

# **Streamlined Sales Tax Governing Board**

## **Annual Financial Report for FYE 6/30/2019**

(unaudited)

**Submitted to the Governing Board  
October 2, 2019**

The Governing Board ended FYE 6/30/2019 with a balance of \$1,140,362 resulting from an operating surplus of \$117,963 for the fiscal year. When the revised budget was adopted in the fall of 2018 the projected balance was expected to be \$905,774 with an operating deficit of \$116,625.

FYE 6/30/2019 ended with an operating surplus for various reasons including higher interest income than expected, lower office expenses, significantly lower travel expenses overall than anticipated, 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 \$1,078,880. Receipts came from the membership dues paid by full and associate member states (\$983,650) and gross revenue generated from meetings (\$68,590). Although Meeting Revenues were higher than expected, Meeting Expenses were also higher than anticipated. The overall goal is to break-even on the meetings.

Expenses totaled \$960,917. Overall, the major categories of Salaries and Benefits, Office Expenses, Travel Expenses and Contractual Expenses came in at or under budget. Actual expenses were about \$200,000 below budgeted amounts.

Major budgetary developments in FYE June 30, 2019 included:

- Completion of the new website;
- Terminating the contract with one of the two governmental affairs firms in May 2019;
- Continued operation of and various upgrades to the central registration system;
- Addition of a FTE to replace a position that was previously 50% FTE
- Reimbursing state delegates for travel expenses to enable them to attend the Governing Board meetings.

At the end of FYE June 30, 2019, assets of the Governing Board totaled \$1,378,970, of which 99% 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 FYE June 30, 2019 were approximately \$120,000 more than Unrestricted Net Assets at the end of FYE June 30, 2018.

The financial assets of the Governing Board are held in a checking account, money market account and certificate of deposits with Westby Co-op Credit Union. Interest rates earned on these accounts were much higher than in previous years with Wells Fargo.

The following financial statements are included: (1) the income statement showing the Budgeted and Actual Receipts and Expenditures for FYE June 30, 2019; (2) the balance sheet as of June 30, 2019; (3) a cash flow statement for FYE June 30, 2019; and (4) a historical presentation of the Income and Expense Statements from FY 2007 through FY 2019.

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

Streamlined Sales Tax Governing Board, Inc.  
Statement of Activities  
For the twelve months ended June 30, 2019

	FY2019 Budget	Year to date FY 6/30/2019	Percentage Of Budget
<b>BEGINNING BALANCE</b>	\$1,022,399	\$1,022,399	
<b>INCOME</b>			
Member Payments	983,650	983,650	100%
Member payments held in escrow			
Investment Income	10,000	26,640	266%
Other income		0	
Meeting Income	50,000	68,590	137%
<b>TOTAL INCOME</b>	<b>1,043,650</b>	<b>1,078,880</b>	<b>103%</b>
<b>EXPENSES</b>			
Salaries and Benefits			
Salaries	375,000	379,918	101%
Payroll Taxes	31,000	28,511	92%
Retirement Expense	10,275	6,792	66%
<b>Subtotal - Salaries</b>	<b>416,275</b>	<b>415,222</b>	<b>100%</b>
<b>Office Expense</b>			
Telecommunications	17,500	13,461	77%
Printing	2,000	0	0%
Materials and Supplies	6,000	2,159	36%
Postage and Delivery	1,500	132	9%
Law Service and Books	2,500	1,490	60%
Computer Equipment and Furniture-Depreciation	5,000	2,918	58%
Computer Equipment and Furniture	6,000	0	0%
Other Insurance	2,500	1,777	71%
Other	1,500	2,049	137%
<b>Subtotal -Office Expense</b>	<b>44,500</b>	<b>23,986</b>	<b>54%</b>
<b>Travel</b>			
Employee Travel	65,000	59,120	91%
Other Travel	40,000	21,201	53%
Chairperson Travel (SLAC-Audit-Cert-CRIC )	20,000	17,161	86%
State Delegate/Designee Travel	48,000	21,554	45%
Audit Core Team Travel	7,500	2,611	35%
State Auditor Training Travel	0	0	
Legislative travel	25,000	2,393	10%
<b>Subtotal -Travel</b>	<b>205,500</b>	<b>124,040</b>	<b>60%</b>
<b>Contractual Services</b>			
Rent - Office space	12,000	9,975	83%
Central Registration			
Annual Hosting	28,000	26,926	96%
Annual Maintenance, Support and Licenses	60,000	56,624	94%
Development of New System	20,000	18,696	93%
Accounting Services	10,000	6,250	63%
Legal Services	25,000	0	0%
Fund Audit	13,000	12,474	96%
Web Site Development & Hosting	9,000	6,377	71%
Federal Affairs	186,000	175,000	94%
Website Redesign	15,000	13,100	87%
Other	25,000	5,699	23%
<b>Subtotal - Contractual Services</b>	<b>403,000</b>	<b>331,122</b>	<b>82%</b>
<b>Meeting Expenses</b>			
Write off Receivables	0	0	
Semi Annual Meetings	55,000	60,326	110%
Committee Meetings	7,000	6,041	86%
<b>Subtotal - Meeting Expenses</b>	<b>62,000</b>	<b>66,367</b>	<b>107%</b>
Reserve	25,000	0	0%
Online Taxability Matrix	2,000	0	0%
Online Certificate of Compliance	2,000	180	9%
<b>TOTAL EXPENSES</b>	<b>1,160,275</b>	<b>960,917</b>	<b>83%</b>
Surplus(Deficit) for Budget Period	(116,625.00)	117,963	
<b>ENDING BALANCE</b>	<b>\$905,774</b>	<b>1,140,362</b>	

Streamlined Sales Tax Governing Board, Inc.  
Balance Sheet  
For the twelve months ended June 30, 2019

	Beginning Balances 7/1/2018	Ending Balances 6/30/2019	Change From Beginning of Year
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$1,276,581	\$1,360,207	83,626
Meeting receivables	5,250	3,275	(1,975)
Insurance receivable	0	0	0
Prepaid Expenses	0	9,136	9,136
<b>Total current assets</b>	<b>1,281,831</b>	<b>1,372,618</b>	<b>90,787</b>
<b>Noncurrent assets</b>			
Furniture and equipment, net	2,039	5,637	3,598
Rent Deposit	715	715	0
<b>Total noncurrent assets</b>	<b>2,754</b>	<b>6,352</b>	<b>3,598</b>
<b>Total assets</b>	<b>\$1,284,585</b>	<b>\$1,378,970</b>	<b>94,385</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable	18,815	18,029	(786)
Vacation Payable	31,941	34,912	2,971
Deferred revenue-Membership	211,430	185,668	(25,762)
Deferred revenue-Meetings	0	0	0
<b>Total current liabilities</b>	<b>262,186</b>	<b>238,608</b>	<b>(23,578)</b>
<b>Long term Liabilities</b>			
Deferred revenue-Membership	0	0	0
<b>Total liabilities</b>	<b>\$262,186</b>	<b>\$238,608</b>	<b>(23,578)</b>
<b>Commitments and Contingencies</b>			
<b>Net Assets</b>			
Unrestricted	1,022,399	1,140,362	117,963
<b>Total Liabilities and Net Assets</b>	<b>\$1,284,585</b>	<b>\$1,378,970</b>	<b>94,385</b>

**Streamlined Sales Tax Governing Board, Inc.**  
**Cash Flow**  
**For the twelve months ended June 30, 2019**

**Cash flows from operating activities**

Change in net assets	117,963
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,918
Loss on disposal of fixed assets	
(Increase) decrease in assets	
Accounts receivable	1,975
Prepaid expenses	(9,136)
Increase (decrease) in liabilities	
Accounts payable	(786)
Accrued liabilities	2,969
Deferred revenue	(25,762)
Streamlined Conferences Cash	

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**New cash flows provided by operating activities** **90,141**

**Cash flows from investing activities**

Purchases of furniture and equipment	(6,516)
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Net cash used in investing activities

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**Net increase (decrease) in cash and cash equivalents** **83,625**

Cash and cash equivalents, beginning of year 1,276,581

Cash and cash equivalents, end of 4th quarter 1,360,206

**Streamlined Sales Tax Governing Board- Actuals Over Time**

	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual
<b>BEGINNING BALANCE</b>	\$ 361,228	\$ 640,336	\$ 842,779	\$ 832,239	\$ 718,870	\$ 656,595	\$ 542,495	\$ 440,610	\$ 462,725	\$ 576,336	\$ 685,960	\$ 844,726	\$ 1,022,399
<b>INCOME</b>													
Member payments	\$ 604,000	\$ 600,000	\$ 473,455	\$ 606,501	\$ 580,000	\$ 620,000	\$ 620,000	\$ 775,000	\$ 954,998	\$ 983,650	\$ 983,665	\$ 983,650	983,650
Member payments held in escrow	\$ -	\$ 104,545	\$ 106,545	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Publication sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	\$ 29,622	\$ 31,101	\$ 15,133	\$ 17,481	\$ 5,345	\$ 324	\$ (603)	\$ 1,057	\$ 677	\$ 963	\$ 1,033	\$ 7,060	26,640
Other income - unrealized gain	\$ -	\$ -	\$ 5,330	\$ -	\$ (1,254)	\$ 3,896	\$ 41	\$ -	\$ -	\$ 1,964	\$ -	\$ -	0
NGA/NCSL contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meeting income	\$ 268,575	\$ 188,635	\$ 79,050	\$ 80,725	\$ 67,520	\$ 49,931	\$ 48,539	\$ 51,335	\$ 48,288	\$ 62,554	\$ 45,545	\$ 49,225	68,590
<b>TOTAL INCOME</b>	\$ 902,197	\$ 924,281	\$ 679,513	\$ 704,707	\$ 671,611	\$ 674,151	\$ 667,977	\$ 827,392	\$ 1,003,963	\$ 1,049,131	\$ 1,030,243	\$ 1,039,935	1,078,880
<b>EXPENSES</b>													
<b>Salaries and Benefits</b>													
Salaries	\$ 212,316	\$ 238,654	\$ 242,153	\$ 244,413	\$ 242,433	\$ 296,998	\$ 269,110	\$ 303,316	\$ 299,450	\$ 339,221	\$ 342,997	\$ 309,253	379,918
Payroll taxes	\$ 17,814	\$ 16,532	\$ 17,112	\$ 17,886	\$ 17,880	\$ 22,068	\$ 21,895	\$ 22,938	\$ 22,935	\$ 25,190	\$ 26,122	\$ 23,571	28,511
Health coverage	\$ 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	\$ 6,720	\$ 6,906	6,792
<b>Subtotal- Salaries</b>	\$ 237,513	\$ 266,366	\$ 270,237	\$ 273,281	\$ 271,295	\$ 334,041	\$ 305,188	\$ 343,736	\$ 341,179	\$ 378,312	\$ 375,839	\$ 339,730	415,222
<b>Office Expense</b>													
Telecommunications	\$ 15,150	\$ 18,624	\$ 22,803	\$ 31,738	\$ 21,617	\$ 26,822	\$ 22,915	\$ 16,564	\$ 13,885	\$ 14,944	\$ 15,706	\$ 12,817	13,461
Printing	\$ 6,856	\$ 2,162	\$ 294	\$ -	\$ 1,927	\$ (509)	\$ -	\$ 872	\$ 194	\$ 110	\$ 1,331	\$ -	0
Materials and supplies	\$ 4,191	\$ 7,947	\$ 6,066	\$ 4,855	\$ 5,303	\$ 9,370	\$ 6,711	\$ 2,364	\$ 1,388	\$ 3,785	\$ 1,795	\$ 2,280	2,159
Postage and delivery	\$ 1,902	\$ 1,355	\$ 531	\$ 915	\$ 2,517	\$ 2,999	\$ 2,947	\$ 389	\$ 275	\$ 643	\$ 354	\$ 272	132
Law service and books	\$ 1,147	\$ -	\$ 1,204	\$ 1,204	\$ 1,300	\$ -	\$ 1,300	\$ 1,404	\$ 1,470	\$ 1,470	\$ 1,617	\$ 1,617	1,490
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	\$ 3,115	\$ 3,022	2,918
Computer equip and furn	\$ 5,355	\$ 1,138	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248	\$ 139	\$ -	0
Other insurance	\$ -	\$ 1,082	\$ 1,049	\$ 1,030	\$ 752	\$ 779	\$ 813	\$ 848	\$ 1,184	\$ 1,215	\$ 1,212	\$ 2,233	1,777
Credit card fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,643	\$ 957	\$ -	\$ 226	\$ -
Other	\$ 7,855	\$ -	\$ 3,400	\$ 175	\$ -	\$ -	\$ 645	\$ 5,016	\$ 365	\$ 250	\$ 939	\$ 465	2,049
<b>Subtotal-Office Expense</b>	\$ 45,803	\$ 37,064	\$ 39,723	\$ 42,080	\$ 34,865	\$ 40,909	\$ 36,958	\$ 31,252	\$ 23,165	\$ 28,375	\$ 26,208	\$ 22,931	23,986
<b>Travel</b>													
Employee travel	\$ 29,180	\$ 48,925	\$ 50,752	\$ 48,662	\$ 45,656	\$ 53,219	\$ 46,316	\$ 50,487	\$ 43,658	\$ 40,845	\$ 41,384	\$ 51,676	59,120
Other travel	\$ 3,891	\$ 15,172	\$ 20,418	\$ 44,346	\$ 29,142	\$ 41,897	\$ 21,853	\$ 40,612	\$ 26,573	\$ 15,928	\$ 20,028	\$ 27,887	21,201
Chairperson travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,870	\$ 8,784	\$ 13,641	\$ 14,901	17,161
State Delegate/Designee Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,812	\$ 16,977	21,554
Audit Core Team Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,800	\$ 1,375	2,611
State Auditor Training Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,747	\$ -	0
Legislative travel	\$ -	\$ -	\$ -	\$ 10,997	\$ 2,498	\$ 13,425	\$ 20,071	\$ 12,476	\$ 16,629	\$ 6,902	\$ 5,811	\$ 5,154	2,393
<b>Subtotal- Travel</b>	\$ 33,071	\$ 64,098	\$ 71,170	\$ 104,005	\$ 77,296	\$ 108,542	\$ 88,239	\$ 103,575	\$ 90,730	\$ 72,459	\$ 127,223	\$ 117,969	124,040
<b>Contractual Services</b>													
Rent - office space	\$ 8,287	\$ 10,452	\$ 10,941	\$ 11,402	\$ 11,513	\$ 11,680	\$ 12,147	\$ 9,376	\$ 9,515	\$ 9,825	\$ 9,971	\$ 10,255	9,975
Central registration	\$ 52,594	\$ 8,094	\$ 6,500	\$ 10,250	\$ 6,500	\$ 35,965	\$ 65,008	\$ 36,820	\$ 164,502	\$ -	\$ -	\$ -	\$ -
Annual Hosting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,752	\$ 25,800	\$ 18,350	26,926
Annual Maint, Support and Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,470	\$ 48,299	\$ 40,459	56,624
Development of New System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,337	\$ -	\$ -	18,696
Accounting services	\$ 11,400	\$ 10,950	\$ 8,205	\$ 7,560	\$ 4,858	\$ 6,758	\$ 8,373	\$ 6,630	\$ 5,923	\$ 6,682	\$ 6,381	\$ 6,650	6,250
Legal services	\$ 11,050	\$ 2,200	\$ -	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,609	0
Fund audit	\$ 9,000	\$ 9,000	\$ 10,000	\$ 7,500	\$ 10,060	\$ 10,076	\$ 10,000	\$ 10,068	\$ 10,029	\$ 10,400	\$ 9,998	\$ 13,500	12,474
Web site development and hosting	\$ 540	\$ -	\$ 17,178	\$ 20,664	\$ -	\$ 7,694	\$ 7,579	\$ 10,792	\$ 9,883	\$ 7,339	\$ 4,409	\$ 5,889	6,377
Federal affairs	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ 179,000	\$ 180,000	\$ 195,000	\$ 175,000	\$ 186,000	\$ 186,000	\$ 186,000	175,000
Website Redesign	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500	13,100
Other	\$ 5,429	\$ 28,218	\$ 113,392	\$ 59,193	\$ 58,151	\$ 8,390	\$ 5,031	\$ 7,719	\$ 6,299	\$ 5,912	\$ 3,040	\$ 3,712	5,699
<b>Subtotal - Cont. Svcs.</b>	\$ 98,300	\$ 68,914	\$ 166,216	\$ 297,019	\$ 271,082	\$ 259,563	\$ 288,138	\$ 276,405	\$ 381,151	\$ 395,717	\$ 293,898	\$ 321,925	331,122
<b>Meeting Expenses</b>	\$ 208,402	\$ 195,036	\$ 92,546	\$ 101,691	\$ 79,348	\$ 45,145	\$ 51,339	\$ 50,309	\$ -	\$ -	\$ -	\$ -	\$ -
Write Off Receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,260	\$ 355	0
Semi Annual Meetings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,133	\$ 60,400	\$ 41,096	\$ 52,023	60,326
Committee Meetings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,993	\$ 3,282	\$ 4,409	\$ 5,680	6,041
<b>Subtotal - Meeting Expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,127	\$ 63,682	\$ 46,765	\$ 58,058	66,367
<b>Reserve</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
<b>Online Taxability Matrix</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 315	\$ 945	\$ 825	0
<b>Online Certificate of Compliance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 645	\$ 600	\$ 825	180
SST uncollected use tax study	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	\$ 623,089	\$ 631,478	\$ 690,054	\$ 818,076	\$ 733,885	\$ 788,250	\$ 769,862	\$ 805,277	\$ 890,353	\$ 939,505	\$ 871,478	\$ 862,263	960,917
<b>Surplus/deficit for budget period</b>	\$ 279,108	\$ 294,803	\$ (10,541)	\$ (113,369)	\$ (62,274)	\$ (114,100)	\$ (101,885)	\$ 22,115	\$ 113,611	\$ 109,626	\$ 158,765	\$ 177,673	117,963
<b>ENDING BALANCE</b>	\$ 640,336	\$ 935,139	\$ 832,238	\$ 718,870	\$ 656,596	\$ 542,495	\$ 440,610	\$ 462,725	\$ 576,336	\$ 685,962	\$ 844,725	\$ 1,022,398	1,140,362