

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2011

(unaudited)

**Submitted to the Governing Board
October 5, 2011**

Annual Financial Report for FY 2011

The Governing Board ended FY 2011 with a balance of \$656,596 with an operating deficit of \$62,274. When the budget was adopted in the fall of 2010 the projected balance was expected to be \$469,087 with an operating deficit of \$249,783.

Receipts totaled \$671,611. Receipts came from the petition fees paid by full and associate member states (\$600,000), gross revenue generated from meetings (\$67,520), and interest income (\$5,345). Revenues were \$389.00 below budget and 4.7 percent less than the previous fiscal year.

Expenses totaled \$733,885. Salaries and benefits, office expenses, travel expenses, and contractual expenses were all lower than anticipated. Expenses were \$188,398 below budget and were 10.3 percent less than the previous fiscal year.

Major budgetary developments in FY 2011 include:

- Continuation of the contracts with two government affairs firms

At the end of FY 2011, assets of the Governing Board totaled \$909,898, of which 99 percent was held in the form of cash or cash equivalents. Much of the remainder was composed of deferred member dues, 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 Wells Fargo and a savings account with Green Bank. Previously the Governing Board held certificates of deposits through Wachovia Securities, but that account was closed in the spring of 2011 and the balance transferred to the Wells Fargo money market account. This mixture of accounts is designed to provide maximum deposit security and to earn competitive interest. Interest earned on these accounts totaled \$5,345. 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, 2011; a historical presentation of the Income and Expense Statements from FY 2002 through FY 2011; the variance between Budgeted and Actual Receipts and Expenditures for FY 2011, and a cash flow statement for FY 2011.

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

Streamlined Sales Tax Governing Board, Inc.

Statement of Activities

For the twelve months ended June 30, 2011

	FY2011 Budgeted	FY2011 Actual	Variance
BEGINNING BALANCE	\$718,870	\$718,870	
INCOME			
Member Payments	580,000	580,000	100%
Member payments held in escrow	0	20,000	0%
Publication Sales	0	0	0%
Investment Income	17,500	5,345	31%
Other income	0	(1,254)	0%
NGA/NCSL Contributions	0	0	0%
Meeting Income	75,000	67,520	90%
TOTAL INCOME	672,500	671,611	100%
EXPENSES			
Salaries and Benefits			
Salaries	252,008	242,433	96%
Payroll Taxes	22,000	17,880	81%
Health coverage	15,000	9,782	65%
Retirement Expense	10,275	1,200	12%
Subtotal - Salaries	299,283	271,295	91%
Office Expense			
Telecommunications	25,000	21,617	86%
Printing	2,500	1,927	77%
Materials and Supplies	8,000	5,303	66%
Postage and Delivery	1,500	2,517	168%
Law Service and Books	1,500	1,300	0%
Computer Equipment and Furniture-Depreciation	5,000	1,449	0%
Computer Equipment and Furniture	15,000	0	0%
Other Insurance	5,000	752	15%
Other - Write off of conference receivables	3,000	0	0%
Subtotal -Office Expense	66,500	34,866	52%
Travel			
Employee Travel	50,000	45,656	91%
Other Travel	50,000	29,142	58%
Legislative travel	25,000	2,498	10%
Subtotal -Travel	125,000	77,296	62%
Contractual Services			
Rent - Office space	13,000	11,513	89%
Central Registration	50,000	6,500	13%
Accounting Services	12,500	4,858	39%

Legal Services	5,000	0	0%
Fund Audit	11,000	10,060	91%
Web Site Development & Hosting	20,000	0	0%
Federal Affairs	180,000	180,000	100%
Other	40,000	58,151	145%
Subtotal - Contractual Services	331,500	271,081	82%
Meeting Expenses	75,000	79,348	106%
Registration System Enhancements	0	0	0%
Reserve	25,000	0	0%
SST portion of uncollected use tax study	0	0	0%
TOTAL EXPENSES	922,283	733,885	80%
Surplus(Deficit) for Budget Period	(249,783)	(62,274)	25%
ENDING BALANCE	\$469,087	\$656,596	

Streamlined Sales Tax Governing Board, Inc.

Cash Flow

For the twelve months ended June 30, 2011

Cash flows from operating activities	
-Change in net assets	\$(62,275)
-Adjustments to reconcile change in net assets to net cash provided by operating activities:	
-Depreciation	\$1,449
-Loss on disposal of fixed assets	
-(Increase) decrease in assets	
-Accounts receivable	\$1,465
-Prepaid expenses	\$155
-Increase (decrease) in liabilities	
-Accounts payable	\$30,292
-Accrued liabilities	\$1,514
-Deferred revenue	\$49,659
-Streamlined Conferences Cash	
New cash flows provided by operating activities	\$22,259
Cash flows from investing activities	
-Purchases of furniture and equipment	\$0
Net cash used in investing activities	
Net increase (decrease) in cash and cash equivalents	\$22,259
Cash and cash equivalents, beginning of year	\$869,114
Cash and cash equivalents, end of year	\$891,373

Streamlined Sales Tax Governing Board, Inc.

Balance Sheet

For the twelve months ended June 30, 2011

Assets

Current Assets

Cash and cash equivalents	\$891,375.33
Dues Receivable	\$0
BAC receivable	\$0
Streamline Conferences-Registrations	\$2,185.00
Prepaid Expenses	\$16,337.66

Total current assets \$909,897.99

Noncurrent assets

Furniture and equipment, net	\$3,930.64
Rent Deposit	\$846.00

Total noncurrent assets \$4,776.64

Total assets \$914,674.63

Liabilities and net assets

Current Liabilities

Accounts payable	\$45,478.38
Vacation Payable	\$17,855.18
Deferred revenue-Membership	\$194,746.00
Deferred revenue-Meetings/May	\$0

Total current liabilities \$258,079.56

Long term Liabilities

Deferred revenue-Membership	\$0
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Total liabilities \$258,079.56

Commitments and Contingencies

Net Assets

Unrestricted	\$656,595.00
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Total Liabilities and Net Assets \$914,674.56

Streamlined Sales Tax Governing Board, Inc.

Historical Expenditures

FY2002 through FY2011

Streamlined Sales Tax Governing Board- Actuals Over Time

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual
BEGINNING BALANCE	\$ -	\$ 31,138.27	\$ 50,513.59	\$ 57,306.11	\$ 220,867.25	\$ 361,228.00
INCOME						
Member payments	\$ -	\$ -	\$ -	\$ 80,000.00	\$ 300,000.00	\$ 604,000.00
Member payments held in escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Publication sales	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	\$ -	\$ -	\$ -	\$ -	\$ 7,048.00	\$ 29,622.00
Other income - unrealized gain	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NGA/NCSL contributions	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -	\$ -
Meeting income	\$ 204,547.50	\$ 155,700.00	\$ 152,265.00	\$ 260,950.00	\$ 302,650.00	\$ 268,575.00
TOTAL INCOME	\$ 207,547.50	\$ 155,700.00	\$ 152,265.00	\$ 440,950.00	\$ 609,698.00	\$ 902,197.00
EXPENSES						
Salaries and Benefits						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 60,096.00	\$ 212,316.00
Payroll taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,589.00	\$ 17,814.00
Health coverage	\$ -	\$ -	\$ -	\$ -	\$ 1,783.00	\$ 7,243.00
Retirement expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150.00
Subtotal- Salaries	\$ -	\$ -	\$ -	\$ -	\$ 70,468.00	\$ 237,513.00
Office Expense						
Telecommunications	\$ 9,697.98	\$ 7,649.84	\$ 8,209.46	\$ 21,461.00	\$ 24,621.00	\$ 15,150.00
Printing	\$ 719.80	\$ 3,665.80	\$ 1,248.18	\$ 7,102.31	\$ 24,372.00	\$ 6,856.00
Materials and supplies	\$ -	\$ 1,820.91	\$ -	\$ 432.23	\$ 87.00	\$ 4,191.00
Postage and delivery	\$ 1,381.56	\$ 830.23	\$ 148.20	\$ 1,931.74	\$ 676.00	\$ 1,902.00
Law service and books	\$ -	\$ -	\$ -	\$ -	\$ 743.00	\$ 1,147.00
Computer equipment and furniture - depre.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,347.00
Computer equipment and furniture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,355.00
Other insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other - write off of conference receivables	\$ 2,314.06	\$ 5,370.86	\$ 5,123.00	\$ 24,040.00	\$ 847.00	\$ 7,855.00
Subtotal-Office Expense	\$ 14,113.40	\$ 19,337.64	\$ 14,728.84	\$ 54,967.28	\$ 51,346.00	\$ 45,804.00
Travel						
Employee travel	\$ -	\$ -	\$ -	\$ -	\$ 31,867.00	\$ 29,180.00
Other travel	\$ 5,480.25	\$ 2,664.31	\$ 3,176.31	\$ 18,676.12	\$ 7,687.00	\$ 3,891.00
Legislative travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal- Travel	\$ 5,480.25	\$ 2,664.31	\$ 3,176.31	\$ 18,676.12	\$ 39,554.00	\$ 33,071.00
Contractual Services						
Rent - office space	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,287.00
Central registration	\$ -	\$ -	\$ -	\$ -	\$ 72,938.00	\$ 52,594.00
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ 1,050.00	\$ 11,400.00
Legal services	\$ -	\$ -	\$ -	\$ -	\$ 9,850.00	\$ 11,050.00
Fund audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Web site development and hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540.00
Federal affairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ 14,554.83	\$ -	\$ -	\$ 20,890.00	\$ 5,429.00
Subtotal - Cont. Svcs.	\$ -	\$ 14,554.83	\$ -	\$ -	\$ 104,728.00	\$ 98,300.00
Meeting Expenses	\$ 156,815.58	\$ 99,767.90	\$ 127,567.33	\$ 203,745.46	\$ 202,855.00	\$ 208,402.00
Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SST portion of uncollected use tax study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 176,409.23	\$ 136,324.68	\$ 145,472.48	\$ 277,388.86	\$ 468,951.00	\$ 623,089.00
Surplus/deficit for budget period	\$ 31,138.27	\$ 19,375.32	\$ 6,792.52	\$ 163,561.14	\$ 140,747.00	\$ 279,108.00
ENDING BALANCE	\$ 31,138.27	\$ 50,513.59	\$ 57,306.11	\$ 220,867.25	\$ 361,614.25	\$ 640,336.00

FY 2008 Actual	FY 2009 Actual	FY2010 Actual	FY2011 Actual
\$ 640,336.00	\$ 842,779.00	\$ 832,239.00	\$ 718,870.00
\$ 600,000.00	\$ 473,455.00	\$ 606,501.00	\$ 580,000.00
\$ 104,545.00	\$ 106,545.00	\$ -	\$ 20,000.00
\$ -	\$ -	\$ -	\$ -
\$ 31,101.00	\$ 15,133.00	\$ 17,481.00	\$ 5,345.00
\$ -	\$ 5,330.00	\$ -	\$ (1,254.00)
\$ -	\$ -	\$ -	\$ -
\$ 188,635.00	\$ 79,050.00	\$ 80,725.00	\$ 67,520.00
\$ 924,281.00	\$ 679,513.00	\$ 704,707.00	\$ 671,611.00
\$ 238,654.20	\$ 242,153.00	\$ 244,413.00	\$ 242,433.00
\$ 16,532	\$ 17,112.00	\$ 17,886.00	\$ 17,880.00
\$ 9,980	\$ 9,772.00	\$ 9,782.00	\$ 9,782.00
\$ 1,200	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
\$ 266,366.15	\$ 270,237.00	\$ 273,281.00	\$ 271,295.00
\$ 18,624	\$ 22,803.00	\$ 31,738.00	\$ 21,617.00
\$ 2,162	\$ 294.00	\$ -	\$ 1,927.00
\$ 7,947	\$ 6,066.00	\$ 4,855.00	\$ 5,303.00
\$ 1,355	\$ 531.00	\$ 915.00	\$ 2,517.00
\$ -	\$ 1,204.00	\$ 1,204.00	\$ 1,300.00
\$ 4,756	\$ 4,226.00	\$ 2,163.00	\$ 1,449.00
\$ 1,138	\$ 150.00	\$ -	\$ -
\$ 1,082	\$ 1,049.00	\$ 1,030.00	\$ 752.00
\$ -	\$ 3,400.00	\$ 175.00	\$ -
\$ 37,064.41	\$ 39,723.00	\$ 42,080.00	\$ 34,865.00
\$ 48,925	\$ 50,752.00	\$ 48,662.00	\$ 45,656.00
\$ 15,172	\$ 20,418.00	\$ 44,346.00	\$ 29,142.00
\$ -	\$ -	\$ 10,997.00	\$ 2,498.00
\$ 64,097.52	\$ 71,170.00	\$ 104,005.00	\$ 77,296.00
\$ 10,452	\$ 10,941.00	\$ 11,402.00	\$ 11,513.00
\$ 8,094	\$ 6,500.00	\$ 10,250.00	\$ 6,500.00
\$ 10,950	\$ 8,205.00	\$ 7,560.00	\$ 4,858.00
\$ 2,200	\$ -	\$ 450.00	\$ -
\$ 9,000	\$ 10,000.00	\$ 7,500.00	\$ 10,060.00
\$ -	\$ 17,178.00	\$ 20,664.00	\$ -
\$ -	\$ -	\$ 180,000.00	\$ 180,000.00
\$ 28,218	\$ 113,392.00	\$ 59,193.00	\$ 58,151.00
\$ 68,913.94	\$ 166,216.00	\$ 297,019.00	\$ 271,082.00
\$ 195,036	\$ 92,546.00	\$ 101,691.00	\$ 79,348.00
\$ -	\$ -	\$ -	\$ -
\$ -	\$ 50,000.00	\$ -	\$ -
\$ 631,478.00	\$ 690,054.00	\$ 818,076.00	\$ 733,885.00
\$ 294,803.00	\$ (10,541.00)	\$ (113,369.00)	\$ 62,274.00
\$ 935,139.00	\$ 832,238.00	\$ 718,870.00	\$ 656,596.00