

# **Streamlined Sales Tax Governing Board**

**Annual Financial Report for FY 2007**  
(unaudited)

**Submitted to the Governing Board**  
**September 20, 2007**

## **Streamlined Sales Tax Governing Board Annual Financial Report for FY 2007**

To end FY 2007, the Governing Board realized a surplus for the budget period of \$279,108. This resulted in an ending balance of accumulated receipts in excess of expenditures of \$640,336. Receipts totaled \$902,197 and came from the petition fees paid by full and associate member states (\$604,000), gross revenue generated from Streamlined meetings (\$268,575), and interest income (\$29,622). Expenses were below budgeted levels by \$225,411, and revenues were \$6,197 more than budgeted levels. Salaries and benefits, office expenses, travel expenses, and contractual expenses were all lower than anticipated. Salary and benefits were lower due to delays in completing the hiring process. Compared to the previous fiscal year, expenses were up by 33 percent, while revenues rose 48 percent. Major budgetary developments in FY 2007 include:

- Employment of two additional full time employees as anticipated in budget
- Rental of office space and purchase of furniture and equipment
- Write-off of uncollectible accounts receivable accumulated in past fiscal years
- Significantly lower expenditures for web site development, travel, insurance expenses, and other contractual services compared to budgeted levels

To begin FY 2007, the organization held \$369,105 in cash. Due principally to the operating surplus, the ending cash balance rose to \$855,770. A portion of the increase in cash represents accounts payable and prepaid FY08 dues from several member states.

At the end of FY 2007, assets of the Governing Board totaled \$933,879, of which 92 percent was held in the form of cash or cash equivalents. Much of the remainder was composed of accounts receivable, with minor portions representing furniture and equipment, prepaid expenses, and rental deposit.

The financial assets of the Governing Board are held in an Advantage Interest Checking account with Wachovia. This type of account is suitable for large non-profit organizations like the Governing Board, and earns competitive interest on balances above those needed to offset monthly service charges. Interest earned on this account totaled \$29,622 in FY07. 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, 2007; a historical presentation of the Income and Expense Statements from FY 2003 through FY 2007; the variance between Budgeted and Actual Receipts and Expenditures for FY 2007, a cash flow statement for FY 2007; and detailed breakdown of accounts payable and receivable.

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

**Streamlined Sales Tax Governing Board Inc**  
**Balance Sheet**  
**June 30, 2007**

**Assets**

Current Assets

Cash and cash equivalents	\$ 855,770
FTA Receivable	\$ 28,070
BAC receivable	\$ 1,918
Streamline Conferences-Registrations	\$ 35,870
Prepaid Expenses	\$ 1,691

Total current assets \$ 923,318

Noncurrent assets

Furniture and equipment, net	\$ 9,714
Rent Deposit	\$ 846

Total noncurrent assets \$ 10,560

**Total assets** **\$ 933,879**

**Liabilities and net assets**

Current Liabilities

Accounts payable	\$ 52,319
Vacation Payable	\$ 7,116
Deferred revenue-Membership	\$ 188,639
Deferred revenue-Meetings	\$ 315

Total current liabilities \$ 248,390

Long Term Liabilities

Deferred revenue-Membership	\$ 45,153
-----------------------------	-----------

Total liabilities \$ 293,543

Commitments and Contingencies

Net Assets

Unrestricted	\$ 640,336
--------------	------------

**Total Liabilities and Net Assets** **\$ 933,879**

**Streamlined Sales Tax Governing Board  
FY 2007 Annual Report of Receipts and Expenses**

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual
<b>BEGINNING BALANCE</b>	\$ 31,138	\$ 50,514	\$ 57,306	\$ 220,482	\$ 361,228
<b>INCOME</b>					
Member Payments	\$ -	\$ -	\$ 80,000	\$ 300,000	\$ 604,000
Member Payments held in escrow	\$ -	\$ -	\$ -	\$ -	\$ -
Publication Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	\$ -	\$ -	\$ -	\$ 7,048	\$ 29,622
NGA/NCSL Contributions	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Meeting Income	\$ 155,700	\$ 152,265	\$ 260,950	\$ 302,650	\$ 268,575
<b>TOTAL INCOME</b>	<b>\$ 155,700</b>	<b>\$ 152,265</b>	<b>\$ 440,950</b>	<b>\$ 609,698</b>	<b>\$ 902,197</b>
<b>EXPENSES</b>					
<b>Salaries and Benefits</b>					
Salaries	\$ -	\$ -	\$ -	\$ 60,096	\$ 212,306
Payroll Taxes	\$ -	\$ -	\$ -	\$ 8,589	\$ 17,814
Health coverage	\$ -	\$ -	\$ -	\$ 1,783	\$ 7,243
Retirement Expense	\$ -	\$ -	\$ -	\$ -	\$ 150
<b>Subtotal- Salaries</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,468</b>	<b>\$ 237,513</b>
<b>Office Expense</b>					
Telecommunications	\$ 7,650	\$ 8,209	\$ 21,461	\$ 24,621	\$ 15,150
Printing	\$ 3,666	\$ 1,248	\$ 7,140	\$ 24,372	\$ 6,856
Materials and Supplies	\$ 1,821	\$ -	\$ 432	\$ 87	\$ 4,191
Postage and Delivery	\$ 830	\$ 148	\$ 2,279	\$ 676	\$ 1,902
Law Service and Books	\$ -	\$ -	\$ -	\$ 743	\$ 1,147
Computer Equip. & Furniture-Depreciation	\$ -	\$ -	\$ -	\$ -	\$ 3,347
Computer Equipment and Furniture	\$ -	\$ -	\$ -	\$ -	\$ 5,355
Other Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 5,371	\$ 5,123	\$ 24,040	\$ 847	\$ 7,855
<b>Subtotal-Office Expense</b>	<b>\$ 19,338</b>	<b>\$ 14,729</b>	<b>\$ 55,352</b>	<b>\$ 51,346</b>	<b>\$ 45,804</b>
<b>Travel</b>					
Employee Travel	\$ -	\$ -	\$ -	\$ 31,867	\$ 29,180
Other Travel	\$ 2,664	\$ 3,176	\$ 18,676	\$ 7,687	\$ 3,891
<b>Subtotal- Travel</b>	<b>\$ 2,664</b>	<b>\$ 3,176</b>	<b>\$ 18,676</b>	<b>\$ 39,554</b>	<b>\$ 33,071</b>
<b>Contractual Services</b>					
Rent - Office Space	\$ -	\$ -	\$ -	\$ -	\$ 8,287
Central registration	\$ -	\$ -	\$ -	\$ 72,938	\$ 52,594
Accounting services	\$ -	\$ -	\$ -	\$ 1,050	\$ 11,400
Legal Services	\$ -	\$ -	\$ -	\$ 9,850	\$ 11,050
Fund audit	\$ -	\$ -	\$ -	\$ -	\$ 9,000
Web Site Development and Hosting	\$ -	\$ -	\$ -	\$ -	\$ 540
Other	\$ 14,555	\$ -	\$ -	\$ 20,890	\$ 5,429
<b>Subtotal - Cont. Svcs.</b>	<b>\$ 14,555</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 104,728</b>	<b>\$ 98,299</b>
<b>Meeting Expenses</b>	\$ 99,768	\$ 127,567	\$ 203,745	\$ 202,855	\$ 208,402
<b>Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 136,325</b>	<b>\$ 145,472</b>	<b>\$ 277,774</b>	<b>\$ 468,951</b>	<b>\$ 623,089</b>
<b>Surplus/Deficit for Budget Period</b>	<b>\$ 19,375</b>	<b>\$ 6,793</b>	<b>\$ 163,176</b>	<b>\$ 140,747</b>	<b>\$ 279,108</b>
<b>ENDING BALANCE</b>	<b>\$ 50,514</b>	<b>\$ 57,306</b>	<b>\$ 220,482</b>	<b>\$ 361,228</b>	<b>\$ 640,336</b>

**Streamlined Sales Tax Governing Board Inc**  
**Cash Flow**  
**For the 12 months ended June 30, 2007**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 279,108
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	\$ 3,347
(Increase) decrease in assets	
Accounts receivable	\$ 7,399
Prepaid expenses	\$ (2,537)
Increase (decrease) in liabilities	
Accounts payable	\$ 36,708
Accrued liabilities	\$ 7,116
Deferred revenue	\$ 166,492
New cash flows provided by operating activities	\$ 497,633
Cash flows from investing activities	
Purchases of furniture and equipment	\$ (10,969)
Net increase (decrease) in cash and cash equivalents	\$ 486,664
<b>Cash and cash equivalents, beginning of year</b>	<b>\$ 369,105</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 855,769</b>

**Streamlined Sales Tax Governing Board  
Comparison of FY 2007 Budgeted and Actual Amounts**

	FY 2007 Budgeted	FY 2007 Actual	FY 2007 Variance
<b>BEGINNING BALANCE</b>	<b>\$ 361,228</b>	<b>\$ 361,228</b>	<b>\$ -</b>
<b>INCOME</b>			
Member Payments	\$ 564,000	\$ 604,000	\$ 40,000
Member Payments held in escrow	\$ 40,000	\$ -	\$ (40,000)
Publication Sales	\$ -	\$ -	\$ -
Investment Income	\$ 12,000	\$ 29,622	\$ 17,622
NGA/NCSL Contributions	\$ -	\$ -	\$ -
Meeting Income	\$ 280,000	\$ 268,575	\$ (11,425)
<b>TOTAL INCOME</b>	<b>\$ 896,000</b>	<b>\$ 902,197</b>	<b>\$ 6,197</b>
<b>EXPENSES</b>			
<b>Salaries and Benefits</b>			
Salaries	\$ 240,000	\$ 212,306	\$ (27,694)
Payroll Taxes	\$ 47,000	\$ 17,814	\$ (29,186)
Health coverage	\$ 13,500	\$ 7,243	\$ (6,257)
Retirement Expense	\$ 20,000	\$ 150	\$ (19,850)
<b>Subtotal- Salaries</b>	<b>\$ 320,500</b>	<b>\$ 237,513</b>	<b>\$ (82,987)</b>
<b>Office Expense</b>			
Telecommunications	\$ 20,000	\$ 15,150	\$ (4,850)
Printing	\$ 12,000	\$ 6,856	\$ (5,144)
Materials and Supplies	\$ 5,000	\$ 4,191	\$ (809)
Postage and Delivery	\$ 3,000	\$ 1,902	\$ (1,098)
Law Service and Books	\$ 500	\$ 1,147	\$ 647
Computer Equipment and Furniture-Depreciation	\$ -	\$ 3,347	\$ 3,347
Computer Equipment and Furniture	\$ 15,000	\$ 5,355	\$ (9,645)
Other Insurance	\$ 10,000	\$ -	\$ (10,000)
Other (write-off old receivables)	\$ -	\$ 7,855	\$ 7,855
<b>Subtotal-Office Expense</b>	<b>\$ 65,500</b>	<b>\$ 45,804</b>	<b>\$ (19,696)</b>
<b>Travel</b>			
Employee Travel	\$ 40,000	\$ 29,180	\$ (10,820)
Other Travel	\$ 18,000	\$ 3,891	\$ (14,109)
<b>Subtotal- Travel</b>	<b>\$ 58,000</b>	<b>\$ 33,071</b>	<b>\$ (24,929)</b>
<b>Contractual Services</b>			
Rent - Office Space	\$ 13,500	\$ 8,287	\$ (5,213)
Central registration	\$ 60,000	\$ 52,594	\$ (7,406)
Accounting services	\$ 11,000	\$ 11,400	\$ 400
Legal Services	\$ 20,000	\$ 11,050	\$ (8,950)
Fund audit	\$ 10,000	\$ 9,000	\$ (1,000)
Web Site Development and Hosting	\$ 35,000	\$ 540	\$ (34,460)
Other	\$ 20,000	\$ 5,429	\$ (14,571)
<b>Subtotal - Cont. Svcs.</b>	<b>\$ 169,500</b>	<b>\$ 98,299</b>	<b>\$ (71,201)</b>
<b>Meeting Expenses</b>	<b>\$ 210,000</b>	<b>\$ 208,402</b>	<b>\$ (1,598)</b>
<b>Reserve</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ (25,000)</b>
<b>TOTAL EXPENSES</b>	<b>\$ 848,500</b>	<b>\$ 623,089</b>	<b>\$ (225,411)</b>
<b>Surplus/Deficit for Budget Period</b>	<b>\$ 47,500</b>	<b>\$ 279,108</b>	<b>\$ 231,608</b>
<b>ENDING BALANCE</b>	<b>\$ 408,728</b>	<b>\$ 640,336</b>	<b>\$ 231,608</b>

**Streamlined Sales Tax Governing Board**  
**Detailed Statement of Accounts Payable and Receivable**  
**Year Ended June 30, 2007**

**Accounts Payable**

June accounting	\$	713
Governing Board Member Travel	\$	1,158
Website domain	\$	105
System Design	\$	844
Employee Benefits	\$	491
Webex	\$	1,322
FedEx	\$	16
The Allen Company	\$	846
June AmExp	\$	8,224
BAC June	\$	3,312
FTA registration fee	\$	2,660
June FTA Credit card fees	\$	838
Nashville Computer	\$	6
Watch System	\$	687
Printing SSO June	\$	4
Detroit Marriott June meeting	\$	31,095
<b>Total Accounts Payable</b>	<b>\$</b>	<b>52,319</b>

**Accounts Receivable**

**Conference Registrations**

January meeting	\$	950
March meeting	\$	15,405
April meeting	\$	1,500
May meeting	\$	1,175
June meeting	\$	13,455
July meeting	\$	410
August meeting	\$	675
October meeting	\$	500
December meeting	\$	1,800
Subtotal Conference Registrations	\$	35,870
BAC receivable-June meeting expense	\$	1,918
FTA receivable Credit card registrations	\$	28,070
<b>Total Accounts Receivable</b>	<b>\$</b>	<b>65,858</b>