

# **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**

	<b>FY 2013</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>BEGINNING BALANCE</b>	\$542,495	\$542,495	
<b>INCOME</b>			
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%
<b>TOTAL INCOME</b>	<b>791,500</b>	<b>667,977</b>	<b>84%</b>
<b>EXPENSES</b>			
<b>Salaries and Benefits</b>			
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%
<b>Subtotal – Salaries and Benefits</b>	<b>365,475</b>	<b>305,188</b>	<b>84%</b>
<b>Office Expense</b>			
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%
<b>Subtotal -Office Expense</b>	<b>47,500</b>	<b>36,958</b>	<b>78%</b>
<b>Travel</b>			
Employee Travel	53,000	46,316	87%
Other Travel	30,000	21,853	73%
Legislative travel	25,000	20,071	80%
<b>Subtotal -Travel</b>	<b>108,000</b>	<b>88,239</b>	<b>82%</b>
<b>Contractual Services</b>			
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%
<b>Subtotal - Contractual Services</b>	<b>315,000</b>	<b>288,137</b>	<b>91%</b>

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

**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	<u>18,324</u>
<b>Total current assets</b>	<b>634,461</b>

**Noncurrent assets**

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

<b>Total assets</b>	<b><u><u>\$643,601</u></u></b>
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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	<u>0</u>
<b>Total current liabilities</b>	<b>202,991</b>

**Long-term Liabilities**

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

Commitments and Contingencies

**Net Assets**

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

**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		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>(40,159)</u></b>	
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 2005 through FY 2013

(see next page)