



MEMO

To : FISCAL COMMITTEE
VICTORIA PEARSON, CHAIR
TOM FLESH, MEMBER

Date: December 19, 2012

From : WILLIAM G. BRENNAN *WGB*
DAWN KINDEL *Dawn*
SUZANNE LUKE *S*

Subject: STATUS REPORT CONCERNING THE BOARD'S FINANCIAL
CONDITION FOR THE 1ST QUARTER OF FISCAL YEAR 2012-2013
AND STATUS ON THE BOARD'S COLLECTION OF ITS ANNUAL FEES

The following is a financial summary of the Board's expenditures and revenues through the 1st quarter of Fiscal Year 2012-2013.

| <i>Expenditures</i> | | <i>Revenue</i> | |
|----------------------------|-------------|---------------------------|-------------|
| Budget Appropriation | \$1,512,828 | Beginning Reserve Balance | \$796,423 |
| Expenditures | \$390,087 | Revenues | \$826,747 |
| Unexpended Appropriation | \$1,122,741 | Total | \$1,623,170 |
| | | Current reserve balance | \$1,233,083 |

The Board expended 26% of its appropriated budget through the first quarter of fiscal year 2012-2013.

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

In addition, the Board's annual manufacturer/distributor fee collection has been completed for this year. \$641,988 was collected from 166 manufacturers and distributors, for the 1,357,252 vehicles sold in calendar year 2011.

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: Ramon Alvarez, C., President

New Motor Vehicle Board Fund Condition Statement - Fiscal Year 2012-2013

Revenue and Expenditures July, 2012, through September 30, 2012 - (25% of fiscal year)

| | <u>2010-2011</u> | <u>2011-2012</u> | <u>2012-2013</u> |
|--|----------------------------|----------------------------|----------------------------|
| BEGINNING RESERVES | 1,503,749 | 1,269,777 | 796,423 |
| Prior Year Adjustment | <u>85,000</u> ¹ | <u>0</u> ¹ | <u>0</u> |
| Adjusted Beginning Balance | 1,588,749 | 1,269,777 | 796,423 |
| REVENUES | | | |
| NMVB Fees and Misc. Revenue | | | |
| 0100 Dealer License Fee | 693,500 | 609,598 | 182,431 |
| 0200 NMVB Filing Fee | 20,000 | 10,200 | 2,800 |
| 0300 NMVB Annual Fee | 415,718 | 436,180 | 639,876 |
| 0800 Miscellaneous Services | 1,495 | 2,617 | 1,640 |
| 1000 Arbitration Program | 4,315 | 4,293 | 0 |
| Total Revenues | 1,135,028 | 1,062,879 | 826,747 |
| Adjusted Beginning Balance | 1,588,749 | 1,269,777 | 796,423 |
| Totals, Resources | 2,723,777 | 2,332,656 | 1,623,170 |
| EXPENDITURES | | | |
| Payroll Expense (included benefits) | | | |
| Budgeted | 1,332,337 | 1,239,791 | 1,111,664 |
| Expended | 1,048,673 ² | 1,199,202 ² | 261,680 ² |
| | 79% | | 24% |
| Operating Expense and Equipment (includes Pro Rata) | | | |
| Budgeted | 464,171 | 480,627 | 401,164 |
| Expended | 229,786 ² | 321,683 ² | 45,684 ² |
| | 50% | | 11% |
| Encumbrance Balance | 10,460 ³ | 15,348 ³ | 82,723 ³ |
| Total - Payroll and Operating Expense | 1,288,919 | 1,536,233 | 390,087 |
| | 73% | | 86% |
| Additional Expenditures | | | |
| DMV Administrative charges | | | |
| Budgeted | 78,000 | 0 | 0 |
| Expended | 78,000 ⁴ | 0 ⁴ | 0 ⁴ |
| | 100% | | 0% |
| Total Budgeted | 1,962,460 | 1,720,418 | 1,512,828 |
| Total Expended | 1,454,000 | 1,536,233 | 390,087 |
| | 74% | | 26% |
| RESERVES | 1,269,777 | 796,423 | 1,233,083 |

¹ Prior period appropriation adjustments were made to bring Motor Vehicle Account fund balances in line with the State Controller's Office.

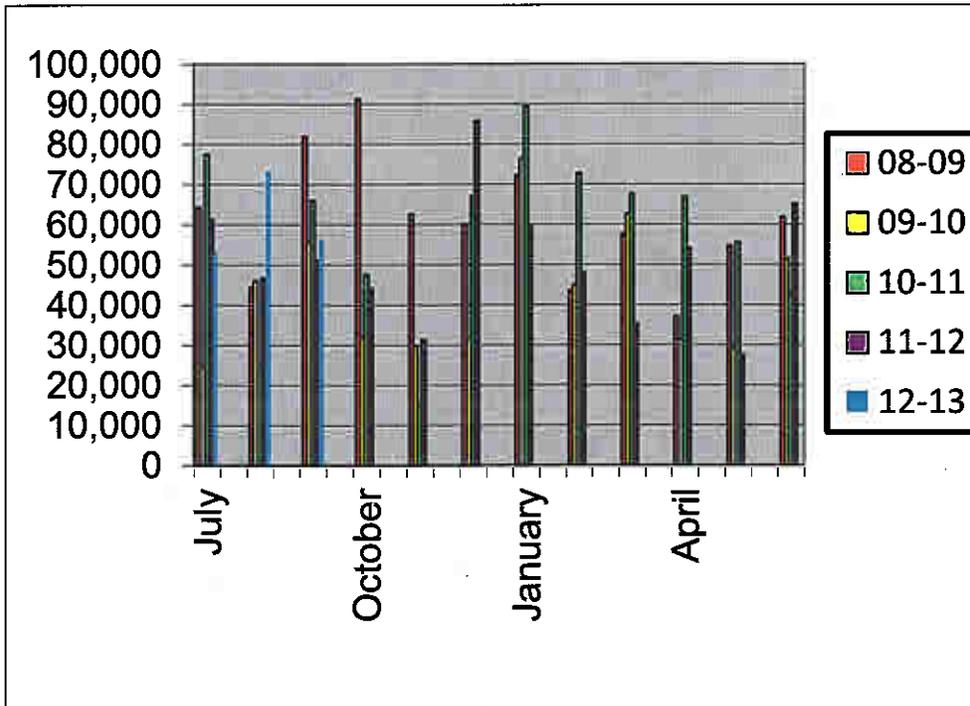
² Totals were taken from DMV's final adjusted fiscal year end reports.

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.

| | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 |
|-----------|------------|------------|------------|------------|------------|
| July | 64,378.00 | 24,410.00 | 77,425.00 | 61,348.00 | 53,013.00 |
| August | 44,302.00 | 46,120.00 | 25,727.00 | 46,748.00 | 73,243.00 |
| September | 81,850.00 | 55,892.00 | 65,997.00 | 51,201.00 | 56,175.00 |
| October | 91,245.00 | 32,016.00 | 47,635.00 | 44,136.20 | |
| November | 62,632.00 | 29,561.00 | 14,951.00 | 31,360.00 | |
| December | 60,091.00 | 31,576.00 | 67,125.00 | 85,745.00 | |
| January | 72,292.00 | 76,368.00 | 89,255.00 | 59,179.00 | |
| February | 43,561.00 | 44,830.00 | 72,766.00 | 47,813.00 | |
| March | 57,683.00 | 62,482.00 | 67,566.00 | 35,325.00 | |
| April | 37,161.00 | 31,570.00 | 66,708.00 | 54,074.00 | |
| May | 54,676.00 | 29,077.00 | 55,457.00 | 27,493.00 | |
| June | 61,769.00 | 51,575.00 | 42,888.00 | 65,167.00 | |
| Ytd | 731,640.00 | 515,477.00 | 693,500.00 | 609,589.20 | 182,431.00 |

**DEALER FEES
FIVE YEAR COMPARISON**



DEPARTMENT OF MOTOR VEHICLES
 Revenue Summary
 Fiscal year 2012-2013
 First Quarter

| | July | August | September | October | November | December | January | February | March | April | May | June | YTD |
|---------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Object Code 1213 | | | | | | | | | | | | | |
| 0100-New MV Dir Lic. | 53,013.00 | 73,243.00 | 56,175.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 182,431.00 |
| 0200-NMVB Filing Fee | 200.00 | 800.00 | 1,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,800.00 |
| 0300-NMVB Annual Fee | 13,555.00 | 618,174.00 | 8,147.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 639,876.00 |
| 1213 Object Total | 66,768.00 | 692,217.00 | 66,122.00 | 0.00 | 825,107.00 |
| Object Code 1425 | | | | | | | | | | | | | |
| 0800-Misc. Services | 0.00 | 1,640.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,640.00 |
| 1425 Object Total | 0.00 | 1,640.00 | 0.00 | 1,640.00 |
| Object Code 1614 | | | | | | | | | | | | | |
| 1000-Arbitration Program | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1614 Object Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Revenue this Month | 66,768.00 | 693,857.00 | 66,122.00 | 0.00 | 826,747.00 |
| Revenue | 66,768.00 | 760,625.00 | 826,747.00 |

Reimbursement of costs associated with collection of Arbitration Certification Program Fees

NEW MOTOR VEHICLE BOARD
EXPENDITURE REPORT FOR THE FIRST QUARTER OF FISCAL YEAR 2012-2013
(25% of fiscal year)

| ACCOUNT CODE | DESCRIPTION | BUDGETED AMOUNT | EXPENDITURE YEAR TO DATE | % | BALANCE REMAINING | % |
|--------------|--|------------------|--------------------------|------------|-------------------|------------|
| 1000 | PAYROLL EXPENSE | | | | | |
| 0030 | Salaries - full time staff | 709,402 | 177,506.00 | | 531,896 | |
| 0330 | Salaries - part time staff | 70,768 | 15,926.00 | | 54,842 | |
| 0830 | Overtime | 0 | 0.00 | | 0 | |
| 0990 | Salary Savings (minus) | 0 | 0.00 | | 0 | |
| 0020 | TOTAL - salary expense | 780,170 | 193,432.00 | | 586,738 | |
| 1010 | TOTAL - staff benefits | 331,494 | 68,248.00 | | 263,246 | |
| 1000 | CATEGORY TOTAL PAYROLL EXPENSE | 1,111,664 | 261,680.00 | 24% | 849,984 | 76% |
| 3000 | OPERATING EXPENSE AND EQUIPMENT | | | | | |
| 2010 | General Expense | | | | | |
| 2050 | Dues and membership | 586 | 0.00 | | 586 | |
| 2230 | Library purchases | 970 | 306.00 | | 664 | |
| 2260 | Minor equipment | 5,267 | 9.00 | | 5,258 | |
| 2270 | Office equipment - rent/maintenance/repair | 1,406 | 0.00 | | 1,406 | |
| 2380 | Miscellaneous general expense | 8,871 | 0.00 | | 8,871 | |
| 2391 | Miscellaneous office supplies | 4,488 | 0.00 | | 4,488 | |
| 2395 | Meeting expense | 3,513 | 711.00 | | 2,802 | |
| 2010 | Total - General Expense | 25,101 | 1,026.00 | | 24,075 | |

| ACCOUNT CODE | DESCRIPTION | BUDGETED AMOUNT | EXPENDITURE YEAR TO DATE | % | BALANCE REMAINING | % |
|--------------|---|-----------------|--------------------------|---|-------------------|---|
| 2410 | Printing | | | | | |
| 2440 | Office copier expense - rent/maintenance | 9,286 | 101.00 | | 9,185 | |
| 2480 | Miscellaneous printing expense | 0 | 367.00 | | -367 | |
| 2410 | Total - Printing | 9,286 | 468.00 | | 8,818 | |
| 2610 | Postage -meter rental & service, FedEx | 12,892 | 0.00 | | 12,892 | |
| 2910 | Travel In-State | | | | | |
| 2920 | Lodging, mileage, misc. | 11,045 | 281.00 | | 10,764 | |
| 2940 | Commercial air transportation | 0 | 369.00 | | -369 | |
| 2950 | Rental cars | 0 | 0.00 | | 0 | |
| 2910 | Total - Travel In-State | 11,045 | 650.00 | | 10,395 | |
| 3110 | Travel Out-of-State | | | | | |
| 3120 | Lodging, mileage, misc. | 0 | 0.00 | | 0 | |
| 3140 | Commercial air transportation | 0 | 0.00 | | 0 | |
| 3150 | Rental cars | 0 | 0.00 | | 0 | |
| 3110 | Total - Travel Out-of-State | 0 | 0.00 | | 0 | |
| 3320 | Training | 14,331 | 0.00 | | 14,331 | |
| 3430 | Rent - non State owned building | 122,320 | 40,395.00 | | 81,925 | |
| 3445 | Janitorial services | 0 | 0.00 | | 0 | |
| 3450 | Security services | 10,332 | 0.00 | | 10,332 | |
| 3470 | Facilities planning - DGS | 0 | 536.00 | | -536 | |
| 3820 | Professional services - Internal (Attorney General) | 17,682 | 0.00 | | 17,682 | |
| 4020 | Professional services - external (court reporters) | 40,126 | 2,609.40 | | 37,517 | |

| ACCOUNT CODE | DESCRIPTION | | % | BALANCE REMAINING | % |
|--------------|---------------------------------|---------|------|-------------------|---|
| 4324 | Data processing software | 2,220 | 0.00 | 2,220 | |
| 4350 | Data processing minor equipment | 0 | 0.00 | 0 | |
| 4380 | Pro rata statewide expense | 131,740 | 0.00 | 131,740 | |
| 4520 | Equipment replacement | 4,089 | 0.00 | 4,089 | |

| | | | | | |
|-------------|--|----------------|------------|----------------|------------|
| 3000 | CATEGORY TOTAL | 401,164 | 11% | 356,016 | 89% |
| | OPERATING EXPENSE AND EQUIPMENT | | | | |

| | | | | | |
|-------------|--|------------------|------------|------------------|------------|
| 1000 | PAYROLL EXPENSE | 1,111,664 | 24% | 849,984 | 76% |
| 3000 | OPERATING EXPENSE AND EQUIPMENT | 401,164 | 11% | 355,480 | 89% |
| | Total - Payroll and Operating Expense | 1,512,828 | 20% | 1,205,464 | 80% |

Pro rata statewide expense 1 (see above) 0.00
 Encumbrance balance 2 82,723.00
 DMV Administrative charge 0 0.00

| | | | | | |
|--|------------------|-------------------|------------|------------------|------------|
| Grand total - fiscal year 2012-2013 | 1,512,828 | 390,087.40 | 26% | 1,122,741 | 74% |
|--|------------------|-------------------|------------|------------------|------------|

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.
 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.