

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2013

(unaudited)

**Submitted to the Governing Board
October 29, 2013**

Annual Financial Report for FY 2013

The Governing Board ended FY 2013 with a balance of \$440,610 with an operating deficit of \$101,885. When the budget was adopted in the fall of 2012 the projected balance was expected to be \$406,520 with an operating deficit of \$135,975.

Receipts totaled \$667,977. Receipts came from the petition fees paid by full and associate member states (\$620,000) and gross revenue generated from meetings (\$48,539). The interest income of \$918 was offset by bank fees of \$1,521. Revenues were \$123,523 below budget due to no "Other Income" being generated and Meeting Fees generating less than anticipated.

Expenses totaled \$769,862. Salaries and benefits, office expenses, travel expenses, and contractual expenses were all lower than what was budgeted. Expenses were \$158,083 below budget and 2.4 percent less than the previous fiscal year.

Major budgetary developments in FY 2013 include:

- Continuation of the contracts with two government affairs firms
- Upgrades to the central registration system (bulk registrations)

At the end of FY 2013, assets of the Governing Board totaled \$643,601, of which 96% was held in the form of cash or cash equivalents. The remainder was comprised of prepaid expenses, accounts receivable, furniture and equipment, and a rent deposit. Assets at the end of FY 2013 were \$45,094 less than total assets at the end of FY 2012.

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. This mixture of accounts is designed to provide maximum deposit security and to earn competitive interest. Interest earned on these accounts totaled \$918.

The following financial statements include the balance sheet as of June 30, 2013; a historical presentation of the Income and Expense Statements from FY 2004 through FY 2013; the variance between Budgeted and Actual Receipts and Expenditures for FY 2013, and a cash flow statement for FY 2013.

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

Streamlined Sales Tax Governing Board Inc
Statement of Activities
For the 12 months ended June 30, 2013

	FY 2013		
	Budget	Actual	Variance
BEGINNING BALANCE	\$542,495	\$542,495	
INCOME			
Member Payments	620,000	620,000	100%
Member payments held in escrow	0	0	0%
Publication Sales			
Investment Income	1,500	(603)	(40%)
Other income	110,000	41	0%
NGA/NCSL Contributions	0	0	
Meeting Income	60,000	48,539	81%
TOTAL INCOME	791,500	667,977	84%
EXPENSES			
Salaries and Benefits			
Salaries	310,000	269,110	87%
Payroll Taxes	26,000	21,895	84%
Health coverage	19,200	14,183	74%
Retirement Expense	10,275	0	0%
Subtotal – Salaries and Benefits	365,475	305,188	84%
Office Expense			
Telecommunications	25,000	22,915	92%
Printing	2,000	0	0%
Materials and Supplies	5,500	6,711	122%
Postage and Delivery	3,000	2,947	98%
Law Service and Books	1,500	1,300	0%
Computer Equipment and Furniture-Depreciation	2,500	1,628	65%
Computer Equipment and Furniture	5,000	0	0%
Other Insurance	1,500	813	54%
Other - Write off of conference receivables	1,500	645	43%
Subtotal -Office Expense	47,500	36,958	78%
Travel			
Employee Travel	53,000	46,316	87%
Other Travel	30,000	21,853	73%
Legislative travel	25,000	20,071	80%
Subtotal -Travel	108,000	88,239	82%
Contractual Services			
Rent - Office space	13,000	12,147	93%
Central Registration	65,000	65,008	100%
Accounting Services	8,500	8,373	99%
Legal Services	2,500	0	0%
Fund Audit	11,000	10,000	91%
Web Site Development & Hosting	10,000	7,579	76%
Federal Affairs	180,000	180,000	100%
Other	25,000	5,031	20%
Subtotal - Contractual Services	315,000	288,137	91%

Meeting Expenses	60,000	51,339	86%
Reserve	25,000	0	0%
Online Taxability matrix	6,500	0	0%
TOTAL EXPENSES	927,475	769,862	83%
Surplus(Deficit) for Budget Period	<u>(135,975)</u>	<u>(101,885)</u>	
ENDING BALANCE	\$406,520	440,610	

Streamlined Sales Tax Governing Board Inc
Balance Sheet
For the 12 months ended June 30, 2013

Assets

Current Assets

Cash and cash equivalents	\$615,220
Dues Receivable	0
Rent Deposit Receivable	846
Streamline Conferences-Registrations	71
Prepaid Expenses	18,324
Total current assets	<u>634,461</u>

Noncurrent assets

Furniture and equipment, net	9,141
Rent Deposit	0
Total noncurrent assets	<u>9,141</u>

Total assets	<u><u>\$643,601</u></u>
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Liabilities and net assets

Current Liabilities

Accounts payable	\$3,664
Vacation Payable	12,961
Deferred revenue-Membership	186,366
Deferred revenue-May Meeting	0
Total current liabilities	<u>202,991</u>

Long-term Liabilities

Deferred revenue-Membership	0
Total liabilities	<u>\$202,991</u>

Commitments and Contingencies

Net Assets

Unrestricted	440,610
Total Liabilities and Net Assets	<u><u>\$643,601</u></u>

Streamlined Sales Tax Governing Board Inc
Cash Flow Statement
For the 12 months ended June 30, 2013

Cash flows from operating activities		
Change in net assets	(101,885)	Net Loss
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,628	
(Increase) decrease in assets		
Accounts receivable	7,301	
Prepaid expenses	4,293	
Increase (decrease) in liabilities		
Accounts payable	2,351	
Accrued liabilities	(10,052)	
Deferred revenue	64,492	
Streamlined Conferences Cash		
New cash flows provided by operating activities	<u>(31,872)</u>	
Cash flows from investing activities		
Purchases of furniture and equipment	(8,287)	
Net cash used in investing activities		
Net increase (decrease) in cash and cash equivalents	<u>(40,159)</u>	
Cash and cash equivalents, beginning of year	655,379	
Cash and cash equivalents, end of year	615,220	

Streamlined Sales Tax Governing Board, Inc.

Historical Expenditures

FY 2004 through FY 2013

(see next page)