new tax rates. Conversely, jurisdictions that did not experience a rate increase recorded a slight decrease in distributions compared to the previous year, reflecting the ongoing downward trend in cigarette pack sales.

Administrative costs rose primarily due to personnel expenses. Payroll and retirement contributions aligned with the annual budgeted increases. Beginning July 1, 2024, the Board obtained its own medical insurance for employees, which led to an increase in the employer-paid premiums compared to fiscal year 2024. Employer medical costs are expected to decrease for fiscal year 2026, as employee contribution rates have been budgeted to increase effective July 1, 2025.

Economic Factors and Future Outlook

Though the trend of fewer people smoking is expected to continue, FY2026 cigarette tax collections and distributions to jurisdictions are expected to remain in sync with budget estimates for the coming fiscal year. Although increased expenses are expected to remain within the required 7% of total revenue.

Capital Assets

Capital assets consist of office furniture and equipment, and five vehicles used in the fiduciary activities of the Board. It also contains software development costs for a customized software system to monitor and track the collection and distribution of cigarette taxes.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances and show the Board's accountability for the money it receives. If you have questions about this report or need additional information, contact the Board's Administrator at 14150 Newbrook Drive, Suite 210, Chantilly, VA 20151.

NORTHERN VIRGINIA CIGARETTE TAX BOARD
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30,

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 212,352	\$ 193,129
Cigarette tax revenue receivable	1,768,522	1,723,015
Seized cigarettes inventory	461	497
Prepaid expense	-	527
Rental deposits	8,501	8,501
TOTAL CURRENT ASSETS	1,989,836	1,925,669
NONCURRENT ASSETS		
Capital Assets		
Furniture and equipment	102,145	99,926
Vehicle	165,118	165,118
Software development	51,321	51,321
Less: Accumulated depreciation	(220,741)	(160,778)
Total Capital Assets, net	97,843	155,587
Right to Use Lease Assets		
Right to use lease assets	1,590,182	1,590,182
Less: Accumulated Amortization	(460,922)	(368,738)
Total Right to Use Lease Assets, net	1,129,260	1,221,444
TOTAL NONCURRENT ASSETS	1,227,103	1,377,031
TOTAL ASSETS	<u>\$ 3,216,939</u>	<u>\$ 3,302,700</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 10,400	\$ 9,900
Distributions payable	1,548,011	1,590,159
Undistributed receipts	4,606	7
Compensated absences	46,785	36,080
Restitution payable	49,631	49,631
Reserve for seized cigarette revenues	119,987	115,876
Reserve for automobile replacement	22,551	17,551
Reserve for expenses	5,000	5,000
Reserve for legal services	10,000	5,000
Lease liability, current portion	78,727	73,529
TOTAL CURRENT LIABILITIES	1,895,698	1,902,733
NONCURRENT LIABILITIES		
Lease liability, net of current portion	1,321,241	1,399,967
TOTAL LIABILITIES	<u>\$ 3,216,939</u>	<u>\$ 3,302,700</u>

The accompanying notes are an integral part of these financial statements.

NORTHERN VIRGINIA CIGARETTE TAX BOARD
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30,

ADDITIONS	<u>2025</u>	<u>2024</u>
Cigarette tax collected		
Wholesalers	\$ 21,632,671	\$ 21,384,304
Jurisdictional rate increase	156,743	-
Miscellaneous income	17,509	13,338
Sale of cigarette seizures	4,075	(16,293)
Interest	786	663
TOTAL ADDITIONS	<u>21,811,784</u>	<u>21,382,012</u>
DEDUCTIONS		
Distributions to jurisdictions	20,377,308	20,011,867
Administration expenses		
Payroll	722,973	667,225
Retirement contribution	237,424	216,800
Occupancy expense	101,155	93,226
Medical insurance	99,112	77,801
Computer services	66,930	101,870
Depreciation	59,963	59,451
Interest expense	39,607	41,554
Tax stamps	30,713	33,773
Bond and insurance	11,123	10,121
Professional services	11,078	10,725
Social Security	9,845	9,457
Automobile expense	8,351	6,959
Telephone	7,527	8,083
Office equipment	7,057	8,412
Training and development	5,545	6,744
Disability plan	5,387	3,571
Miscellaneous	4,570	5,379
Office supplies	1,481	1,682
Retirement plan maintenance	1,428	1,467
Life insurance	1,071	2,471
Travel	883	1,637
Office equipment repair	743	743
Printing	244	428
Postage	210	510
Unemployment insurance	56	56
TOTAL DEDUCTIONS	<u>21,811,784</u>	<u>21,382,012</u>
CHANGE IN FIDUCIARY NET POSITION	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NORTHERN VIRGINIA CIGARETTE TAX BOARD FAIRFAX, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Northern Virginia Cigarette Tax Board (“The Board”) is a regional tax agency responsible for administering, collecting and enforcing the cigarette tax ordinances of twenty-five jurisdictions located in Northern Virginia. The Board has been in existence since July 1, 1970 and its offices are currently located in Chantilly, Virginia.

Financial Statement Presentation

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

Basis of Accounting

The Board accounts for its operations as a fiduciary fund, using the economic resources measurement focus and the accrual basis of accounting. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Revenue Recognition

The Board recognizes assets from derived tax revenue transactions when the underlying exchange takes place. Revenue is recognized net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized. Resources received in advance are reported as deferred revenues (liabilities) until the period of exchange.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid debt instruments with an initial maturity of three months or less when purchased are considered to be cash equivalents.

Cigarette Tax Revenue Receivable

Cigarette tax revenue receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2025 and 2024, and no allowance for credit losses has been provided. Bad debt expense for the fiscal years ended June 30, 2025 and 2024, were \$-0- and \$-0-, respectively.

Seized Cigarettes Inventory

Seized cigarettes inventory is held for disposal by sale and is valued at the current average bid price, which approximates fair market value.

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Capital Assets

The Board records equipment at cost and provides for depreciation using the straight-line method over the useful life of the assets. Asset lives include: vehicles - 5 years, furniture – 7 years, office equipment – 5 years, and computer software – 3 years. Maintenance and repairs are charged to earnings. Costs for normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are expensed as incurred. The Board policy is to capitalize new purchases with a cost exceeding \$1,000.

Right to Use Assets

The Board has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Concentration of Credit Risk

Financial instruments, which potentially expose the Board to concentrations of credit risk, consist principally of cash and cash equivalents. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited to any one institution. At times amounts may exceed federally insured limits. The financial institutions used by the Board participate in the Virginia Security of Public Deposits Act, whereby securities are pledged by the Institution to the Treasury Board of Virginia to cover all funds on deposit in excess of FDIC insurance coverage. The Board periodically assesses the financial condition of the institution and believes the risk of any loss is minimal.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Advertising Costs

Advertising costs are expensed as incurred.

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 2 – CASH AND CASH EQUIVALENTS

The Board's cash and cash equivalents consist of the following as of June 30,:

	<u>2025</u>	<u>2024</u>
Demand deposits, interest bearing	\$212,252	\$193,029
Petty cash	<u>100</u>	<u>100</u>
Total	<u>\$212,352</u>	<u>\$193,129</u>

All demand deposits are held by the Board or in the Board's name, and are completely covered by Federal depositary insurance or collateralized by the financial institution acquiring the deposit. The carrying amount of the deposits as of June 30, 2025 and 2024, were \$212,252 and \$193,029 respectively, and the bank balances as of June 30, 2025 and 2024, were \$212,252 and \$193,029, respectively.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets being depreciated				
Furniture and Equipment	\$ 99,926	\$ 2,219	\$ -	\$102,145
Software	51,321	-	-	51,321
Vehicles	<u>165,118</u>	<u>-</u>	<u>-</u>	<u>165,118</u>
Total Depreciable Assets	<u>316,365</u>	<u>2,219</u>	<u>-</u>	<u>318,584</u>
Less Accumulated Depreciation for:				
Furniture and Equipment	58,475	12,075	-	70,550
Software	17,107	17,107	-	34,214
Vehicles	<u>85,196</u>	<u>30,781</u>	<u>-</u>	<u>115,977</u>
Total accumulated depreciation	<u>160,778</u>	<u>59,963</u>	<u>-</u>	<u>220,741</u>
Depreciable Assets, Net	<u>\$155,587</u>	<u>\$ (57,744)</u>	<u>\$ -</u>	<u>\$ 97,843</u>

Capital assets activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets being depreciated				
Furniture and Equipment	\$ 99,926	\$ -	\$ -	\$ 99,926
Software	19,907	31,414	-	51,321
Vehicles	<u>165,118</u>	<u>-</u>	<u>-</u>	<u>165,118</u>
Total Depreciable Assets	<u>284,951</u>	<u>31,414</u>	<u>-</u>	<u>316,365</u>
Less Accumulated Depreciation for:				
Furniture and Equipment	44,233	14,242	-	58,475
Software	-	17,107	-	17,107
Vehicles	<u>57,094</u>	<u>28,102</u>	<u>-</u>	<u>85,196</u>
Total accumulated depreciation	<u>101,327</u>	<u>59,451</u>	<u>-</u>	<u>160,778</u>
Depreciable Assets, Net	<u>\$183,624</u>	<u>\$ (28,037)</u>	<u>\$ -</u>	<u>\$155,587</u>

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 4 – RIGHT TO USE ASSETS

Right to use assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Right to use assets being amortized				
Office Space	\$1,590,182	\$ _____	\$ _____	\$1,590,182
Total Right to Use Assets	<u>1,590,182</u>	<u>_____</u>	<u>_____</u>	<u>1,590,182</u>
Less Accumulated Amortization for:				
Office Space	<u>368,718</u>	<u>92,184</u>	<u>_____</u>	<u>460,922</u>
Total accumulated depreciation	<u>368,718</u>	<u>92,184</u>	<u>_____</u>	<u>460,922</u>
Right to Use Assets, Net	<u>\$1,221,444</u>	<u>\$ 92,184</u>	<u>\$ _____</u>	<u>\$1,129,260</u>

Right to use assets activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Right to use assets being amortized				
Office Space	\$1,590,182	\$ _____	\$ _____	\$1,590,182
Total Right to Use Assets	<u>1,590,182</u>	<u>_____</u>	<u>_____</u>	<u>1,590,182</u>
Less Accumulated Amortization for:				
Office Space	<u>276,553</u>	<u>92,185</u>	<u>_____</u>	<u>368,718</u>
Total accumulated depreciation	<u>276,553</u>	<u>92,185</u>	<u>_____</u>	<u>368,718</u>
Right to Use Assets, Net	<u>\$1,313,629</u>	<u>\$ 92,185</u>	<u>\$ _____</u>	<u>\$1,221,444</u>

NOTE 5 – UNDISTRIBUTED RECEIPTS

The undistributed receipts account serves as a holding account for taxes paid to the Board in excess of actual taxes owed by the authorized agents, or for those monies that are remitted by authorized agents but not identified as to jurisdiction of sale. Once identified as to a particular jurisdiction or applied as a credit to an authorized agent's account, the monies are placed into the applicable revenue account. The undistributed receipts account consists of the following categories at June 30,:

	<u>2025</u>	<u>2024</u>
Wholesalers	\$4,606	\$ 7
Total	<u>\$4,606</u>	<u>\$ 7</u>

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 6 – COMPENSATED ABSENCES

All employees of the Board accrue both annual and sick leave each month. Annual leave is accumulated based on years of service and number of paid hours each work week. When employees leave Board employment, they are paid for any unused annual leave. There is no maximum amount of annual leave that employees can accumulate; however, only 300 hours per calendar can be carried over to the next calendar year. Any annual leave above and beyond 300 hours at the end of each calendar year shall be converted to sick leave. Full-time employees accrue sick leave at the rate of nine hours per month. There is no maximum amount of sick leave that employees can accumulate. Sick leave credits are not paid to an employee upon separation. Upon application for retirement, an employee's sick leave credits can be applied towards membership service credit at the rate of one month of credit for each 173 hours of accrued unused sick leave and prorated for any fraction of this amount. As of June 30, 2025 and 2024, the liability for compensated absences were \$46,785 and \$36,080, respectively.

NOTE 7 – RESTITUTION PAYABLE

In 2008, three individuals plead guilty in Fairfax County court to conspiracy to possess and distribute contraband cigarettes and were ordered to pay Fairfax County restitution totaling \$151,120. The restitution payments are made to the Board, and the Board has been asked to collect all funds before transferring the payments to Fairfax County. As of June 30, 2025 and 2024, the Board collected a total of \$49,631 and \$49,631, respectively.

NOTE 8 – MISSIONSQUARE RETIREMENT CORPORATION 457 PLAN

MissionSquare eligible employees of the Board may also participate in a deferred compensation plan in accordance with Internal Revenue Service Code 457. The deferred compensation is not available to employees until termination of employment, retirement, death or an unforeseen emergency. An independent administrator, ICMA Retirement Corporation, monitors contributions to the plan. The plan assets are maintained in custodial accounts for the exclusive use of the plan's participants and beneficiaries. In accordance with GASB 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, these assets and the related liability are not included in the accompanying financial statements.

NOTE 9 – PENSION PLAN

The Board maintains a defined contribution pension plan (effective May 1, 1983), which is named the Northern Virginia Cigarette Tax Board Pension Trust and covers all full-time employees who have attained six months of credited service. The mandatory contribution rate for the years ended June 30, 2025 and 2024, was 33.46% and 32.22%, respectively, of each eligible employee's compensation.

The participants in the plan reserve the authority to direct the investment activities of their portion of the pension trust. However, the Trustee retains the right to determine administrative feasibility and propriety of such investment activities within terms set forth in the trust agreement.

Pension expense for the years ended June 30, 2025 and 2024 were \$237,424 and \$216,800, respectively.

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FAIRFAX, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS
(Concluded)**

NOTE 10 – LONG-TERM OBLIGATIONS - LEASES

The Board has entered into an agreement to lease office space in Chantilly, Virginia, under an 18-year lease which expires September 30, 2037. The lease agreement qualifies as other than short-term under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the date of its inception.

The lease calls for an annual rent increase of 2.75% and included rental abatement of eight months. The lease liability is measured at a discount rate of 2.75%, which is the rate in the lease agreement. As a result of the lease the Board has recorded a right to use asset with net book values of \$1,129,260 and \$1,221,444 as of June 30, 2025 and 2024, respectively. For the fiscal years ended June 30, 2025 and 2024, interest expense on the lease liability was \$39,607 and \$41,554, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of as of June 30, 2025 are as follows:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 78,727	\$ 37,520	\$ 116,247
2027	84,156	35,287	119,443
2028	89,826	32,902	122,728
2029	95,746	30,357	126,103
2030	101,924	27,647	129,571
2031-2035	612,053	91,250	703,303
2036-2038	<u>337,536</u>	<u>11,038</u>	<u>348,574</u>
Total payments	<u>\$1,399,968</u>	<u>\$266,001</u>	<u>\$1,665,969</u>

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Board has evaluated subsequent events through November XX, 2025, the date which the financial statements were available to be issued.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Commissioners
Northern Virginia Cigarette Tax Board
Fairfax, VA

We have audited, in accordance with the auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the fiduciary activities of the Northern Virginia Cigarette Tax Board as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Northern Virginia Cigarette Tax Board's basic financial statements, and have issued our report thereon dated November XX, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northern Virginia Cigarette Tax Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northern Virginia Cigarette Tax Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Virginia Cigarette Tax Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Virginia Cigarette Tax Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Certified Public Accountants
Chantilly, Virginia

November XX, 2025

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
SCHEDULES OF CASH DISTRIBUTIONS
TO MEMBER JURISDICTIONS
FOR THE YEARS ENDED JUNE 30,**

Member Jurisdictions	<u>2025</u>	<u>2024</u>
Fairfax County	\$ 5,043,615	\$ 4,030,538
County of Prince William	3,606,677	3,992,310
County of Loudoun	3,196,563	3,478,015
City of Alexandria	1,822,514	1,912,646
County of Spotsylvania	1,706,743	1,640,902
County of Stafford	1,481,860	1,500,926
Town of Leesburg	529,087	571,325
County of Fauquier	467,163	565,919
City of Fairfax	459,891	487,097
City of Manassas	395,993	425,311
City of Fredericksburg	342,597	354,015
Town of Warrenton	248,060	284,832
City of Manassas Park	183,111	196,233
Town of Vienna	174,486	195,785
Town of Purcellville	151,872	175,149
Town of Herndon	146,557	154,917
Town of Haymarket	136,945	150,685
City of Falls Church	135,284	146,917
Town of Dumfries	100,262	124,376
Town of Lovettsville	23,249	24,938
Town of Round Hill	16,950	20,228
Town of Remington	13,682	16,823
Town of Middleburg	10,983	12,672
Town of Hillsboro	9,881	10,890
Town of Clifton	1,321	1,074
Total Distributions to Member Jurisdictions	<u>\$ 20,405,346</u>	<u>\$ 20,474,523</u>

NORTHERN VIRGINIA CIGARETTE TAX BOARD
SCHEDULES OF BUDGET VERSUS ACTUAL ADMINISTRATION EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2025			2024		
	Approved Budget	(Budgetary - Cash Basis) Actual Expenses	Variance Favorable (Unfavorable)	Approved Budget	(Budgetary - Cash Basis) Actual Expenses	Variance Favorable (Unfavorable)
Payroll	\$ 750,000	\$ 712,268	\$ 37,732	\$ 750,000	\$ 675,469	\$ 74,531
Retirement contribution	238,000	237,424	576	225,000	216,800	8,200
Rent	117,000	122,106	(5,106)	114,000	111,149	2,851
Medical insurance	105,000	99,112	5,888	97,000	77,801	19,199
Computer services	75,000	66,930	8,070	85,000	101,870	(16,870)
Tax stamps	30,000	30,713	(713)	25,000	33,773	(8,773)
Professional services	20,000	10,578	9,422	20,000	9,925	10,075
Automobile expense	12,000	8,351	3,649	12,000	6,959	5,041
Bond and insurance	11,200	11,123	77	10,500	10,121	379
Social Security	11,000	9,845	1,155	11,000	9,457	1,543
Office equipment	10,000	9,276	724	10,000	39,826	(29,826)
Training and development	10,000	5,545	4,455	10,000	6,744	3,256
Miscellaneous	10,000	4,570	5,430	10,000	5,379	4,621
Telephone	8,000	7,527	473	9,000	8,106	894
Disability plan	5,700	4,949	751	4,000	4,008	(8)
Vehicle repair and replacement	5,000	-	5,000	5,000	-	5,000
Travel	4,500	883	3,617	9,000	1,331	7,669
Office supplies	2,500	1,481	1,019	5,000	1,682	3,318
Retirement plan maintenance	2,000	1,428	572	3,000	1,467	1,533
Life insurance	1,200	982	218	2,700	2,560	140
Printing	1,000	244	756	2,000	428	1,572
Office equipment maintenance	1,000	743	257	1,000	743	257
Postage	500	210	290	500	480	20
Unemployment insurance	100	56	44	200	56	144
Total Expenses	\$ 1,430,700	\$ 1,346,344	\$ 84,356	\$ 1,420,900	\$ 1,326,134	\$ 94,766

Reconciliation of financial statements prepared under
generally accepted accounting principles:

Total administration expenses - budgetary basis	\$ 1,346,344	\$ 1,326,134
Increase (decrease) in compensated absences	10,705	(8,244)
Depreciation expense not budgeted	59,963	59,451
GASB 87 rent adjustments	(20,951)	(17,923)
Interest expense on lease not budgeted	39,607	41,554
Vehicle and equipment purchases	(2,219)	(31,414)
Increase in accounts payable and accrued expenses	500	777
Decrease (increase) in prepaid expense	527	(190)
Total administration expenses under generally accepted accounting principles	\$ 1,434,476	\$ 1,370,145