

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2009

(unaudited)

**Submitted to the Governing Board
September 29, 2009**

Streamlined Sales Tax Governing Board

Annual Financial Report for FY 2009

The Governing Board ended FY 2009 with a balance of \$832,238 with an operating deficit of \$10,541. When the budget was adopted in the fall of 2007 the projected balance was expected to be \$673,298 with an operating deficit of \$261,842. The FY2009 budget was amended in June 2008 and September 2008 to reflect changing priorities.

Receipts totaled \$679,512. Receipts came from the petition fees paid by full and associate member states (\$580,000), gross revenue generated from meetings (\$79,050), and interest income (\$15,133). Revenues were \$70,488 below budget and declined 26 percent from the previous fiscal year.

Expenses totaled \$690,054. Salaries and benefits, office expenses, travel expenses, and contractual expenses were all lower than anticipated. Expenses were \$321,788 below budget and increased 9 percent over the previous fiscal year.

Major budgetary developments in FY 2009 include:

- Contracts with two government affairs firms
- Beginning a new web site
- A study of uncollected use tax

At the end of FY 2009, assets of the Governing Board totaled \$950,699, of which 87 percent was held in the form of cash or cash equivalents. Much of the remainder was composed of deferred member dues, accounts receivable, with minor portions representing furniture and equipment, prepaid expenses, and rental deposit.

The financial assets of the Governing Board are held in a checking account and money market account with Wachovia, a savings account with Green Bank, and certificates of deposits through Wachovia Securities. This mixture of accounts is designed to provide maximum deposit security and to earn competitive interest. Interest earned on these accounts totaled \$15,133 and an unrealized gain of \$5,330 from certificates of deposit. 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, 2009; a historical presentation of the Income and Expense Statements from FY 2002 through FY 2009; the variance between Budgeted and Actual Receipts and Expenditures for FY 2009, a cash flow statement for FY 2009; and detailed breakdown of accounts payable and receivable.

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

Streamlined Sales Tax Governing Board Inc
Balance Sheet
12 months ended June 30, 2009

Assets

Current assets

Cash and cash equivalents	\$929,199
Dues receivable	0
BAC receivable	0
Streamline conferences-registrations	4,000
Prepaid expenses	<u>16,768</u>

Total current assets 949,967

Noncurrent assets

Furniture and equipment, net	732
Total noncurrent assets	732
Total assets	<u>\$950,699</u>

Liabilities and net assets

Current liabilities

Accounts payable	\$8,356
Vacation payable	12,845
Deferred revenue-membership	0
Deferred revenue-meetings	<u>0</u>
Total current liabilities	21,202

Long term Liabilities

Deferred revenue-membership	<u>97,260</u>
Total liabilities	<u>\$118,462</u>

Commitments and contingencies

Net assets

Unrestricted	832,237
Total liabilities and net assets	<u>\$950,699</u>

Streamlined Sales Tax Governing Board Inc
Cash Flow
For the 12 months ended June 30, 2009

Cash flows from operating activities		
Change in net assets	(10,542)	Surplus operating
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,226	
Loss on disposal of fixed assets		
(Increase) decrease in assets		
Accounts receivable	8,675	
Prepaid expenses	(15,043)	
Increase (decrease) in liabilities		
Accounts payable	(74,375)	
Accrued liabilities	964	
Deferred revenue	(163,779)	
Streamlined conferences cash		
New cash flows provided by operating activities	<u>(249,874)</u>	
Cash flows from investing activities		
Purchases of furniture and equipment	0	
Net cash used in investing activities		
Net increase (decrease) in cash and cash equivalents	(249,874)	
Cash and cash equivalents, beginning of year	1,179,072	
Cash and cash equivalents, end of year	929,199	

Streamlined Sales Tax Governing Board Inc
Statement of Activities
For the 12 months ended June 30, 2009

	FY2009 Budget	Actual	Variance
BEGINNING BALANCE	\$935,140	\$842,779	
INCOME			
Member payments	473,455	473,455	100%
Member payments held in escrow	106,545	106,545	100%
Publication sales	0	0	
Investment income	20,000	15,133	76%
Other income - unrealized gain	0	5,330	
NGA/NCSL contributions	0	0	
Meeting income	150,000	79,050	53%
TOTAL INCOME	750,000	679,512	91%
EXPENSES			
Salaries and benefits			
Salaries	323,440	242,315	75%
Payroll taxes	23,400	17,112	73%
Health coverage	19,200	9,772	51%
Retirement expense	9,880	1,200	12%
Subtotal - salaries	375,920	270,399	72%
Office expense			
Telecommunications	20,000	22,803	114%
Printing	16,000	294	2%
Materials and supplies	6,000	6,066	101%
Postage and delivery	4,000	531	13%
Law service and books	1,500	1,204	80%
Computer equipment and furniture-depreciation	3,347	4,226	
Computer equipment and furniture	11,000	150	1%
Other insurance	10,000	1,049	10%
Other - write off of conference receivables	6,075	3,400	56%
Subtotal -office expense	77,922	39,723	51%
Travel			
Employee travel	50,000	50,752	102%
Other travel	50,000	20,418	41%
Subtotal -travel	100,000	71,170	71%
Contractual services			
Rent - office space	13,000	10,941	84%
Central registration	50,000	6,500	13%

Accounting services	12,500	8,205	66%
Legal services	17,500	0	0%
Fund audit	10,000	10,000	100%
Web site development & hosting	10,000	17,178	172%
Other	120,000	113,392	94%
Subtotal - contractual services	<u>233,000</u>	<u>166,215</u>	71%
Meeting expenses	150,000	92,546	62%
Registration system enhancements	0	0	
Reserve	25,000	0	
SST portion of uncollected use tax study	50,000	50,000	
TOTAL EXPENSES	1,011,842	690,054	68%
Surplus(deficit) for budget period	<u>(261,842)</u>	<u>(10,541)</u>	
ENDING BALANCE	\$673,298	\$832,238	

Streamlined Sales Tax Governing Board- Actuals Over Time

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual
BEGINNING BALANCE	\$ -	\$ 31,138.27	\$ 50,513.59	\$ 57,306.11	\$ 220,867.25	\$ 361,228.00	\$ 640,336.00	\$ 842,779.00
INCOME								
Member payments	\$ -	\$ -	\$ -	\$ 80,000.00	\$ 300,000.00	\$ 604,000.00	\$ 600,000.00	\$ 473,455.00
Member payments held in escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,545.00	\$ 106,545.00
Publication sales	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	\$ -	\$ -	\$ -	\$ -	\$ 7,048.00	\$ 29,622.00	\$ 31,101.00	\$ 15,133.00
Other income - unrealized gain	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,330.00
NGA/NCSL contributions	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -
Meeting income	\$ 204,547.50	\$ 155,700.00	\$ 152,265.00	\$ 260,950.00	\$ 302,650.00	\$ 268,575.00	\$ 188,635.00	\$ 79,050.00
TOTAL INCOME	\$ 207,547.50	\$ 155,700.00	\$ 152,265.00	\$ 440,950.00	\$ 609,698.00	\$ 902,197.00	\$ 924,281.00	\$ 679,513.00
EXPENSES								
Salaries and Benefits								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 60,096.00	\$ 212,316.00	\$ 238,654.20	\$ 242,153.00
Payroll taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,589.00	\$ 17,814.00	\$ 16,532	\$ 17,112.00
Health coverage	\$ -	\$ -	\$ -	\$ -	\$ 1,783.00	\$ 7,243.00	\$ 9,980	\$ 9,772.00
Retirement expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150.00	\$ 1,200	\$ 1,200.00
Subtotal- Salaries	\$ -	\$ -	\$ -	\$ -	\$ 70,468.00	\$ 237,513.00	\$ 266,366.15	\$ 270,237.00
Office Expense								
Telecommunications	\$ 9,697.98	\$ 7,649.84	\$ 8,209.46	\$ 21,461.00	\$ 24,621.00	\$ 15,150.00	\$ 18,624	\$ 22,803.00
Printing	\$ 719.80	\$ 3,665.80	\$ 1,248.18	\$ 7,102.31	\$ 24,372.00	\$ 6,856.00	\$ 2,162	\$ 294.00
Materials and supplies	\$ -	\$ 1,820.91	\$ -	\$ 432.23	\$ 87.00	\$ 4,191.00	\$ 7,947	\$ 6,066.00
Postage and delivery	\$ 1,381.56	\$ 830.23	\$ 148.20	\$ 1,931.74	\$ 676.00	\$ 1,902.00	\$ 1,355	\$ 531.00
Law service and books	\$ -	\$ -	\$ -	\$ -	\$ 743.00	\$ 1,147.00	\$ -	\$ 1,204.00
Computer equipment and furniture - depre.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,347.00	\$ 4,756	\$ 4,226.00
Computer equipment and furniture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,355.00	\$ 1,138	\$ 150.00
Other insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,082	\$ 1,049.00
Other - write off of conference receivables	\$ 2,314.06	\$ 5,370.86	\$ 5,123.00	\$ 24,040.00	\$ 847.00	\$ 7,855.00	\$ -	\$ 3,400.00
Subtotal-Office Expense	\$ 14,113.40	\$ 19,337.64	\$ 14,728.84	\$ 54,967.28	\$ 51,346.00	\$ 45,804.00	\$ 37,064.41	\$ 39,723.00
Travel								
Employee travel	\$ -	\$ -	\$ -	\$ -	\$ 31,867.00	\$ 29,180.00	\$ 48,925	\$ 50,752.00
Other travel	\$ 5,480.25	\$ 2,664.31	\$ 3,176.31	\$ 18,676.12	\$ 7,687.00	\$ 3,891.00	\$ 15,172	\$ 20,418.00
Subtotal- Travel	\$ 5,480.25	\$ 2,664.31	\$ 3,176.31	\$ 18,676.12	\$ 39,554.00	\$ 33,071.00	\$ 64,097.52	\$ 71,170.00
Contractual Services								
Rent - office space	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,287.00	\$ 10,452	\$ 10,941.00
Central registration	\$ -	\$ -	\$ -	\$ -	\$ 72,938.00	\$ 52,594.00	\$ 8,094	\$ 6,500.00
Accounting services	\$ -	\$ -	\$ -	\$ -	\$ 1,050.00	\$ 11,400.00	\$ 10,950	\$ 8,205.00
Legal services	\$ -	\$ -	\$ -	\$ -	\$ 9,850.00	\$ 11,050.00	\$ 2,200	\$ -
Fund audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00	\$ 9,000	\$ 10,000.00
Web site development and hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540.00	\$ -	\$ 17,178.00
Other	\$ -	\$ 14,554.83	\$ -	\$ -	\$ 20,890.00	\$ 5,429.00	\$ 28,218	\$ 113,392.00
Subtotal - Cont. Svcs.	\$ -	\$ 14,554.83	\$ -	\$ -	\$ 104,728.00	\$ 98,300.00	\$ 68,913.94	\$ 166,216.00
Meeting Expenses	\$ 156,815.58	\$ 99,767.90	\$ 127,567.33	\$ 203,745.46	\$ 202,855.00	\$ 208,402.00	\$ 195,036	\$ 92,546.00
Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SST portion of uncollected use tax study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00
TOTAL EXPENSES	\$ 176,409.23	\$ 136,324.68	\$ 145,472.48	\$ 277,388.86	\$ 468,951.00	\$ 623,089.00	\$ 631,478.00	\$ 690,054.00
Surplus/deficit for budget period	\$ 31,138.27	\$ 19,375.32	\$ 6,792.52	\$ 163,561.14	\$ 140,747.00	\$ 279,108.00	\$ 294,803.00	\$ (10,541.00)
ENDING BALANCE	\$ 31,138.27	\$ 50,513.59	\$ 57,306.11	\$ 220,867.25	\$ 361,614.25	\$ 640,336.00	\$ 935,139.00	\$ 832,238.00

Streamlined Sales Tax Governing Board
Detailed Statement of Accounts Payable and Receivable
Year Ended June 30, 2009

Accounts Payable:

Scott Peterson	\$ 1,225.49
Jessica Ando 401K	\$ 100.00
David Thompson	\$ 893.20
Carol Faulb	\$ 400.00
Webex	\$ 1,564.00
Al Novstrup refund	\$ 175.00
FTA	\$ 730.00
Webex	\$ 811.35
Pamela Cook	\$ 1,925.00
Charles Sewell	\$ 532.09
	<u>\$ 8,356.13</u>

Accounts Receivable:

May meeting	\$ 4,000.00
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Items Prepaid:

Rent	\$ 922.50
Charles Sewell	\$ 10,000.00
Clark Lytle	\$ 5,000.00
Rent deposit	\$ 845.63
	<u>\$ 16,768.13</u>

Deferred Member Dues:

South Dakota	\$ 16,101.00
Indiana	\$ 30,696.00
Washington	\$ 50,463.00
	<u>\$ 97,260.00</u>