

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2012

(unaudited)

**Submitted to the Governing Board
September 19, 2012**

Annual Financial Report for FY 2012

The Governing Board ended FY 2012 with a balance of \$542,495 with an operating deficit of \$114,100. When the budget was adopted in the fall of 2011 the projected balance was expected to be \$395,120 with an operating deficit of \$261,475.

Receipts totaled \$674,150. Receipts came from the petition fees paid by full and associate member states (\$620,000), gross revenue generated from meetings (\$49,931), and interest income (\$324). Revenues were \$26,350 below budget and .04 percent more than the previous fiscal year.

Expenses totaled \$788,250. Salaries and benefits, office expenses, travel expenses, and contractual expenses were all lower than what was budgeted. Expenses were \$173,725 below budget and were 7.4 percent more than the previous fiscal year.

Major budgetary developments in FY 2012 include:

- Continuation of the contracts with two government affairs firms

At the end of FY 2012, assets of the Governing Board totaled \$688,695, of which 96 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. Assets at the end of FY 2012 were \$221,203 less than total assets at the end of FY 2011.

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 Capitol 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 \$324. 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, 2012; a historical presentation of the Income and Expense Statements from FY 2004 through FY 2012; the variance between Budgeted and Actual Receipts and Expenditures for FY 2012, and a cash flow statement for FY 2012.

These documents reflect a stable financial condition after six and half years of operation under the Governing Board, but also reflect an intentionally declining surplus that must soon stop declining.

Streamlined Sales Tax Governing Board, Inc.

Statement of Activities

For the twelve months ended June 30, 2012

	Budgeted	Actual	Variance
BEGINNING BALANCE	\$656,595	\$656,595	
INCOME			
Member Payments	620,000	620,000	100%
Member payments held in escrow	0	0	0%
Publication Sales	0	0	0%
Investment Income	5,500	324	6%
Other income	0	3,896	0%
NGA/NCSL Contributions	0	0	0%
Meeting Income	75,000	49,931	67%
TOTAL INCOME	<u>700,500</u>	<u>674,150</u>	<u>96%</u>
EXPENSES			
Salaries and Benefits			
Salaries	310,000	296,998	96%
Payroll Taxes	26,000	22,068	85%
Health coverage	19,200	14,975	78%
Retirement Expense	10,275	50	0%
Subtotal - Salaries	<u>365,475</u>	<u>334,091</u>	<u>91%</u>
Office Expense			
Telecommunications	22,000	26,822	122%
Printing	2,000	(509)	-25%
Materials and Supplies	5,500	9,370	170%
Postage and Delivery	2,000	2,999	150%
Law Service and Books	1,500	0	0%
Computer Equipment and Furniture- Depreciation	2,500	1,449	0%
Computer Equipment and Furniture	10,000	0	0%
Other Insurance	1,500	779	52%
Other - Write off of conference receivables	1,500	0	0%
Subtotal -Office Expense	<u>48,500</u>	<u>40,909</u>	<u>84%</u>
Travel			
Employee Travel	53,000	53,219	100%
Other Travel	47,500	41,897	88%
Legislative travel	25,000	13,425	54%
Subtotal -Travel	<u>125,500</u>	<u>108,542</u>	<u>86%</u>
Contractual Services			
Rent - Office space	13,000	11,680	90%
Central Registration	25,000	35,965	144%
Accounting Services	8,500	6,758	80%

Legal Services	2,500	0	0%
Fund Audit	11,000	10,076	92%
Web Site Development & Hosting	10,000	7,694	77%
Federal Affairs	180,000	179,000	99%
Other	25,000	8,390	34%
Subtotal - Contractual Services	275,000	259,563	94%
Meeting Expenses	85,000	45,145	53%
Reserve	25,000	0	0%
Online Taxability matrix	37,500	0	0%
TOTAL EXPENSES	961,975	788,250	82%
Surplus(Deficit) for Budget Period	(261,475)	(114,100)	44%
ENDING BALANCE	\$395,120	\$542,495	

Streamlined Sales Tax Governing Board, Inc.

Balance Sheet

For the twelve months ended June 30, 2012

Assets

Current Assets

Cash and cash equivalents	\$655,379
Dues Receivable	0
PR Tax receivable	112
Streamline Conferences-Registrations	8,105
Prepaid Expenses	21,772

Total current assets 685,368

Noncurrent assets

Furniture and equipment, net	2,481
Rent Deposit	846

Total noncurrent assets 3,327

Total assets \$688,695

Liabilities and net assets

Current Liabilities

Accounts payable	\$1,313
Vacation Payable	23,013
Deferred revenue-Membership	121,874
Deferred revenue-Meetings/May	0

Total current liabilities 146,200

Long term Liabilities

Deferred revenue-Membership	0
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Total liabilities \$146,200

Commitments and Contingencies

Net Assets

Unrestricted	542,495
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Total Liabilities and Net Assets \$688,695

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Historical Expenditures

FY2004 through FY2012