

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2016

(unaudited)

**Submitted to the Governing Board
October 13, 2016**

Annual Financial Report for FY 2016

The Governing Board ended FY 2016 with a balance of \$685,960 resulting from an operating surplus of \$109,626 for the fiscal year. When the budget was adopted in the fall of 2015 the projected balance was expected to be \$489,609 with an operating deficit of \$86,725. FY2016 ended with a surplus for various reasons including less travel expenses overall than anticipated (approximately \$50,000), not having to use the reserve built into the budget and generally keeping a close eye on expenses and taking advantage of savings where possible.

Receipts totaled \$1,049,131. Receipts came from the membership dues paid by full and associate member states (\$983,650) and gross revenue generated from meetings (\$62,554). Although Meeting Fees were about \$12,000 more than anticipated, the Meeting Expenses were also more than anticipated. The overall goal with respect to the meetings is to just break-even.

Expenses totaled \$939,505. With the exception of Meeting Expenses, all major expense categories came in under budget - Salaries and Benefits, Office Expenses, Travel Expenses, and Contractual Expenses. Actual expenses were nearly \$200,000 below budgeted amounts.

Major budgetary developments in FY 2016 included:

- Continuation of the contracts with two governmental affairs firms
- New central registration system development

At the end of FY 2016, assets of the Governing Board totaled \$1,131,244, of which 98% 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. Unrestricted Net Assets at the end of FY 2016 were approximately \$110,000 more than Unrestricted Net Assets at the end of FY 2015.

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 Westby Co-op Credit Union. Interest earned on these accounts was minimal. Although moving some of these amounts to slightly higher interest bearing accounts would be nice, it would also require that the amounts remain in those accounts for extended periods of time and would affect the readily available cash that may be needed.

The following financial statements are included: (1) balance sheet as of June 30, 2016; (2) the income statement showing the Budgeted and Actual Receipts and Expenditures for FY 2016; (3) a cash flow statement for FY 2016; and (4) a historical presentation of the Income and Expense Statements from FY 2006 through FY 2016.

These documents reflect a stable financial condition after nearly eleven years of operation under the Governing Board.

Annual Financial Report for FY 2016

Streamlined Sales Tax Governing Board Inc Statement of Activities For the 12 months ended June 30, 2016

	FY 2016 Budget	Final FY 2016 Actual	Percentage Of Budget
BEGINNING BALANCE	\$576,334	\$576,334	
INCOME			
Member Payments	983,650	983,650	100%
Member payments held in escrow	0	0	
Publication Sales	0	0	
Investment Income	1,500	963	64%
Other income	0	1,964	
NGA/NCSL Contributions	0	0	
Meeting Income	50,000	62,554	125%
TOTAL INCOME	1,035,150	1,049,131	101%
EXPENSES			
Salaries and Benefits			
Salaries *	350,200	339,221	97%
Payroll Taxes	28,000	25,190	90%
Health coverage*	19,200	8,324	43%
Retirement Expense	10,275	5,577	54%
Subtotal - Salaries	407,675	378,312	93%
Office Expense			
Telecommunications	22,000	14,944	68%
Printing	2,000	110	6%
Materials and Supplies	6,000	3,785	63%
Postage and Delivery	2,000	643	32%
Law Service and Books	2,000	1,470	74%
Computer Equipment and Furniture - Depreciation	3,000	3,752	125%
Computer Equipment and Furniture	5,000	1,248	25%
Other Insurance	1,500	1,215	81%
Credit card fees	1,200	957	80%
Other	1,500	250	17%
Subtotal -Office Expense	46,200	28,375	61%

Annual Financial Report for FY 2016

Travel			
Employee Travel	55,000	40,845	74%
Other Travel	35,000	15,928	46%
Chairperson Travel (SLAC,Audit,Cert)	10,000	8,784	88%
Legislative travel	25,000	6,902	28%
Subtotal -Travel	125,000	72,459	58%
Contractual Services			
Rent - Office space	12,000	9,825	82%
Central Registration			
Annual Hosting	20,000	18,752	94%
Annual Maintenance, Support and Licenses	55,000	38,470	70%
Development of New System	120,000	112,337	94%
Accounting Services	8,500	6,682	79%
Legal Services	2,500	0	0%
Fund Audit	12,000	10,400	87%
Web Site Development & Hosting	13,000	7,339	56%
Federal Affairs	186,000	186,000	100%
Other	25,000	5,912	24%
Subtotal - Contractual Services	454,000	395,717	87%
Meeting Expenses			
Semi Annual Meetings	55,000	60,400	110%
Committee Meetings	5,000	3,282	66%
Subtotal - Meeting Expenses	60,000	63,682	106%
Reserve	25,000	0	0%
Online Taxability Matrix	2,000	315	16%
Online Certificate of Compliance	2,000	645	32%
TOTAL EXPENSES	1,121,875	939,505	84%
Surplus(Deficit) for Budget Period	(86,725)	109,626	
ENDING BALANCE	\$489,609	\$685,960	

* The amounts that were previously included as Health Coverage have been added to the salaries line.

Annual Financial Report for FY 2016

Streamlined Sales Tax Governing Board Inc
Balance Sheet
For the 12 months ended June 30, 2016

	Beginning Balances (7/1/2015)	Ending Balances (6/30/16)
Assets		
Current Assets		
Cash and cash equivalents	\$856,625	\$1,111,544
Meeting Receivables	3,314	6,821
Insurance receivable		1,964
Prepaid Expenses	8,952	2,025
Total current assets	868,891	1,122,353
Noncurrent assets		
Furniture and equipment, net	4,434	8,175
Rent Deposit	715	715
Total noncurrent assets	5,149	8,890
Total assets	\$874,040	\$1,131,244
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	988	142,085
Vacation Payable	27,060	37,896
Deferred revenue-Membership	269,658	265,303
Deferred revenue-Meetings	0	0
Total current liabilities	297,706	445,284
Long term Liabilities		
Deferred revenueue-Membership	0	0
Total liabilities	\$297,706	\$445,284
Commitments and Contingencies		
Net Assets		
Unrestricted	576,334	685,960
Total Liabilities and Net Assets	\$874,040	\$1,131,244

Annual Financial Report for FY 2016

Streamlined Sales Tax Governing Board Inc Statement of Cash Flows For the 12 months ended June 30, 2016

Cash flows from operating activities

Change in net assets	109,626
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,752
Loss on disposal of fixed assets	
(Increase) decrease in assets	
Accounts receivable	(5,471)
Prepaid expenses	6,927
Increase (decrease) in liabilities	
Accounts payable	141,097
Accrued liabilities	10,836
Deferred revenue	(4,355)
Streamlined Conferences Cash	

New cash flows provided by operating activities	262,412
--	----------------

Cash flows from investing activities

Purchases of furniture and equipment	(7,493)
Net cash used in investing activities	

Net increase (decrease) in cash and cash equivalents	254,919
---	----------------

Cash and cash equivalents, beginning of year	856,625
--	---------

Cash and cash equivalents, end of year	1,111,544
--	-----------

Annual Financial Report for FY 2016

Streamlined Sales Tax Governing Board- Actuals Over Time											
	FY 2006	FY 2007	FY 2008	FY 2009	FY2010	FY2011	FY2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
BEGINNING BALANCE	\$ 220,867	\$ 361,228	\$ 640,336	\$ 842,779	\$ 832,239	\$ 718,870	\$ 656,595	\$ 542,495	\$ 440,610	\$ 462,725	\$ 576,336
INCOME											
Member payments	\$ 300,000	\$ 604,000	\$ 600,000	\$ 473,455	\$ 606,501	\$ 580,000	\$ 620,000	\$ 620,000	\$ 775,000	\$ 954,998	\$ 983,650
Member payments held in escrow	\$ -	\$ -	\$ 104,545	\$ 106,545	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
Publication sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	\$ 7,048	\$ 29,622	\$ 31,101	\$ 15,133	\$ 17,481	\$ 5,345	\$ 324	\$ (603)	\$ 1,057	\$ 677	\$ 963
Other income - unrealized gain	\$ -	\$ -	\$ -	\$ 5,330	\$ -	\$ (1,254)	\$ 3,896	\$ 41	\$ -	\$ -	\$ 1,964
NGA/NCSL contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meeting income	\$ 302,650	\$ 268,575	\$ 188,635	\$ 79,050	\$ 80,725	\$ 67,520	\$ 49,931	\$ 48,539	\$ 51,335	\$ 48,288	\$ 62,554
TOTAL INCOME	\$ 609,698	\$ 902,197	\$ 924,281	\$ 679,513	\$ 704,707	\$ 671,611	\$ 674,151	\$ 667,977	\$ 827,392	\$ 1,003,963	\$ 1,049,131
EXPENSES											
Salaries and Benefits											
Salaries	\$ 60,096	\$ 212,316	\$ 238,654	\$ 242,153	\$ 244,413	\$ 242,433	\$ 296,998	\$ 269,110	\$ 303,316	\$ 299,450	\$ 339,221
Payroll taxes	\$ 8,589	\$ 17,814	\$ 16,532	\$ 17,112	\$ 17,886	\$ 17,880	\$ 22,068	\$ 21,895	\$ 22,938	\$ 22,935	\$ 25,190
Health coverage	\$ 1,783	\$ 7,243	\$ 9,980	\$ 9,772	\$ 9,782	\$ 9,782	\$ 14,975	\$ 14,183	\$ 12,661	\$ 13,932	\$ 8,324
Retirement expense	\$ -	\$ 150	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ 4,821	\$ 4,861	\$ 5,577
Subtotal- Salaries	\$ 70,468	\$ 237,513	\$ 266,366	\$ 270,237	\$ 273,281	\$ 271,295	\$ 334,041	\$ 305,188	\$ 343,736	\$ 341,179	\$ 378,312
Office Expense											
Telecommunications	\$ 24,621	\$ 15,150	\$ 18,624	\$ 22,803	\$ 31,738	\$ 21,617	\$ 26,822	\$ 22,915	\$ 16,564	\$ 13,885	\$ 14,944
Printing	\$ 24,372	\$ 6,856	\$ 2,162	\$ 294	\$ -	\$ 1,927	\$ (509)	\$ -	\$ 872	\$ 194	\$ 110
Materials and supplies	\$ 87	\$ 4,191	\$ 7,947	\$ 6,066	\$ 4,855	\$ 5,303	\$ 9,370	\$ 6,711	\$ 2,364	\$ 1,388	\$ 3,785
Postage and delivery	\$ 676	\$ 1,902	\$ 1,355	\$ 531	\$ 915	\$ 2,517	\$ 2,999	\$ 2,947	\$ 389	\$ 275	\$ 643
Law service and books	\$ 743	\$ 1,147	\$ -	\$ 1,204	\$ 1,204	\$ 1,300	\$ -	\$ 1,300	\$ 1,404	\$ 1,470	\$ 1,470
Computer equip and furn - depre.	\$ -	\$ 3,347	\$ 4,756	\$ 4,226	\$ 2,163	\$ 1,449	\$ 1,449	\$ 1,628	\$ 3,795	\$ 2,762	\$ 3,752
Computer equip and furn	\$ -	\$ 5,355	\$ 1,138	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248
Other insurance	\$ -	\$ -	\$ 1,082	\$ 1,049	\$ 1,030	\$ 752	\$ 779	\$ 813	\$ 848	\$ 1,184	\$ 1,215
Credit card fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,643	\$ 957
Other	\$ 847	\$ 7,855	\$ -	\$ 3,400	\$ 175	\$ -	\$ -	\$ 645	\$ 5,016	\$ 365	\$ 250
Subtotal-Office Expense	\$ 51,346	\$ 45,803	\$ 37,064	\$ 39,723	\$ 42,080	\$ 34,865	\$ 40,909	\$ 36,958	\$ 31,252	\$ 23,165	\$ 28,375
Travel											
Employee travel	\$ 31,867	\$ 29,180	\$ 48,925	\$ 50,752	\$ 48,662	\$ 45,656	\$ 53,219	\$ 46,316	\$ 50,487	\$ 43,658	\$ 40,845
Other travel	\$ 7,687	\$ 3,891	\$ 15,172	\$ 20,418	\$ 44,346	\$ 29,142	\$ 41,897	\$ 21,853	\$ 40,612	\$ 26,573	\$ 15,928
Chairperson travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,870	\$ 8,784
Legislative travel	\$ -	\$ -	\$ -	\$ -	\$ 10,997	\$ 2,498	\$ 13,425	\$ 20,071	\$ 12,476	\$ 16,629	\$ 6,902
Subtotal- Travel	\$ 39,554	\$ 33,071	\$ 64,098	\$ 71,170	\$ 104,005	\$ 77,296	\$ 108,542	\$ 88,239	\$ 103,575	\$ 90,730	\$ 72,459
Contractual Services											
Rent - office space	\$ -	\$ 8,287	\$ 10,452	\$ 10,941	\$ 11,402	\$ 11,513	\$ 11,680	\$ 12,147	\$ 9,376	\$ 9,515	\$ 9,825
Central registration	\$ 72,938	\$ 52,594	\$ 8,094	\$ 6,500	\$ 10,250	\$ 6,500	\$ 35,965	\$ 65,008	\$ 36,820	\$ 164,502	\$ -
Annual Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,752
Annual Maintenance, Support and Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,470
Development of New System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,337
Accounting services	\$ 1,050	\$ 11,400	\$ 10,950	\$ 8,205	\$ 7,560	\$ 4,858	\$ 6,758	\$ 8,373	\$ 6,630	\$ 5,923	\$ 6,682
Legal services	\$ 9,850	\$ 11,050	\$ 2,200	\$ -	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund audit	\$ -	\$ 9,000	\$ 9,000	\$ 10,000	\$ 7,500	\$ 10,060	\$ 10,076	\$ 10,000	\$ 10,068	\$ 10,029	\$ 10,400
Web site development and hosting	\$ -	\$ 540	\$ -	\$ 17,178	\$ 20,664	\$ -	\$ 7,694	\$ 7,579	\$ 10,792	\$ 9,883	\$ 7,339
Federal affairs	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ 179,000	\$ 180,000	\$ 195,000	\$ 175,000	\$ 186,000
Other	\$ 20,890	\$ 5,429	\$ 28,218	\$ 113,392	\$ 59,193	\$ 58,151	\$ 8,390	\$ 5,031	\$ 7,719	\$ 6,299	\$ 5,912
Subtotal - Cont. Svcs.	\$ 104,728	\$ 98,300	\$ 68,914	\$ 166,216	\$ 297,019	\$ 271,082	\$ 259,563	\$ 288,138	\$ 276,405	\$ 381,151	\$ 395,717
Meeting Expenses	\$ 202,855	\$ 208,402	\$ 195,036	\$ 92,546	\$ 101,691	\$ 79,348	\$ 45,145	\$ 51,339	\$ 50,309	\$ -	\$ -
Semi Annual Meetings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,133	\$ 60,400
Committee Meetings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,993	\$ 3,282
Subtotal - Meeting Expenses	\$ 202,855	\$ 208,402	\$ 195,036	\$ 92,546	\$ 101,691	\$ 79,348	\$ 45,145	\$ 51,339	\$ 50,309	\$ 53,127	\$ 63,682
Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Online Taxability Matrix	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 315
Online Certificate of Compliance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 645
SST uncollected use tax study	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 468,951	\$ 623,089	\$ 631,478	\$ 690,054	\$ 818,076	\$ 733,885	\$ 788,250	\$ 769,862	\$ 805,277	\$ 890,353	\$ 939,505
Surplus/deficit for budget period	\$ 140,747	\$ 279,108	\$ 294,803	\$ (10,541)	\$ (113,369)	\$ (62,274)	\$ (114,100)	\$ (101,885)	\$ 22,115	\$ 113,611	\$ 109,626
ENDING BALANCE	\$ 361,614	\$ 640,336	\$ 935,139	\$ 832,238	\$ 718,870	\$ 656,596	\$ 542,495	\$ 440,610	\$ 462,725	\$ 576,336	\$ 685,962