



## MEMO

**To : FISCAL COMMITTEE  
ANTHONY BATARSE, JR., CHAIR  
BISMARCK OBANDO, MEMBER**

**Date: October 5, 2015**

**From : WILLIAM G. BRENNAN  
DAWN KINDEL  
SUZANNE LUKE**

**Subject: BOARD FINANCIAL CONDITION REPORT FOR THE PREVIOUS  
FISCAL YEAR AND STATUS REPORT ON THE BOARD'S PROPOSED  
BUDGET FOR FISCAL YEAR 2015-2016**

The following is a snapshot of the Board's expenditures and revenues through the end of Fiscal Year 2014-2015.

<i>Expenditures</i>		<i>Revenue</i>	
Budget Appropriation	\$1,683,107	Beginning Reserve Balance	\$615,000
Expenditures	\$1,445,031	Revenues	\$1,714,462
Unexpended Appropriation	\$238,076	Total	\$2,329,462
		Current reserve balance*	\$884,431

The Board expended 86% of its appropriated budget through the end of fiscal year 2014-2015. A detailed summary of the Board's fund condition as well as an itemized Revenue and Expense statement is attached.

In addition, staff have received the expenditure allocations for the current fiscal year from DMV's Budget Office. The one line item of interest that was changed significantly from last fiscal year is the overall operating expense and equipment budget. This was reduced by \$105,653. The reduction was made in accordance with the 15/16 pro rata charge which is projected to be \$106,000 less than last year!

The Board has an operating budget of \$1.65 million for the current fiscal year.

This memorandum is being provided for informational purposes only, and no Board action is required. If you have any questions prior to the Board Meeting, please contact me at (916) 324-6197 or Dawn Kindel at (916) 323-7201.

Attachments as stated

cc: Glenn Stevens, President

\*additional expenditures will be deducted after release of Governor's Report (Pro Rata and DMV Administrative charges)

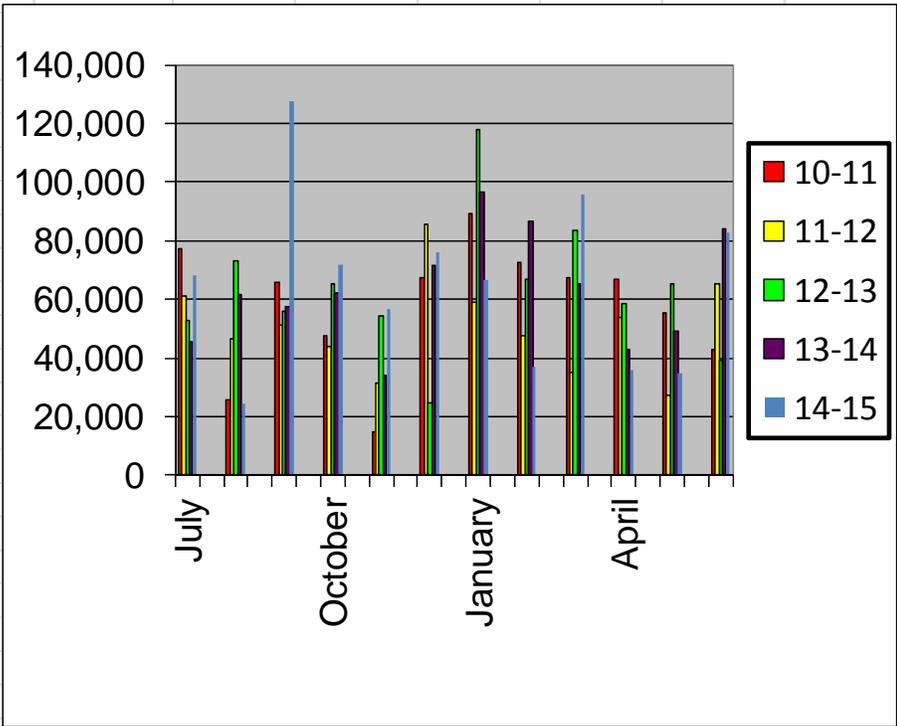
**New Motor Vehicle Board Fund Condition Statement - Fiscal Year 2014-2015**

Revenue and Expenditures July 1, 2014, through June 30, 2015 - (100% of fiscal year)

		<u>2012-2013</u>		<u>2013-2014</u>		<u>2014-2015</u>	
<b>BEGINNING RESERVES</b>		<b>796,423</b>		<b>568,000</b>		<b>881,364</b>	
Prior Year Adjustment		<u>-316,620</u> <sup>5</sup>		<u>0</u> <sup>1</sup>		<u>-266,364</u>	
Adjusted Beginning Balance		<b>479,803</b>		<b>568,000</b>		<b>615,000</b>	
<b>REVENUES</b>							
<b>NMVB Fees and Misc. Revenue</b>							
0100 Dealer License Fee		758,209		757,229		777,413	
0200 NMVB Filing Fee		9,400		8,000		9,400	
0300 NMVB Annual Fee		641,986		859,843		922,162	
0800 Miscellaneous Services		7,014		618		2,787	
1000 Arbitration Program		4,857		2,397		2,700	
<b>Total Revenues</b>		<b>1,421,466</b>		<b>1,628,087</b>		<b>1,714,462</b>	
Adjusted Beginning Balance		479,803		568,000		615,000	
<b>Totals, Resources</b>		<b>1,901,269</b>		<b>2,196,087</b>		<b>2,329,462</b>	
<b>EXPENDITURES</b>							
<b>Payroll Expense (included benefits)</b>							
Budgeted		1,131,717		1,176,631		1,233,402	
Expended		1,013,530 <sup>2</sup>	90%	1,016,752 <sup>2</sup>	86%	1,040,660	84%
<b>Operating Expense and Equipment</b>							
Budgeted		401,164		449,705		449,705	
Expended		246,971 <sup>2</sup>	62%	297,971 <sup>2</sup>	66%	248,370	55%
				*encumb rolled over (69,071)			
<b>Total - Payroll and Operating Expense</b>		<b>1,260,501</b>	82%	<b>1,314,723</b>	81%	<b>1,289,030</b>	77%
<b>Additional Expenditures</b>							
Encumbrance Balance		72,768 <sup>3</sup>		0 <sup>3</sup>		156,001 <sup>3*</sup>	
Pro Rata charges (Budgeted)		186,517		186,517		186,517	
*(final adjustments pending Governor's reprt/includ Pro Rata)				-188,364			
<b>DMV Administrative charges</b>							
*(deduction made in prior year adjustment)							
Budgeted		78,000		78,000		78,000	
Expended		-78,000 <sup>4</sup>	-100%	-78,000 <sup>4</sup>	-100%	-78,000 <sup>4</sup>	-100%
<b>Total Budgeted</b>		<b>1,532,881</b>		<b>1,626,336</b>		<b>1,683,107</b>	
<b>Total Expended</b>		<b>1,333,269</b>	87%	<b>1,314,723</b>	81%	<b>1,445,031</b>	86%
<b>RESERVES</b>		<b>568,000</b>		<b>881,364</b>		<b>884,431</b>	
				Final adj.			
				-266,364			
<sup>1</sup>	Prior period appropriation adjustments were made to bring Motor Vehicle Account fund balances in line with the State Controller's Office.						
<sup>2</sup>	Totals were taken from DMV's final adjusted fiscal year end reports.						
<sup>3</sup>	Funds encumbered but not yet expended are treated as expenditures. Encumbrance balances are held in abeyance for two years after fiscal year's end, and any balance remaining after two years is released and returned to the Board's fund. *The remaining \$156,001 was not rolled over to expenditures at the end of FY 14/15 - multi year contracts - per direction of DMV Budget Analyst K. Grant.						
<sup>4</sup>	Administrative charges are included in the total budget authorized by the department for support in areas such as personnel, budget, and business services; however, this amount is not treated as an allocation and is not captured in the attached detail.						

	10-11	11-12	12-13	13-14	14-15
July	77,425.00	61,348.00	53,013.00	45,607.00	68,125.00
August	25,727.00	46,748.00	73,243.00	61,800.00	24,600.00
September	65,997.00	51,201.00	56,175.00	57,715.00	127,577.00
October	47,635.00	44,136.20	65,145.00	62,325.00	71,935.00
November	14,951.00	31,360.00	54,507.00	33,900.00	56,700.00
December	67,125.00	85,745.00	24,508.00	71,746.00	76,132.00
January	89,255.00	59,179.00	118,120.00	96,300.00	66,612.00
February	72,766.00	47,813.00	67,025.00	86,792.00	36,900.00
March	67,566.00	35,325.00	83,469.00	65,100.00	95,710.00
April	66,708.00	54,074.00	58,635.00	42,648.00	35,644.00
May	55,457.00	27,493.00	65,369.00	49,296.00	34,732.00
June	42,888.00	65,167.00	39,000.00	84,000.00	82,746.00
Ytd	693,500.00	609,589.20	758,209.00	757,229.00	777,413.00

**DEALER FEES  
FIVE YEAR COMPARISON**



**NEW MOTOR VEHICLE BOARD**  
 EXPENDITURE REPORT FOR THE FOURTH QUARTER OF FISCAL YEAR 2014-2015  
 (100% of fiscal year)

ACCOUNT CODE	DESCRIPTION	BUDGETED EXPENDITURE		BALANCE		
		AMOUNT	YEAR TO DATE %	REMAINING	%	
<b>1000</b>	<b>PAYROLL EXPENSE</b>					
0030	Salaries - full time staff	790,811	712,900.00	77,911		
0330	Salaries - part time staff	30,996	27,663.00	3,333		
0830	Overtime	0	0.00	0		
0880	Holiday Pay**	0	2,295.00	-2,295		
0990	Salary Savings (minus)	0	0.00	0		
0020	TOTAL - salary expense	821,807	742,858.00	78,949		
1010	TOTAL - staff benefits	411,595	297,802.00	113,793		
	<b>CATEGORY TOTAL</b>					
<b>1000</b>	<b>PAYROLL EXPENSE</b>	<b>1,233,402</b>	<b>1,040,660.00</b>	<b>84%</b>	<b>192,742</b>	<b>16%</b>

ACCOUNT CODE	DESCRIPTION	BUDGETED EXPENDITURE		BALANCE	
		AMOUNT	YEAR TO DATE %	REMAINING	%
<b>3000</b>	<b>OPERATING EXPENSE AND EQUIPMENT</b>				
<b>2010</b>	<b>General Expense</b>				
2050	Dues and membership	4,000	3,290.00	710	
2230	Library purchases	10,000	7,571.00	2,429	
2260	Minor equipment	300	241.00	59	
2270	Office equipment - rent/maintenance/repair	200	0.00	200	
2380	Miscellaneous general expense	200	88.00	112	
2391	Miscellaneous office supplies	7,300	2,798.00	4,502	
2395	Meeting expense	2,000	0.00	2,000	
<b>2010</b>	<b>Total - General Expense</b>	<b>24,000</b>	<b>13,988.00</b>	<b>10,012</b>	

ACCOUNT CODE	DESCRIPTION	BUDGETED EXPENDITURE		BALANCE	
		AMOUNT	YEAR TO DATE %	REMAINING	%
<b>2410</b>	<b>Printing</b>				
2440	Office copier expense - rent/maintenance	1,750	688.00	1,062	
2480	Miscellaneous printing expense	1,750	1,193.00	557	
<b>2410</b>	<b>Total - Printing</b>	<b>3,500</b>	<b>1,881.00</b>	<b>1,619</b>	
<b>2610</b>	<b>Postage -meter rental &amp; service, FedEx</b>	9,000	1,426.00	7,574	
<b>2910</b>	<b>Travel In-State</b>				
2920	Lodging, mileage, misc.	2,000	2,670.00	-670	
2940	Commercial air transportation	5,250	7,415.00	-2,165	
2950	Other travel expense	7,750	6,136.00	1,614	
<b>2910</b>	<b>Total - Travel In-State</b>	<b>15,000</b>	<b>16,221.00</b>	<b>-1,221</b>	
<b>3110</b>	<b>Travel Out-of-State</b>				
3120	Lodging, mileage, misc.	1,000	0.00	1,000	
3140	Commercial air transportation	1,000	0.00	1,000	
3150	Other travel expense	500	0.00	500	
<b>3110</b>	<b>Total - Travel Out-of-State</b>	<b>2,500</b>	<b>0.00</b>	<b>2,500</b>	
3320	Training	3,038	1,559.00	1,479	
3430	Rent - non State owned building	165,000	151,932.00	13,068	
3431	Tenant Improvement**	0	0.00	0	
3445	Janitorial services	0	0.00	0	
3450	Security services	550	0.00	550	
3470	Facilities planning - DGS	10,000	10,122.00	-122	
3820	Professional services - internal (Atty General/Admin. He	12,000	15,398.00	-3,398	
4020	Professional services - external (court reporters)	18,000	35,843.00	-17,843	

ACCOUNT CODE	DESCRIPTION	BUDGETED EXPENDITURE		BALANCE		
		AMOUNT	YEAR TO DATE %	REMAINING	%	
4324	Data processing software	0	0.00	0		
4350	Data processing minor equipment	0	0.00	0		
4380	Pro rata statewide expense (*pending Gov's Report)	186,517	0.00	186,517		
4520	Equipment replacement	600	0.00	600		
	<b>CATEGORY TOTAL</b>					
<b>3000</b>	<b>OPERATING EXPENSE AND EQUIPMENT</b>	<b>449,705</b>	<b>248,370.00</b>	<b>55%</b>	<b>201,335</b>	<b>45%</b>

<b>1000</b>	<b>PAYROLL EXPENSE</b>	<b>1,233,402</b>	<b>1,040,660.00</b>	<b>84%</b>	<b>192,742</b>	<b>16%</b>
<b>3000</b>	<b>OPERATING EXPENSE AND EQUIPMENT</b>	<b>449,705</b>	<b>248,370.00</b>	<b>55%</b>	<b>201,335</b>	<b>45%</b>
	<b>Total - Payroll and Operating Expense</b>	<b>1,683,107</b>	<b>1,289,030.00</b>	<b>77%</b>	<b>394,077</b>	<b>23%</b>
	Pro rata statewide expense (186,517) estimate	(see above)	0.00			
	Encumbrance balance		156,001.00			
			<b>1,445,031.00</b>	<b>86%</b>		
	<b>DMV Administrative charge (78,000)</b>	78,000	78,000.00	100%	0	
	<b>Grand total - fiscal year 2014-2015</b>	<b>1,761,107</b>	<b>1,523,031.00</b>	<b>86%</b>	<b>238,076</b>	<b>14%</b>

<sup>1</sup> Pro rata statewide expense is budgeted and expended on a quarterly basis; however, it does not show as an expenditure on DMV's reports. The Board will deduct the Pro rata expense at the end of FY 14/E.

<sup>2</sup> Funds encumbered (for specific purchases) but not yet expended are treated as expenditures. Encumbrance balances are held in abeyance for two years after fiscal year's end, and any balance remaining after two years is released and returned to the Board's fund.

<sup>3</sup> DMV Administrative charges are included in the total budget authorized by the department for support in areas such as personnel, budget, and business services; however, this amount is not treated as an allocation and is not captured in the attached detail - deduct end of FY 14/E.

DEPARTMENT OF MOTOR VEHICLES

Revenue Summary

fiscal year 2014-2015

Fourth Quarter

	July	August	September	October	November	December	January	February	March	April	May	June	YTD
<b>Object Code 1213</b>													
0100-New MV Dir Lic.	68,125.00	24,600.00	127,577.00	71,935.00	56,700.00	76,132.00	66,612.00	36,900.00	95,710.00	35,644.00	34,732.00	82,746.00	777,413.00
0200-NMVB Filing Fee	800.00	2,400.00	0.00	600.00	0.00	0.00	1,600.00	1,400.00	0.00	2,000.00	200.00	400.00	9,400.00
0300-NMVB Annual Fee	0.00	678,445.00	147,140.00	55,499.00	41,078.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	922,162.00
<b>1213 Object Total</b>	<b>68,925.00</b>	<b>705,445.00</b>	<b>274,717.00</b>	<b>128,034.00</b>	<b>97,778.00</b>	<b>76,132.00</b>	<b>68,212.00</b>	<b>38,300.00</b>	<b>95,710.00</b>	<b>37,644.00</b>	<b>34,932.00</b>	<b>83,146.00</b>	<b>1,708,975.00</b>
<b>Object Code 1425</b>													
0800-Misc. Services	36.00	0.00	0.00	1,621.00	0.00	0.00	1,088.00	0.00	0.00	21.00	0.00	21.00	2,787.00
<b>1425 Object Total</b>	<b>36.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,621.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,088.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21.00</b>	<b>0.00</b>	<b>21.00</b>	<b>2,787.00</b>
<b>Object Code 1614</b>													
1000-Arbitration Program 1	0.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,700.00
<b>1614 Object Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,700.00</b>	<b>0.00</b>	<b>2,700.00</b>							
<b>Revenue this Month</b>	<b>68,961.00</b>	<b>705,445.00</b>	<b>274,717.00</b>	<b>132,355.00</b>	<b>97,778.00</b>	<b>76,132.00</b>	<b>69,300.00</b>	<b>38,300.00</b>	<b>95,710.00</b>	<b>37,665.00</b>	<b>34,932.00</b>	<b>83,167.00</b>	<b>1,714,462.00</b>
<b>Revenue</b>													
<b>Year to date</b>	<b>68,961.00</b>	<b>774,406.00</b>	<b>#####</b>	<b>1,181,478.00</b>	<b>1,279,256.00</b>	<b>1,355,388.00</b>	<b>1,424,688.00</b>	<b>1,462,988.00</b>	<b>1,558,698.00</b>	<b>1,596,363.00</b>	<b>1,631,295.00</b>	<b>1,714,462.00</b>	<b>1,714,462.00</b>
	1	Reimbursement of costs associated with collection of Arbitration Certification Program Fees											

**FIVE YEAR COMPARISON OF OPERATING EXPENSE AND EQUIPMENT AND PROPOSED BUDGET**

	'15-16 DMV											
Operating Expense and Equipment	allotments	09-10	10-11	11-12	12-13	13-14	5-year average	14-15 projected expenses	14-15 year to date 4th quarter	15-16 proposed budget		
2050 - Dues and membership	4,000	3,850	3,386	3,950	3,745	3,670	3,720	4,000	3,290	4,000		
2230 - Library purchases	10,000	9,251	8,678	9,061	7,361	7,795	8,429	10,000	7,571	10,000		
2260 - Minor equipment	300	12	18	90	35	4	32	300	241	300		
2270 - Office equipment - rent, maintenance, repair	200	420	0	0	0	0	84	200	0	200		
2380 - Miscellaneous general expense	200	0	0	57	4,719	88	973	200	88	200		
2391 - Miscellaneous office supplies	7,300	3,829	4,988	32,213	4,179	5,801	10,202	7,300	2,798	7,300		
2395 - Meeting expense	2,000	1,068	1,281	980	2,086	425	1,168	2,000	0	2,000		
2410 - Printing	3,500	2,897	3,384	3,933	2,333	2,154	2,940	3,500	1,881	3,500		
2610 - Postage	9,000	13,090	10,774	7,630	2,454	1,293	7,048	9,000	1,426	9,000		
2910 - Travel In-State	15,000	12,451	9,505	15,458	12,742	16,206	13,272	15,000	16,221	15,000		
3110 - Travel Out-of-State	2,500	2,795	3,950	768	0	284	1,559	2,500	0	2,500		
3320 - Training	3,038	1,822	2,888	1,636	1,087	2,588	2,004	3,038	1,559	3,038		
3430 - Rent - non-state owned building	165,000	155,895	157,962	160,030	162,092	152,795	157,755	165,000	151,932	165,000		
3445 - Janitorial Services	0	0	0	0	0	0	0	0	0	0		
3450 - Security services	550	1,202	0	0	0	363	313	550	0	550		
3470 - Facilities Planning - DGS	10,000	2,330	2,621	2,982	10,066	9,022	5,404	10,000	10,122	10,000		
3820 - Professional services - internal (A.G)	12,000	9,478	11,688	1,360	23,185	15,471	12,236	12,000	15,398	12,000		
3940 - Internal Legal - miscellaneous	0	0	0	0	0	0	0	0	0	0		
4020 - Professional services - external (Crt. Rpt.)	18,000	30,030	5,238	81,535	10,887	10,941	27,726	18,000	35,843	18,000		
4324 - Data processing - software	0	0	0	0	0	0	0	0	0	0		
4350 - Data processing - Minor equip.	0	0	41	0	0	0	8	0	0	0		
4360 - Commercial contracts - interagency	0	0	0	0	0	0	0	0	0	0		
4380 - Pro rata statewide expense	80,864	62,086	88,050	45,823	136,210	145,610	95,556	115,658	0 pending	80,864		
4520 - Equipment replacement	600	0	0	0	0	0	0	600	0	600		
<b>TOTAL O E &amp; E</b>	<b>344,052</b>	<b>312,506</b>	<b>314,452</b>	<b>367,506</b>	<b>383,181</b>	<b>374,510</b>	<b>350,431</b>	<b>378,846</b>	<b>248,370</b>	<b>344,052</b>		
<b>TOTAL PAYROLL EXPENSE</b>	<b>1,230,619</b>	<b>1,143,021</b>	<b>1,029,349</b>	<b>1,199,202</b>	<b>1,013,530</b>	<b>1,016,752</b>	<b>1,080,371</b>	<b>1,233,233</b>	<b>1,040,660</b>	<b>1,230,619</b>		
<b>GRAND TOTAL</b>	<b>1,574,671</b>	<b>1,455,527</b>	<b>1,343,801</b>	<b>1,566,708</b>	<b>1,396,711</b>	<b>1,391,262</b>	<b>1,430,802</b>	<b>1,612,079</b>	<b>1,289,030</b>	<b>1,574,671</b>		
							0					
DMV Administrative charges	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000		
<b>TOTAL WITH ADMINISTRATIVE CHARGES</b>	<b>1,652,671</b>	<b>1,533,527</b>	<b>1,421,801</b>	<b>1,644,708</b>	<b>1,474,711</b>	<b>1,469,262</b>	<b>1,508,802</b>	<b>1,690,079</b>	<b>1,367,030</b>	<b>1,652,671</b>		