



MEMO

**To : FISCAL COMMITTEE
ANTHONY A. BATARSE, JR., CHAIR
VICTORIA RUSNAK, MEMBER**

Date: June 10, 2016

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

Subject: BOARD FINANCIAL CONDITION REPORT FOR THE 3RD QUARTER OF FISCAL YEAR 2015-2016

The following is a financial summary of the Board's expenditures and revenues through the 3rd quarter of Fiscal Year 2015-2016.

| <i>Expenditures</i> | | <i>Revenue</i> | |
|----------------------------|-------------|---------------------------|-------------|
| Budget Appropriation | \$1,613,522 | Beginning Reserve Balance | *\$884,431 |
| Expenditures | \$996,951 | Revenues | \$1,599,868 |
| Unexpended Appropriation | \$616,571 | Total | \$2,484,299 |
| | | Current reserve balance | \$1,487,348 |

The Board expended 62% of its appropriated budget through the third quarter of fiscal year 2015-2016.

Attached for your review is a detailed summary of the Board's fund condition as well as an itemized Revenue and Expense statement.

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 E. Stevens, President

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

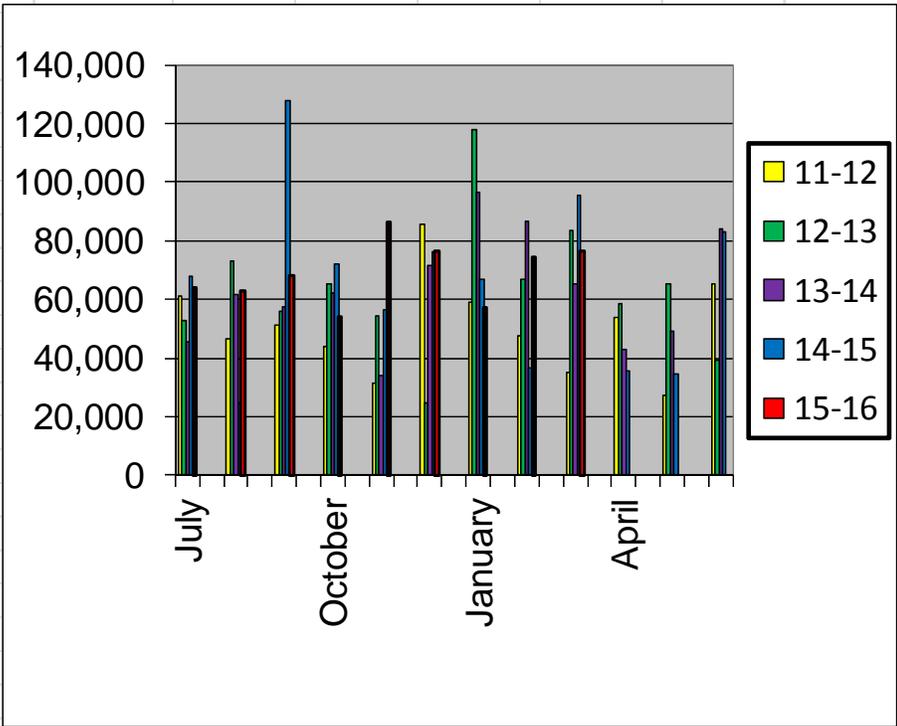
New Motor Vehicle Board Fund Condition Statement - Fiscal Year 2015-2016

Revenue and Expenditures July 1, 2015, through March 31, 2016 - (75% of fiscal year)

| | 2013-2014 | | 2014-2015 | | 2015-2016 | |
|---|------------------------------|------------|------------------------------|------------|---------------------------|------------|
| BEGINNING RESERVES | 568,000 | | 881,364 | | 884,431 | |
| Prior Year Adjustment | 0 ¹ | | -266,364 | | 0 | pending |
| Adjusted Beginning Balance | 568,000 | | 615,000 | | 884,431 | |
| REVENUES | | | | | | |
| NMVB Fees and Misc. Revenue | | | | | | |
| 0100 Dealer License Fee | 757,229 | | 777,413 | | 620,006 | |
| 0200 NMVB Filing Fee | 8,000 | | 9,400 | | 7,200 | |
| 0300 NMVB Annual Fee | 859,843 | | 922,162 | | 969,150 | |
| 0800 Miscellaneous Services | 618 | | 2,787 | | 579 | |
| 1000 Arbitration Program | 2,397 | | 2,700 | | 2,933 | |
| Total Revenues | 1,628,087 | | 1,714,462 | | 1,599,868 | |
| Adjusted Beginning Balance | 568,000 | | 615,000 | | 884,431 | |
| Totals, Resources | 2,196,087 | | 2,329,462 | | 2,484,299 | |
| EXPENDITURES | | | | | | |
| Payroll Expense (included benefits) | | | | | | |
| Budgeted | 1,176,631 | | 1,233,402 | | 1,269,470 | |
| Expended | 1,016,752 ² | 86% | 1,040,660 | 84% | 738,637 | 58% |
| Operating Expense and Equipment | | | | | | |
| Budgeted | 449,705 | | 449,705 | | 344,052 | |
| Expended | 297,971 ² | 66% | 248,370 | 55% | 197,461 | 57% |
| Encumbrance Balance | 0 ³ | | 156,001 ³ | | 60,853 ³ | |
| | *encumb rolled over (69,071) | | *encumb rolled over (38,628) | | | |
| Total - Payroll and Operating Expense | 1,314,723 | 81% | 1,445,031 | 86% | 996,951 | 62% |
| ADDITIONAL EXPENDITURES: | | | | | | |
| Pro Rata charges | 186,517 | | 186,517 | | 80,864 | |
| *(final adjustments pending Governor's reprt) | | | | | | |
| NOTE: *includes additional adjs: SCO/Fiscal/etc. | | | | | | |
| DMV Administrative charges | 78,000⁴ | | 78,000⁴ | | 78,000⁴ | |
| *(deduction made in prior year adjustment) | | | | | | |
| Total Budgeted | 1,626,336 | | 1,683,107 | | 1,613,522 | |
| Total Expended | 1,314,723 | 81% | 1,445,031 | 86% | 996,951 | 62% |
| RESERVES | 881,364 | | 884,431 | | 1,487,348 | |
| | Final adjs. (-266,364) | | | | | |
| ¹ Prior period appropriation adjustments were made to bring Motor Vehicle Account fund balances in line with the State Controller's Office. | | | | | | |
| ² Totals were taken from DMV's final adjusted fiscal year end reports. | | | | | | |
| ³ 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. | | | | | | |
| ⁴ 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. | | | | | | |

| | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|
| July | 61,348.00 | 53,013.00 | 45,607.00 | 68,125.00 | 64,200.00 |
| August | 46,748.00 | 73,243.00 | 61,800.00 | 24,600.00 | 62,700.00 |
| September | 51,201.00 | 56,175.00 | 57,715.00 | 127,577.00 | 68,148.00 |
| October | 44,136.20 | 65,145.00 | 62,325.00 | 71,935.00 | 54,000.00 |
| November | 31,360.00 | 54,507.00 | 33,900.00 | 56,700.00 | 86,358.00 |
| December | 85,745.00 | 24,508.00 | 71,746.00 | 76,132.00 | 76,272.00 |
| January | 59,179.00 | 118,120.00 | 96,300.00 | 66,612.00 | 57,300.00 |
| February | 47,813.00 | 67,025.00 | 86,792.00 | 36,900.00 | 74,528.00 |
| March | 35,325.00 | 83,469.00 | 65,100.00 | 95,710.00 | 76,500.00 |
| April | 54,074.00 | 58,635.00 | 42,648.00 | 35,644.00 | 0.00 |
| May | 27,493.00 | 65,369.00 | 49,296.00 | 34,732.00 | 0.00 |
| June | 65,167.00 | 39,000.00 | 84,000.00 | 82,746.00 | 0.00 |
| Ytd | 609,589.20 | 758,209.00 | 757,229.00 | 777,413.00 | 620,006.00 |

**DEALER FEES
FIVE YEAR COMPARISON**



NEW MOTOR VEHICLE BOARD
 EXPENDITURE REPORT FOR THE THIRD QUARTER OF FISCAL YEAR 2015-2016
 (75% of fiscal year)

| ACCOUNT CODE | DESCRIPTION | BUDGETED EXPENDITURE | | BALANCE | |
|--------------|----------------------------|----------------------|-------------------|----------------|------------|
| | | AMOUNT | YEAR TO DATE | REMAINING | % |
| 1000 | PAYROLL EXPENSE | | | | |
| 0030 | Salaries - full time staff | 794,693 | 508,590.00 | 286,103 | |
| 0330 | Salaries - part time staff | 74,196 | 13,445.00 | 60,751 | |
| 0630 | Overtime | 0 | 0.00 | 0 | |
| 0990 | Salary Savings (minus) | 0 | 0.00 | 0 | |
| 0020 | TOTAL - salary expense | 868,889 | 522,035.00 | 346,854 | |
| 1010 | TOTAL - staff benefits | 400,561 | 216,602.00 | 183,979 | |
| | CATEGORY TOTAL | | | | |
| 1000 | PAYROLL EXPENSE | 1,269,470 | 738,637.00 | 530,833 | 42% |

| ACCOUNT CODE | DESCRIPTION | BUDGETED EXPENDITURE | | BALANCE | |
|--------------|--|----------------------|-----------------|---------------|---|
| | | AMOUNT | YEAR TO DATE | REMAINING | % |
| 3000 | OPERATING EXPENSE AND EQUIPMENT | | | | |
| 2010 | General Expense | | | | |
| 2050 | Dues and membership | 4,000 | 3,290.00 | 710 | |
| 2230 | Library purchases | 10,000 | 4,672.00 | 5,328 | |
| 2260 | Minor equipment | 300 | 8.00 | 292 | |
| 2270 | Office equipment - rent/maintenance/repair | 200 | 0.00 | 200 | |
| 2380 | Miscellaneous general expense | 200 | 0.00 | 200 | |
| 2391 | Miscellaneous office supplies | 7,300 | 1,861.00 | 5,439 | |
| 2395 | Meeting expense | 2,000 | 0.00 | 2,000 | |
| 2010 | Total - General Expense | 24,000 | 9,831.00 | 14,169 | |

| ACCOUNT CODE | DESCRIPTION | BUDGETED EXPENDITURE | | BALANCE | |
|--------------|--|----------------------|-----------------|--------------|---|
| | | AMOUNT | YEAR TO DATE | REMAINING | % |
| 2410 | Printing | | | | |
| 2440 | Office copier expense - rent/maintenance | 1,750 | 0.00 | 1,750 | |
| 2480 | Miscellaneous printing expense | 1,750 | 301.00 | 1,449 | |
| 2410 | Total - Printing | 3,500 | 301.00 | 3,199 | |
| 2610 | Postage -meter rental & service, FedEx | | | | |
| | | 9,000 | 3,693.00 | 5,307 | |
| 2910 | Travel In-State | | | | |
| 2920 | Lodging, mileage, misc. | 2,000 | 687.00 | 1,313 | |
| 2940 | Commercial air transportation | 5,250 | 3,572.00 | 1,678 | |
| 2950 | Rental cars | 7,750 | 1,868.00 | 5,882 | |
| 2910 | Total - Travel In-State | 15,000 | 6,127.00 | 8,873 | |
| 3110 | Travel Out-of-State | | | | |
| 3120 | Lodging, mileage, misc. | 1,000 | 518.00 | 482 | |
| 3140 | Commercial air transportation | 1,000 | 1,376.00 | -376 | |
| 3150 | Rental cars | 500 | 894.00 | -394 | |
| 3110 | Total - Travel Out-of-State | 2,500 | 2,788.00 | -288 | |
| 3320 | Training | | | | |
| | | 3,038 | 1,918.00 | 1,120 | |
| 3430 | Rent - non State owned building | | | | |
| | | 165,000 | 115,325.00 | 49,675 | |
| 3445 | Janitorial services | | | | |
| | | 0 | 0.00 | 0 | |
| 3450 | Security services | | | | |
| | | 550 | 0.00 | 550 | |
| 3470 | Facilities planning - DGS | | | | |
| | | 10,000 | 2,363.00 | 7,637 | |
| 3820 | Professional services - internal (Attorney General) | | | | |
| | | 12,000 | 42,991.00 | -30,991 | |
| 4020 | Professional services - external (court reporters) | | | | |
| | | 18,000 | 3,143.00 | 14,857 | |

| 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 | | | | |
| | | 80,864 | 0.00 | 80,864 | |
| 4520 | Equipment replacement | | | | |
| | | 600 | 8,961.00 | -8,361 | |
| | CATEGORY TOTAL | | | | |
| 3000 | OPERATING EXPENSE AND EQUIPMENT | 344,052 | 197,461.00 | 146,591 | 43% |

| | | | | | | |
|-------------|--|------------------|-------------------|------------|----------------|------------|
| 1000 | PAYROLL EXPENSE | 1,269,470 | 738,637.00 | 58% | 530,833 | 42% |
| 3000 | OPERATING EXPENSE AND EQUIPMENT | 344,052 | 197,461.00 | 57% | 146,591 | 43% |
| | Total - Payroll and Operating Expense | 1,613,522 | 936,098.00 | 58% | 677,424 | 42% |
| | Pro rata statewide expense (80,864) allotment | (see above) | 0.00 | | | |
| | Encumbrance balance | | 60,853.00 | | | |
| | | | 996,951.00 | | | |
| | DMV Administrative charge (78,000) | | 0.00 | | | |
| | Grand total - fiscal year 2015-2016 | 1,613,522 | 996,951.00 | 62% | 616,571 | 38% |

¹ 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 15/6.

² 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.

³ 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 15/6.

DEPARTMENT OF MOTOR VEHICLES

Revenue Summary

fiscal year 2015-2016

Third Quarter

| | July | August | September | October | November | December | January | February | March | April | May | June | YTD |
|----------------------------|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Object Code 1213 | | | | | | | | | | | | | |
| 0100-New MV Dir Lic. | 64,200.00 | 62,700.00 | 68,148.00 | 54,000.00 | 86,358.00 | 76,272.00 | 57,300.00 | 74,528.00 | 76,500.00 | 0.00 | 0.00 | 0.00 | 620,006.00 |
| 0200-NMVB Filing Fee | 800.00 | 0.00 | 200.00 | 400.00 | 0.00 | 1,800.00 | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7,200.00 |
| 0300-NMVB Annual Fee | 0.00 | 489,286.00 | 425,189.00 | 50,385.00 | 4,290.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 969,150.00 |
| 1213 Object Total | 65,000.00 | 551,986.00 | 493,537.00 | 104,785.00 | 90,648.00 | 78,072.00 | 61,300.00 | 74,528.00 | 76,500.00 | 0.00 | 0.00 | 0.00 | 1,596,356.00 |
| Object Code 1425 | | | | | | | | | | | | | |
| 0800-Misc. Services | 230.00 | 0.00 | 0.00 | 53.00 | 0.00 | 296.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 579.00 |
| 1425 Object Total | 230.00 | 0.00 | 0.00 | 53.00 | 0.00 | 296.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 579.00 |
| Object Code 1614 | | | | | | | | | | | | | |
| 1000-Arbitration Program 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,933.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,933.00 |
| 1614 Object Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,933.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,933.00 |
| Revenue this Month | 65,230.00 | 551,986.00 | 493,537.00 | 104,838.00 | 90,648.00 | 81,301.00 | 61,300.00 | 74,528.00 | 76,500.00 | 0.00 | 0.00 | 0.00 | 1,599,868.00 |
| Revenue | | | | | | | | | | | | | |
| Year to date | 65,230.00 | 617,216.00 | 1,110,753.00 | 1,215,591.00 | 1,306,239.00 | 1,387,540.00 | 1,448,840.00 | 1,523,368.00 | 1,599,868.00 | 1,599,868.00 | 1,599,868.00 | 1,599,868.00 | 1,599,868.00 |
| 1 | Reimbursement of costs associated with collection of Arbitration Certification Program Fees | | | | | | | | | | | | |