

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2010

(unaudited)

**Submitted to the Governing Board
October 6, 2010**

Streamlined Sales Tax Governing Board

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The Governing Board ended FY 2010 with a balance of \$718,870 with an operating deficit of \$113,369. When the budget was adopted in the fall of 2009 the projected balance was expected to be \$620,649 with an operating deficit of \$211,589.

Receipts totaled \$704,707. Receipts came from the petition fees paid by full and associate member states (\$606,501), gross revenue generated from meetings (\$80,725), and interest income (\$17,481). Revenues were \$5,706 above budget and 3.7 percent greater than the previous fiscal year.

Expenses totaled \$818,076. Salaries and benefits, office expenses, travel expenses, and contractual expenses were all lower than anticipated. Expenses were \$92,514 below budget and increased 18.6 percent greater than the previous fiscal year.

Major budgetary developments in FY 2010 include:

- Contracts with two government affairs firms
- Completion of the new web site

At the end of FY 2010, assets of the Governing Board totaled \$889,257, of which 98 percent was held in the form of cash or cash equivalents. Much of the remainder was composed of deferred member dues, accounts receivable, with minor portions representing furniture and equipment, prepaid expenses, and rental deposit.

The financial assets of the Governing Board are held in a checking account and money market account with Wachovia, a savings account with Green Bank, and certificates of deposits through Wachovia Securities. This mixture of accounts is designed to provide maximum deposit security and to earn competitive interest. Interest earned on these accounts totaled \$17,481. As of June 30, bank statements received by the Governing Board have been reconciled with accounts maintained by the Governing Board.

The following financial statements include the balance sheet as of June 30, 2010; a historical presentation of the Income and Expense Statements from FY 2002 through FY 2010; the variance between Budgeted and Actual Receipts and Expenditures for FY 2010, a cash flow statement for FY 2010; and detailed breakdown of accounts payable and receivable.

The documents reflect a strong and stable financial condition after four and half years of operation under the Governing Board.

Streamlined Sales Tax Governing Board Inc
Statement of Activities
For the 12 months ended June 30, 2010

	Budgeted	Actual	Variance
BEGINNING BALANCE	\$832,238	\$832,239	
INCOME			
Member Payments	606,501	606,501	100%
Member Payments Held in Escrow	0	0	0%
Publication Sales	0	0	0%
Investment Income	17,500	17,481	100%
Other income	0	0	0%
NGA/NCSL Contributions	0	0	0%
Meeting Income	75,000	80,725	108%
TOTAL INCOME	699,001	704,707	101%
EXPENSES			
Salaries and Benefits			
Salaries	242,315	244,413	101%
Payroll Taxes	20,000	17,886	89%
Health Coverage	15,000	9,782	65%
Retirement Expense	10,275	1,200	12%
Subtotal - Salaries	287,590	273,282	95%
Office Expense			
Telecommunications	25,000	31,738	127%
Printing	2,500	0	0%
Materials and Supplies	8,000	4,855	61%
Postage and Delivery	1,500	915	61%
Law Service and Books	1,500	1,204	80%
Computer Equipment and Furniture-Depreciation	5,000	2,163	43%
Computer Equipment and Furniture	15,000	0	0%
Other Insurance	5,000	1,030	21%
Other - Write off of conference receivables	3,000	175	6%
Subtotal -Office Expense	66,500	42,079	63%
Travel			
Employee Travel	50,000	48,662	97%
Other Travel	50,000	44,346	89%
Legislative travel	25,000	10,997	44%
Subtotal -Travel	125,000	104,005	83%
Contractual Services			
Rent - Office space	13,000	11,402	88%
Central Registration	50,000	10,250	21%
Accounting Services	12,500	7,560	60%

Legal Services	5,000	450	9%
Fund Audit	11,000	7,500	68%
Web Site Development & Hosting	20,000	20,664	103%
Federal Affairs	180,000	180,000	100%
Other	40,000	59,193	148%
Subtotal - Contractual Services	331,500	297,019	90%
Meeting Expenses	75,000	101,691	136%
Registration System Enhancements	0	0	0%
Reserve	25,000	0	0%
SST portion of uncollected use tax study	0	0	0%
TOTAL EXPENSES	910,590	818,076	90%
Surplus (Deficit) for Budget Period	(211,589)	(113,369)	54%
ENDING BALANCE	\$620,649	\$718,870	

Streamlined Sales Tax Governing Board Inc
Balance Sheet
12 months ended June 30 , 2010

ASSETS

Current Assets

Cash and Cash Equivalents	\$869,115
Dues Receivable	0
BAC Receivable	0
Streamline Conferences-Registrations	3,650
Prepaid Expenses	16,493
Total current assets	<u>889,257</u>

Noncurrent assets

Furniture and Equipment, net	5,380
Rent Deposit	846
Total noncurrent assets	<u>6,226</u>
Total assets	<u>\$895,483</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$15,186
Vacation Payable	16,341
Deferred Revenue-Membership	145,087
Deferred Revenue-Meetings/April	0
Total current liabilities	<u>176,613</u>

Long Term Liabilities

Deferred revenue-Membership	0
Total liabilities	<u>\$176,613</u>

Commitments and Contingencies 0

Net Assets

Unrestricted	718,870
Total Liabilities and Net Assets	<u>\$895,483</u>

Streamlined Sales Tax Governing Board Inc
Cash Flow
For the 12 months ended June 30, 2010

Cash flows from operating activities	
Change in net assets	\$ (113,369)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	\$ -
Depreciation	\$ 2,163
Loss on disposal of fixed assets	\$ -
(Increase) decrease in assets	
Accounts receivable	\$ 350
Prepaid expenses	\$ (571)
Increase (decrease) in liabilities	
Accounts payable	\$ 6,830
Accrued liabilities	\$ 3,496
Deferred revenue	\$ 47,827
Streamlined conferences cash	\$ -
New cash flows provided by operating activities	\$ (53,274)
Cash flows from investing activities	\$ -
Purchases of furniture and equipment	\$ (6,811)
Net cash used in investing activities	\$ -
Net increase (decrease) in cash and cash equivalents	\$ (60,085)
Cash and cash equivalents, beginning of year	\$ 929,200
Cash and cash equivalents, end of year	\$ 869,115