



NORTH CAROLINA STATE BOARD OF BARBER EXAMINERS

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Minutes for Public Meeting

Held June 23, 2015, at 8:00 a.m.
5809 Departure Drive, Suite 102
Raleigh, North Carolina

Board Members

David Hood, Chair
Don Beal, Vice Chair
Lance Crumley
Steffon Sharpless
Valerie Willis

Executive Director

Dennis Seavers

Counsel to the Board

W. Bain Jones, Jr.

The meeting of the North Carolina State Board of Barber Examiners was called to order at 8:07 a.m., on June 23, 2015 at the board's office at 5809 Departure Drive, Suite 102, Raleigh, North Carolina.

The following board members were present during the meeting: David Hood, Don Beal, Lance Crumley, Steffon Sharpless, and Valerie Willis. No Board members were absent, except for a portion of the meeting as indicated below.

Also in attendance were Dennis Seavers, Executive Director, and W. Bain Jones, Jr., Counsel to the Board.

Ethics awareness and conflict of interest

Mr. Hood read the statement on ethics awareness conflicts of interest required by N.C.G.S. § 138A–15(e). No board members indicated that they had any potential or actual conflicts.

Minutes from April 13, 2015 meeting

A motion was made by Mr. Beal and seconded by Ms. Willis to approve the draft minutes of the April 13, 2015 meeting. The motion passed, 4–0 (Mr. Crumley was not present for this portion of the meeting).

OPEN SESSION

Extended-education programs (part 1)

Tim McIntosh, one of the partners at Park West Barber School, appeared before the board to speak on the agenda item. He was accompanied by Deana Labriola, General Counsel of Park West Barber School. Mr. McIntosh offered a description of a possible training initiative to be offered in Durham that he had initially considered developing. He clarified that the program could be “most closely compared to professional development” and was not offered by Park West Barber School, which he said only offers “one approved program in the state of North Carolina to students—barbering, 1,528 clock hours.” He and Ms. Labriola made additional comments and answered questions from the board.

Pamela M. Little, Dean of Professional Services and Sustainability Programs at Wake Tech Community College, also appeared and was joined by William Graham, and instructor at Wake Tech. Dean Little offered comments on the barber-school program under development at Wake Tech and the college’s barber-instruction program. Mr. Graham also commented on the Wake Tech barber-instruction program. They answered questions from the board.

Administrative hearings

The board conducted a hearing for Lacy Jones. Ms. Willis recused herself from the case. Mr. Jones did not appear. Mr. Jones had been cited for practicing barbering without a license and was sent a probable-cause letter. Mr. Jones requested an administrative hearing to appeal the violation. The board counsel presented evidence of the violation. Greg Washington, an inspector for the board, offered testimony. The board members asked questions, and the board counsel responded.

The board conducted a hearing for Jasmine Sturdivant. Ms. Sturdivant did not appear. Ms. Sturdivant had applied to be licensed by the board but had a felony offense. She was offered a consent order for a felony offense but instead requested a hearing. The

board counsel presented evidence of the violation. The board members asked questions, and the board counsel responded.

Administrative hearings—show cause

The following individuals were served with a notice of hearing to appear before the board to show cause for failing to pay past-due civil penalties and attorney costs. None of the individuals listed below made the required appearance. Mr. Jones presented evidence to the board of the violations and answered questions by the board members.

- a. Napoleon Kinsey
- b. Levi R. Evans
- c. Betty Lee
- d. Marco A. Marteo
- e. Christopher Ward
- f. Quentin M. Barr

The following individuals were served with notices of hearing to appear before the board to show cause for failing to pay past-due civil penalties and attorney costs. However, before the board meeting, they paid their outstanding obligation and thus no longer needed to appear.

- a. Cedric Cornish
- b. Brady Locklear

James Hill was removed from the agenda because his notice of hearing was returned.

The board recessed at 9:47 a.m. and reconvened at 9:53 a.m.

Felony petitions

The North Carolina Division of Prisons had submitted documentation in support of Kustan Koch receiving a registered barber license. Mr. Jones presented information about Mr. Koch's criminal history and recommended that the board issue a standard consent order with five years of probation that would allow Mr. Koch to become a registered barber.

Korey B. Mobley had applied to take the apprentice barber exam. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Mobley questions. Mr. Mobley answered questions from the board.

Christopher W. Kornegay had applied to take the apprentice barber exam. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Kornegay questions. Mr. Kornegay answered questions from the board.

The board recessed at 10:35 a.m. and reconvened at 10:39 a.m.

Julian L. Washington had applied to take the apprentice barber exam. He appeared and was sworn in. Mr. Jones presented evidence to the board and asked Mr. Washington questions. Mr. Washington answered questions from the board.

Board meeting and exam schedule for 2016

Mr. Hood referred board members to Mr. Seavers's June 16, 2015 memo on the 2016 board calendar (see Attachment 1). Ms. Willis made a motion to accept the proposal, and Mr. Beal seconded. The motion passed, 5–0.

Future reports to the board on exam pass and fail rates

Mr. Seavers said that in the executive director's report (see Attachment 2), he had referred to a new database system for exams. He indicated that this system would be able to provide improved information to the board about exam pass and fail rates, broken down into whatever categories board members found most useful. Mr. Beal made a motion to approve the proposal of reporting information to the board, broken down by schools. Mr. Sharpless seconded the motion, which passed 5–0.

Executive director's report

Mr. Hood referred board members to Mr. Seavers's June 16, 2015 report (see Attachment 2). Mr. Beal made a motion to accept the report, and Mr. Sharpless seconded. The motion passed, 5–0. Mr. Beal made a motion to authorize an increase of \$39,149.72 for worker-compensation payments that the board is obligated by law to pay. Mr. Sharpless seconded, and the motion passed, 5–0.

Legal report

Mr. Jones provided a list of recent probable-cause letters sent to individuals who have been found in violation of board regulations. He answered questions from the board.

Fiscal year 2016 budget proposal

Mr. Hood referred board members to Mr. Seavers's June 16, 2015 budget proposal for fiscal year 2016 (see Attachment 3). The board members asked questions, and Mr. Seavers responded. Mr. Beal made a motion to adopt the budget proposal, and Mr. Sharpless seconded. The motion passed, 5–0.

Extended-education programs (part 2)

Mr. Jones recommended that the board consider clarifying that schools should notify the board if they are augmenting their programs by submitting information about the new offerings. He said that the board has a responsibility to regulate schools and instruction. Mr. Jones added that there should be clarity about the board's expectations

for schools by adopting guidelines in the form of a rule. He discussed the potential for liability for the board if it fails to enforce statutes.

The board members discussed their options and the need for some guidance for schools. Mr. Hood suggested that the staff present regulatory options to the board based on the schools' input so that the board could understand the consequences for the board and regulated entities of various options. The options would identify the general regulatory framework rather than describe detailed criteria.

Mr. Beal made a motion to adjourn for lunch, and Mr. Hood seconded. The motion passed, 5–0. The board adjourned at 12:05 p.m.

The board reconvened at 12:51 a.m. The board recessed at 12:53 a.m. and reconvened at 1:19 a.m.

CLOSED SESSION

Mr. Hood made a motion to go into closed session under N.C.G. S. § 143–318.11(a)(1), (3), and (6) and under N.C.G.S. § 143–318.11(c), and Mr. Beal seconded. The motion passed, 5–0. Mr. Hood reminded board members that matters discussed in closed session are confidential and must not be discussed outside of the closed session. The board went into closed session at 1:28 p.m.

Mr. Beal made a motion to come out of closed session, and Mr. Hood seconded. The motion passed, 5–0. The board returned to open session at 2:45 p.m.

DETERMINATIONS FROM ADMINISTRATIVE HEARINGS AND OTHER MATTERS

By a vote of 5–0, based on the motion of Mr. Sharpless and seconded by Mr. Hood, the board made the following determinations.

The board ordered that Lacy Jones pay \$200 for the violation of barbering without a license, \$165 for attorney fees for the costs associated with issuing the violation, and an additional \$165 for attorney fees for the cost of the administrative hearing.

The board ordered that Jasmine Sturdivant's licensure application be approved if she completed and complied with the terms of a consent order that required five years of probation, participation in a 30-day mental-health program, and completion of an alcohol and drug screen within 24 hours of receiving the consent order. In addition, the board ordered her to pay an additional \$165 in attorney fees for the cost of the administrative hearing.

The board suspended the license of (or prevented future issuance of a license to) each of the respondents listed below in the show-cause administrative hearings for the

respondents' failure to pay past-due civil penalties and attorney costs as ordered. The board also ordered that the licenses remain suspended (or no license be issued) until all civil penalties and attorney costs, including \$165 for attorney fees and costs for the show-cause hearing, were paid in full.

- a. Napoleon Kinsey
- b. Levi R. Evans
- c. Betty Lee
- d. Marco A. Marteo
- e. Christopher Ward
- f. Quentin M. Barr

The board ordered that the application of Kustan Koch be approved, with the following conditions: five years of probation and proof of successfully completing an immediate drug screen.

The board ordered that the licensure application of Christopher W. Kornegay be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

The board ordered that the licensure application of Korey Mobley be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

The board ordered that the licensure application of Julian L. Washington be approved, with the following conditions: five years of probation and proof of completing a 30-day mental-health program that focuses on daily living, judgment, coping skills, and decision making.

BUSINESS DETERMINATIONS

Mr. Sharpless made a motion that, based on input received from schools, the staff would identify options for changes to the board's current regulations on and monitoring of extended-education programs. The board excluded the option of not taking any regulatory action. Ms. Willis seconded, and the motion passed, 5–0.

Mr. Hood announced that the next meeting would take place on August 18, 2015, at 8:00 a.m. Mr. Hood made a motion to adjourn the meeting, and Mr. Sharpless seconded. The motion passed, 4–0 (Mr. Beal was not present at the time of the vote). Mr. Hood adjourned the meeting at 2:48 p.m.

Minutes approved on October 20, 2015

David Hood

Steffon Sharpless

Don Beal

Valerie Willis

Lance Crumley



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 16, 2015

SUBJECT: 2016 calendar

One of the agenda items for the June 23, 2015 board meeting is the 2016 board-meeting and exam schedule. Attached is a proposed calendar, along with the list of state holidays.

I would respectfully request that the board approve this schedule, with any modifications the board deems necessary. I would also request that the board permit me to alter the exam schedule if needed during the year without further board approval. The purpose of this request is to make the schedule flexible to meet any operational needs.

The board meeting schedule assumes that the board will meet on the second-to-last Tuesday of the even-numbered months. One exception is December, which I moved to an earlier week in case board members have holiday plans. The staff is flexible and will be available if the board wants to alter this schedule.

For the most part, exams would follow this schedule, with some alterations due to holidays or other events:

- Registered and apprentice exams on the first Monday and Tuesday of every month
- Instructor written exams on the second or third Monday of the odd-numbered months
- Instructor practical exams on the Wednesday, Thursday, or Friday of the even-numbered months, on the same week as other practical exams. (The number of days needed for the instructor practical exams will depend on the number of applicants at that time of the year.)



2016 BOARD CALENDAR

REGISTERED AND APPRENTICE EXAMS

| | | |
|--------------|------------|-----------------|
| January 4–5 | May 2–3 | September 12–13 |
| February 1–2 | June 13–14 | October 10–11 |
| March 7–8 | July 11–12 | November 7–8 |
| April 4–5 | August 8–9 | December 5–6 |

INSTRUCTOR EXAMS

Written

| | | |
|------------|---------|--------------|
| January 11 | May 9 | September 19 |
| March 14 | July 18 | November 14 |

Practical

Dates below indicate start date; exams may take up to three days

| | | |
|------------|-----------|------------|
| February 3 | June 15 | October 12 |
| April 6 | August 10 | December 7 |

BOARD MEETINGS—Agendas will be posted at ncbarbers.com

| | | |
|-------------|-----------|-------------|
| February 16 | June 21 | October 18 |
| April 19 | August 23 | December 13 |

HOLIDAYS

| | |
|--|------------------------|
| January 1 (Friday) | New Year's Day |
| January 18 (Monday) | Martin Luther King Day |
| March 25 (Friday) | Good Friday |
| May 30 (Monday) | Memorial Day |
| July 4 (Monday) | Independence Day |
| September 5 (Monday) | Labor Day |
| November 11 (Friday) | Veteran's Day |
| November 24–25 (Thursday and Friday) | Thanksgiving |
| December 23–27 (Friday, Monday, and Tuesday) | Christmas |



NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 16, 2015

SUBJECT: Executive director's report

Below is the executive director's report for the board's June 23, 2015 meeting. The report focuses on three areas:

- Fiscal year (FY) 2015 budget performance
- Improvements to financial controls and operations
- Inspector activity

Board members may contact me at dseavers@ncbarbers.com or (919) 981-5210 x22 if they have questions before the board meeting that would require additional background information.

FISCAL YEAR 2015 BUDGET REPORT

Attachment 1 shows a detailed summary of the board's expenditures and revenues through May 31, 2015. It also shows how the revenues and expenditures compare to the board's FY 2015 budget.¹ Below is a summary of the board's financial picture.

Fund balance

At the end of May 2015, the board's fund balance was \$327,460.41, an increase of \$142,637.88 since the board's last report (which reflected the balance at the end of March 2015).

¹ The budget is the FY 2015 certified budget, which is the budget approved by the governor. I've added in the \$4,042 approved by the board on April 13, 2015 for the server replacement.

As of June 11, 2015, the fund balance is \$429,506.52. This amount includes all renewal payments that were made by the May 31, 2015 deadline.² Any expenditures above that amount in the next fiscal year will have to be based on the fund balance and other sources of revenue—such as exam fees and late-renewal fees. Beginning in July, the board will spend more than it takes each month until about April 2016, unless the board gets a fee increase or cuts spending.

Attachment 2 shows the board's fund balance by month for the past two FYs and should give a picture of the effect on the fund of significant, unexpected costs or a failure to end deficit spending (either through fee increases or spending reductions).

Expenditures

The board's expenditures are currently meeting budget expectations. With 91.67% of the year elapsed, the board has spent 92.89% of what it planned to spend. Nonetheless, the board should remain concerned about the health of its fund because budgeted expenditures greatly exceeded budgeted revenues, and because the board has not budgeted sufficiently for worker-compensation costs.

I project that by the end of the year, the board will exceed its budgeted expenditures by \$27,314.84, or 3.23% of the budget. This amount is entirely attributable to an estimated \$39,149.72, or 4.63% of the budget, in unbudgeted expenditures for worker compensation.³ All other spending is generally within budget parameters. Since worker compensation is a category of spending that I don't have control over, and cuts to match the overspending on worker compensation would have a significant effect on operations, I would recommend that the board approve an increase in its budget to cover the unbudgeted but legally mandated spending for worker compensation.

IMPROVEMENTS TO FINANCIAL CONTROLS AND OPERATIONS

In the past few months, the board staff has made significant improvements to operations and financial controls. I've indicated below whether these improvements are complete or still being worked on.

Financial controls

Although there are several areas where the board needs to improve its internal controls and other procedures relating to finances, I've made three important changes.⁴

² As indicated below under "Improvements to operations and financial controls," I've changed the office's money-handling procedures to comply with a state law requiring all funds to be deposited within one day; so unlike previous years, there isn't a large amount of money in the office waiting to be processed and then deposited.

³ The board's budget only planned for \$4,000 in expenditures for worker compensation.

⁴ When I identify problems in this report with past practices, the board shouldn't understand me to be criticizing predecessors, who may have been responding to other demands on resources at the time.

Money-handling procedures

The Daily Deposit and Report Law requires all funds to be deposited and reported on a daily basis.⁵ Under this law, the board can't keep funds in the office until renewals or applications are processed but instead must deposit all payments in the bank at least by the next business day. This law is also reflected in the Statewide Cash Management Plan issued by the Office of the State Controller (OSC).⁶

The board hasn't complied with this requirement for at least 25 years. Effective in May, I changed the procedures so that we are now fully compliant with the law. Apart from compliance with the law—itsself a sufficient reason for making the change—these new procedures have the following benefits:

- Reduction in the risk of losing funds. As of June 10, 2015, if we had not made this change, the board would have about \$232,633 (no cash) in the office. Although the money would have been held in safes, there would still be the risk of loss due to occurrences like theft or disaster.
- Interest. Although the interest the board earns is relatively small—as of May 31, 2015, the fiscal year 2015 earnings were \$1,312.40—the accrual of interest would be delayed without daily deposits. Statewide policy requires all agencies to “devise techniques and procedures ... to maximize interest-bearing investment of cash while minimizing idle and nonproductive cash balances.”⁷
- Payments more likely to clear. By depositing funds immediately, the board reduces the risk of NSF and other bad payments, which not only represent lost revenues but also require staff time to record, pay, and attempt to recover.

These changes have required more work by the staff in some areas, especially with documenting payments for later reconciliation. The additional work, though necessary, would presumably explain why the board previously didn't comply with the daily-deposit requirement. I want to give special recognition to Deirdre Hopkins and Carolyn Davis for their willingness to change longstanding practices to help the board comply with this law. Ms. Hopkins has had to learn new data-entry procedures in the state's accounting system to reconcile payments; Ms. Davis regularly works extended hours to help quickly open and sort the deluge of renewal payments.

Accounting system

Although there is a statewide accounting system used by most agencies, including this board, it isn't user friendly. It captures a lot of data that's useful for statewide reporting but isn't a flexible tool for management of an agency's budget and financial transactions. I've created an internal accounting system (using the software

⁵ N.C.G.S. § 147–77. The law allows for an exemption if approved by the Department of the State Treasurer, but this exemption would only apply to funds of \$250 or less, a situation which either wouldn't apply to the board or would make the exemption pointless.

⁶ OSC Policy 300.1.

⁷ OSC Policy 300.3.

QuickBooks), entered all financial transactions for the current fiscal year, and reconciled the system to the statewide accounting system. An internal accounting system of this sort is used by other some other agencies, such as the Board of Certified Public Accountant Examiners.

This new system addresses some deficiencies in internal controls and has several other benefits, including:

- Detection of accounting errors. Without an intermediary system to check financial transactions, it would be difficult to detect accounting errors, including overpayments, absent a detailed audit. Even if errors were caught in an audit, there would be a substantial delay before detecting the error.
- Greater control over the budget. Although the statewide accounting system has reports that help agencies manage their budgets, they don't provide the sort of detailed management reporting that would allow better control over the budget. In addition, adding liabilities (for example, recurring bills or approved payments that haven't appeared on the general ledger) would otherwise be a largely manual and cumbersome process.
- Reduced likelihood of duplicate payments. There have been several instances of overpayments earlier in the fiscal year that an internal accounting system will help avoid. Given the way supporting documentation has been organized, it would otherwise be difficult to research past invoices and payments for particular vendors to make sure that any products or services haven't already been paid for. The board staff would have to expend resources collecting overpayments and making sure credits were applied, and in my experience the overpayment was usually undetected until the vendor identified the issue.

Changes to how we record obligations in the licensing software

We have changed how we record past obligations from individuals who have made bad payments to the board (NSF checks, closed accounts, stop payments, etc) or who owe for civil penalties and attorney fees. Although this information was recorded as a note in the database, it was relatively easy to overlook the note. In several instances, rather than having the renewal payment applied to the past obligation, individuals inappropriately received licenses. With the new way of recording information, the software will prohibit the staff from inadvertently issuing the license when past obligations are unresolved.

These changes will be especially important as the board moves to online renewals (see the discussion below under "Operations"). If information continued to be recorded in the old way, then online payments wouldn't be automatically applied to past obligations, and the staff might otherwise have to manually review the records of individuals who made online payments to make sure there weren't old fines or fees—a process that would undermine many of the automation benefits of online renewals.

Operations

New system for scheduling exams

The board's current process for scheduling exams and reporting results is almost entirely manual—manually generated letters and other notifications, reports on results, scoring sheets and other day-of-exam materials, attendance lists, etc. With the amount of administrative time devoted to exams, there was a need to automate some of the processes. I've developed a database system to make the process faster and less prone to error, and it should save a significant amount of administrative work. Currently, about 192 hours (24 business days) a year are devoted to this administrative work. Under the new system, the process will take substantially less time.

The new system is being tested this month and should begin with the July exams and be fully implemented in August.

Replacement server

At its last meeting, the board approved purchasing a replacement for its current server, which runs an operating system that won't be supported by Microsoft as of July 14, 2015. As of June 10, the initial steps in replacing the server have been completed, and the new server will be online by the end of the month, ahead of the support deadline.

Records-retention schedule

Although records management may seem like a minor aspect of operations, it's an essential feature of good case management. It also is necessary for transparency, evidence of compliance with laws, internal controls, and continuity of operations.

Apart from a minor technical update in 2002, the board's records-retention schedule, which dictates how long records should be kept, has not been updated since 1989. Portions of it are obsolete, as are many of the records the board keeps on site. There are also many areas of noncompliance, including with records that are fundamental. For example, according to the Department of Cultural Resources, the board has never submitted copies of any of its minutes, which have historical and legal value, at any point in its history, even though a copy of minutes are supposed to be transmitted immediately after they are prepared and approved.

I have been working the Department of Cultural Resources to identify the few records that have permanent value, rewrite the schedule to match the current inventory of records, and prepare for a purge of unnecessary records, such as records of deceased barbers. As well as improving records management, this update will allow the board to create space for current paper records and get rid of unsightly filing cabinets.

Complaint and inspection software

The board previously discussed complaint and inspection software at its April meeting and in previous meetings. (For more information, see the draft minutes from April 13, 2015, which include a copy of my report to the board.) There are two components to the software:

- Complaints: this component would allow for complaint tracking within the GLSuites software
- Inspections and mobile inspections: this component would expand and improve the electronic inspection and reporting process

The complaint component is nearing completion, and the project will be closed soon.

The development of the inspection software continues but is nearly finished. The vendor plans to have the testing done in the next week, at which time we would begin our own testing. The mobile-inspection portion, which will be rolled out after the main inspection software is completed, is under development, with much of the programming already done.⁸

Online renewals

The vendor is in the initial stages of a project for online renewals. Although I can't commit to having online renewals in effect by the time 2016 renewals begin in January, I believe the project will likely be complete in time. I've also begun preparations for complying with statewide IT and accounting policies.

Implementing this project is crucial because it would save an enormous amount of time—opening mail, processing payments, and entering data. Online payments for government services are widespread and increasingly are expected by licensees, so this project is an opportunity for the board to catch up to prevailing practice.

INSPECTOR ACTIVITY

As reported at the last board meeting, the board's lead inspector, Brenda Aldrich, organized a workshop for barber schools to begin the audit year. The workshop took place on Sunday, April 19, with a meet-and-greet the previous evening. Attendance was excellent, and the reviews by attendees were uniformly positive. I want to recognize Ms. Aldrich's excellent work in planning the event, and I also want to thank the other staff members who assisted outside of normal work hours.

As of May 31, 2015, the board's inspectors have inspected 45.44% of barber shops, with 41.67% of the year elapsed. That means that the inspectors are 3.77% ahead of

⁸ Since there have been so many delays with the vendor providing these software components, I want to point out that I can't guarantee that the software will be finished by the time frame indicated above. However, the projects are moving along and don't seem to be facing some of the management obstacles they previously had.

schedule. However, absences in June will affect that number. In addition, there could be unexpected delays later in the year, so the board staff will closely monitor the inspection rate to make sure that 100% of shops are inspected within the year.

Attachment 1. FY15 Budget Report

| | FY14 Actual | FY15 Actual | FY15 Budget | Difference | Percent of Budget |
|--|----------------------|----------------------|----------------------|------------------------|-------------------|
| OPERATING REVENUES | | | | | |
| Prior FY Carryover (not totaled in op rev) | \$ 546,722.38 | \$ 405,083.59 | \$ 405,083.59 | | |
| Sales of services | | | | | |
| 434134 - Print, bind & duplic svc | \$ 25.00 | \$ - | \$ 355.00 | \$ (355.00) | 0.00% |
| 434190 - Other sales & services | \$ 44.16 | \$ - | \$ - | \$ - | 0.00% |
| Total sales of services | \$ 69.16 | \$ - | \$ 355.00 | \$ (355.00) | 0.00% |
| Business license fees | | | | | |
| 435100 - Business license fees | \$ - | \$ 105,554.00 | \$ (264,254.00) | \$ 369,808.00 | -39.94% |
| 435100059 - Duplicate license | \$ 880.00 | \$ 990.00 | \$ 1,413.00 | \$ (423.00) | 70.06% |
| 435100060 - Individual license | \$ 276,712.00 | \$ 196,110.00 | \$ 367,458.00 | \$ (171,348.00) | 53.37% |
| 435100061 - School permit | \$ 3,770.00 | \$ 4,780.00 | \$ 4,050.00 | \$ 730.00 | 118.02% |
| 435100062 - Bus/shop/salon permit | \$ 121,700.00 | \$ 93,775.00 | \$ 194,333.00 | \$ (100,558.00) | 48.25% |
| 435100063 - Student permit | \$ 27,000.00 | \$ 29,675.00 | \$ 33,000.00 | \$ (3,325.00) | 89.92% |
| 435100064 - Renewal-individual | \$ 77,985.00 | \$ 81,415.00 | \$ 145,569.00 | \$ (64,154.00) | 55.93% |
| 435100065 - Renewal-bus/shp/salon permit | \$ - | \$ - | \$ 1,000.00 | \$ (1,000.00) | 0.00% |
| Total business license fees | \$ 508,047.00 | \$ 512,299.00 | \$ 482,569.00 | \$ 29,730.00 | 106.16% |
| Certification fees | | | | | |
| 435300 - Certification fees | \$ - | \$ - | \$ (78,865.00) | \$ 78,865.00 | 0.00% |
| 435300016 - Instructors exam fees | \$ 10,890.00 | \$ 8,085.00 | \$ 5,800.00 | \$ 2,285.00 | 139.40% |
| 435300017 - Registered exam fees | \$ 32,240.00 | \$ 23,515.00 | \$ 59,833.00 | \$ (36,318.00) | 39.30% |
| 435300018 - Apprentice exam fees | \$ 66,035.00 | \$ 60,770.00 | \$ 73,832.00 | \$ (13,062.00) | 82.31% |
| 435300019 - Apprentice certificates | \$ 40,350.00 | \$ 30,320.00 | \$ 53,286.00 | \$ (22,966.00) | 56.90% |
| 435300020 - Instructors certificate | \$ 7,395.00 | \$ 10,710.00 | \$ 8,100.00 | \$ 2,610.00 | 132.22% |
| Total certification fees | \$ 156,910.00 | \$ 133,400.00 | \$ 121,986.00 | \$ 11,414.00 | 109.36% |
| Inspection/examination fees | | | | | |
| 435400 - Inspection/exam fees | \$ 28,700.00 | \$ 30,980.00 | \$ 93,751.00 | \$ (62,771.00) | 33.04% |
| Total inspection/examination fees | \$ 28,700.00 | \$ 30,980.00 | \$ 93,751.00 | \$ (62,771.00) | 33.04% |
| Fines, penalties, and assessment fees | | | | | |
| 435500 - Fines, penal, assess fee | \$ 15,280.00 | \$ 17,973.00 | \$ 40,000.00 | \$ (22,027.00) | 44.93% |
| Total fines, penalties, and assessment fees | \$ 15,280.00 | \$ 17,973.00 | \$ 40,000.00 | \$ (22,027.00) | 44.93% |
| Tuition and fees | | | | | |
| 435800 - tuition and fees - other | \$ - | \$ 10.00 | \$ - | \$ 10.00 | 0.00% |
| 435830 - Other fees | \$ 640.00 | \$ 639.54 | \$ 500.00 | \$ 139.54 | 127.91% |
| Total tuition and fees | \$ 640.00 | \$ 649.54 | \$ 500.00 | \$ 149.54 | 129.91% |
| Miscellaneous | | | | | |
| 437990 - Other misc rev-program | \$ 12,531.01 | \$ 11,814.43 | \$ 8,467.00 | \$ 3,347.43 | 139.54% |
| Total miscellaneous | \$ 12,531.01 | \$ 11,814.43 | \$ 8,467.00 | \$ 3,347.43 | 139.54% |
| TOTAL OPERATING REVENUES | \$ 722,177.17 | \$ 707,115.97 | \$ 747,628.00 | \$ (40,512.03) | 94.58% |
| NON OPERATING REVENUES | | | | | |
| Investment earnings, net | | | | | |
| 433121 - Stif int inc-nonop-progrm | \$ 1,793.50 | \$ 1,312.40 | \$ 4,000.00 | \$ (2,687.60) | 32.81% |
| Total sales and services, net | \$ 1,793.50 | \$ 1,312.40 | \$ 4,000.00 | \$ (2,687.60) | 32.81% |
| TOTAL NON OPERATING REVENUES | \$ 1,793.50 | \$ 1,312.40 | \$ 4,000.00 | \$ (2,687.60) | 32.81% |
| OPERATING EXPENDITURES | | | | | |
| PERSONAL SERVICES | | | | | |
| EPA salaries and wages | | | | | |
| 531112 - EPA-Reg Salaries-recpt | \$ 382,377.95 | \$ 353,116.35 | \$ 458,280.00 | \$ (105,163.65) | 77.05% |
| Total EPA salaries and wages | \$ 382,377.95 | \$ 353,116.35 | \$ 458,280.00 | \$ (105,163.65) | 77.05% |
| Supplements to regular wages | | | | | |
| 531462 - EPA&SPA-longvty pay-rec | \$ 5,296.00 | \$ 5,994.00 | \$ 5,000.00 | \$ 994.00 | 119.88% |
| Total supplements to regular wages | \$ 5,296.00 | \$ 5,994.00 | \$ 5,000.00 | \$ 994.00 | 119.88% |
| Employee benefit costs | | | | | |
| 531512 - Social sec contrib-recpts | \$ 28,963.49 | \$ 26,417.43 | \$ 35,147.00 | \$ (8,729.57) | 75.16% |
| 531522 - Reg retire contrib-recpts | \$ 56,949.17 | \$ 54,620.64 | \$ 41,621.00 | \$ 12,999.64 | 131.23% |
| 531562 - Med ins contrib-recpts | \$ 42,710.10 | \$ 38,986.44 | \$ 38,808.00 | \$ 178.44 | 100.46% |
| 531576 - Flexible spendng svg acct | \$ 268.62 | \$ 394.92 | \$ 125.00 | \$ 269.92 | 315.94% |
| Total employee benefit costs | \$ 128,891.38 | \$ 120,419.43 | \$ 115,701.00 | \$ 4,718.43 | 104.08% |
| Other personal service payments | | | | | |
| 531651 - Compensation to board members | \$ 3,800.00 | \$ 3,800.00 | \$ 10,100.00 | \$ (6,300.00) | 37.62% |
| Total other personal service payments | \$ 3,800.00 | \$ 3,800.00 | \$ 10,100.00 | \$ (6,300.00) | 37.62% |
| TOTAL PERSONAL SERVICES | \$ 520,365.33 | \$ 483,329.78 | \$ 589,081.00 | \$ (105,751.22) | 82.05% |

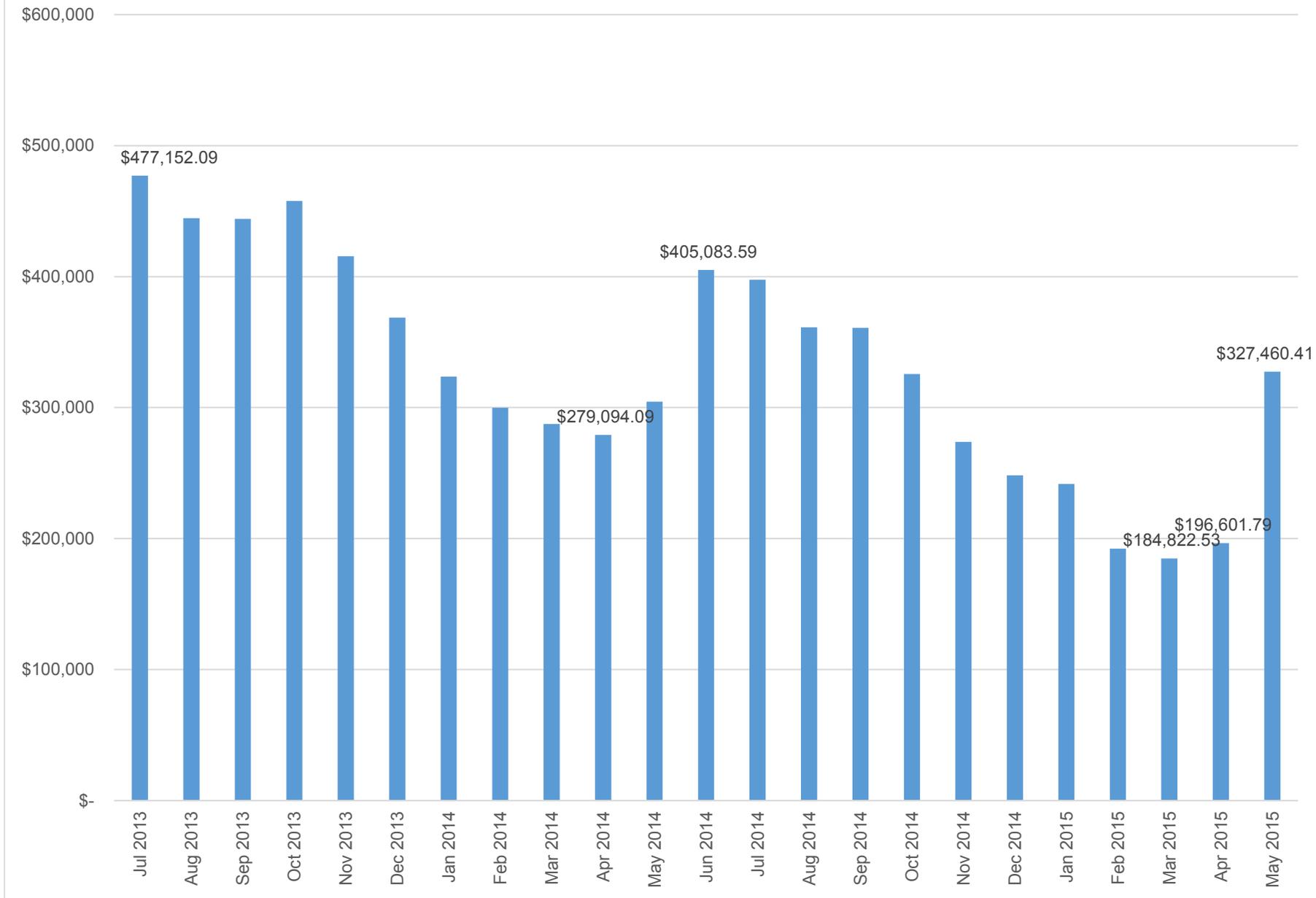
Attachment 1. FY15 Budget Report

| | FY14 Actual | FY15 Actual | FY15 Budget | Difference | Percent of Budget |
|---|----------------------|----------------------|----------------------|-----------------------|-------------------|
| PURCHASED SERVICES | | | | | |
| Purchased contractual services | | | | | |
| 532110 - Legal services | \$ (4,674.13) | \$ (24,401.64) | \$ 6,036.00 | \$ (30,437.64) | -404.27% |
| 532120 - Finan/audit services | \$ 6,700.00 | \$ 6,900.00 | \$ 7,500.00 | \$ (600.00) | 92.00% |
| 532140 - Other information tech scvs | \$ 6,415.19 | \$ - | \$ 2,300.00 | \$ (2,300.00) | 0.00% |
| 532143 - LAN support services | \$ - | \$ - | \$ 300.00 | \$ (300.00) | 0.00% |
| 532145 - Server support svc | \$ 30,428.44 | \$ 21,426.27 | \$ 8,000.00 | \$ 13,426.27 | 267.83% |
| 532170 - Admin services | \$ - | \$ - | \$ 2,242.00 | \$ (2,242.00) | 0.00% |
| 532170001 - Admin svc-prof test svc | \$ 9,828.00 | \$ 9,720.00 | \$ 6,258.00 | \$ 3,462.00 | 155.32% |
| 532184 - Janitorial ser agreement | \$ 4,550.00 | \$ 3,850.00 | \$ 4,500.00 | \$ (650.00) | 85.56% |
| 532199 - Misc contractual services | \$ 32,742.88 | \$ 15,486.14 | \$ 1,000.00 | \$ 14,486.14 | 1548.61% |
| Total purchases contractual services | \$ 85,990.38 | \$ 32,980.77 | \$ 38,136.00 | \$ (5,155.23) | 86.48% |
| Operational services and expenses | | | | | |
| 532210 - Enrg ser-electrical | \$ 7,441.49 | \$ 5,852.33 | \$ 6,302.00 | \$ (449.67) | 92.86% |
| 532220 - Enrg ser-nat.gas/propane | \$ 1,008.90 | \$ 1,065.87 | \$ 700.00 | \$ 365.87 | 152.27% |
| 532430 - Maint agreement-equip | \$ - | \$ 736.58 | \$ 200.00 | \$ 536.58 | 368.29% |
| 532490 - Maint agreement-other | \$ 3,560.08 | \$ 3,159.46 | \$ 3,000.00 | \$ 159.46 | 105.32% |
| 532512 - Rent/lease-bldings/office | \$ 56,626.96 | \$ 52,611.53 | \$ 56,000.00 | \$ (3,388.47) | 93.95% |
| 532524 - Rent/lease-gen off equip | \$ 10,833.59 | \$ 10,661.17 | \$ 5,200.00 | \$ 5,461.17 | 205.02% |
| Total operational servies and expenses | \$ 79,471.02 | \$ 74,086.94 | \$ 71,402.00 | \$ 2,684.94 | 103.76% |
| Other purchased services | | | | | |
| 532714 - Transp-grnd-in state | \$ 29,202.24 | \$ 30,615.50 | \$ 36,000.00 | \$ (5,384.50) | 85.04% |
| 532715 - Trans grnd-out sta,in US | \$ 317.80 | \$ - | \$ 1,300.00 | \$ (1,300.00) | 0.00% |
| 532721 - Lodging-in state | \$ 17,115.57 | \$ 23,002.76 | \$ 17,000.00 | \$ 6,002.76 | 135.31% |
| 532722 - Lodging-out state, in US | \$ 368.96 | \$ - | \$ 1,200.00 | \$ (1,200.00) | 0.00% |
| 532724 - Meals-in state | \$ 9,694.20 | \$ 14,480.61 | \$ 10,000.00 | \$ 4,480.61 | 144.81% |
| 532725 - Meals-out of state, in US | \$ 155.00 | \$ - | \$ 300.00 | \$ (300.00) | 0.00% |
| 532731 - Bd/non-employee transp | \$ 2,180.99 | \$ 1,772.00 | \$ 4,100.00 | \$ (2,328.00) | 43.22% |
| 532732 - Bd/non-employee subsis | \$ 1,394.83 | \$ 1,954.47 | \$ 2,000.00 | \$ (45.53) | 97.72% |
| 532811 - Telephone service | \$ 8,728.38 | \$ 8,927.86 | \$ 3,594.00 | \$ 5,333.86 | 248.41% |
| 532812 - Telecommun data chrg | \$ - | \$ - | \$ 2,000.00 | \$ (2,000.00) | 0.00% |
| 532814 - Cellular phone services | \$ - | \$ 117.95 | \$ 6,000.00 | \$ (5,882.05) | 1.97% |
| 532815 - Email and calendaring | \$ 1,489.80 | \$ 1,768.20 | \$ 2,000.00 | \$ (231.80) | 88.41% |
| 532817 - Internet serv prov charge | \$ 1,334.04 | \$ 1,171.50 | \$ 2,000.00 | \$ (828.50) | 58.58% |
| 532819 - Telephone wiring svc chrg | \$ - | \$ 905.65 | \$ 1,000.00 | \$ (94.35) | 90.57% |
| 532821 - Computer/data process svc | \$ 1,013.55 | \$ - | \$ 10,000.00 | \$ (10,000.00) | 0.00% |
| 532840 - Postage, freight, & deliv | \$ 8,624.54 | \$ 11,545.33 | \$ 16,000.00 | \$ (4,454.67) | 72.16% |
| 532850 - Print,bind,duplicate | \$ 6,068.99 | \$ 6,632.31 | \$ 7,000.00 | \$ (367.69) | 94.75% |
| Total other purchased services | \$ 87,688.89 | \$ 102,894.14 | \$ 121,494.00 | \$ (18,599.86) | 84.69% |
| Other services | | | | | |
| 532911 - Property-insurance | \$ 7,436.00 | \$ 8,946.00 | \$ 233.00 | \$ 8,713.00 | 3839.48% |
| 532930 - Registration fees | \$ 150.00 | \$ - | \$ 190.00 | \$ (190.00) | 0.00% |
| 532942 - Other emp training expenses | \$ 3,360.00 | \$ 1,710.00 | \$ 1,000.00 | \$ 710.00 | 171.00% |
| Total other services | \$ 10,946.00 | \$ 10,656.00 | \$ 1,423.00 | \$ 9,233.00 | 748.84% |
| TOTAL PURCHASED SERVICES | \$ 264,096.29 | \$ 220,617.85 | \$ 232,455.00 | \$ (11,837.15) | 94.91% |
| SUPPLIES | | | | | |
| General administrative supplies | | | | | |
| 533110 - General office supplies | \$ 11,949.00 | \$ 6,249.30 | \$ 6,000.00 | \$ 249.30 | 104.16% |
| 533120 - Data processing supplies | \$ 11,667.00 | \$ 8,900.00 | \$ 2,300.00 | \$ 6,600.00 | 386.96% |
| 533150 - Security & safety supp | \$ 4,835.25 | \$ 4,810.00 | \$ 3,100.00 | \$ 1,710.00 | 155.16% |
| 533190 - Other admin supplies | \$ 375.30 | \$ 85.36 | \$ 500.00 | \$ (414.64) | 17.07% |
| Total general administrative supplies | \$ 28,826.55 | \$ 20,044.66 | \$ 11,900.00 | \$ 8,144.66 | 168.44% |
| TOTAL SUPPLIES | \$ 28,826.55 | \$ 20,044.66 | \$ 11,900.00 | \$ 8,144.66 | 168.44% |
| PROPERTY, PLANT AND EQUIPMENT | | | | | |
| Equipment | | | | | |
| 534521 - Office equipment | \$ 1,267.01 | \$ - | \$ - | \$ - | N/A |
| 534530 - Other DP equipment | \$ 22,230.00 | \$ - | \$ - | \$ - | N/A |
| 534534 - PC/printer equipment | \$ - | \$ 555.09 | \$ 7,042.00 | \$ (6,486.91) | 7.88% |
| Total equipment | \$ 23,497.01 | \$ 555.09 | \$ 7,042.00 | \$ (6,486.91) | 7.88% |
| Intangible assets | | | | | |
| 534521 - PC software | \$ - | \$ - | \$ 1,000.00 | \$ (1,000.00) | 0.00% |
| Total intangible assets | \$ - | \$ - | \$ 1,000.00 | \$ (1,000.00) | 0.00% |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | \$ 23,497.01 | \$ 555.09 | \$ 8,042.00 | \$ (7,486.91) | 6.90% |
| OTHER EXPENSES AND ADJUSTMENTS | | | | | |

Attachment 1. FY15 Budget Report

| | FY14 Actual | FY15 Actual | FY15 Budget | Difference | Percent of Budget |
|---|------------------------|-----------------------|----------------------|-----------------------|-------------------|
| Other administrative expenses | | | | \$ - | |
| 535830 - Membership dues&subscript | \$ 1,356.52 | \$ 1,906.57 | \$ 516.00 | \$ 1,390.57 | 369.49% |
| 535840 - Service & other awards | \$ - | \$ - | \$ 240.00 | \$ (240.00) | 0.00% |
| Total other administrative expenses | \$ 1,356.52 | \$ 1,906.57 | \$ 756.00 | \$ 1,150.57 | 252.19% |
| Other expenses | | | | | |
| 535900 - Other expenses | \$ 16,525.76 | \$ 41,163.60 | \$ 4,000.00 | \$ 37,163.60 | 1029.09% |
| Total other expenses | \$ 16,525.76 | \$ 41,163.60 | \$ 4,000.00 | \$ 37,163.60 | 1029.09% |
| Intergovernmental transactions | | | | | |
| 538030 - Fine/penalty/forfeit-tran | \$ 10,942.00 | \$ 18,434.00 | \$ - | \$ 18,434.00 | N/A |
| Total intergovernmental transactions | \$ 10,942.00 | \$ 18,434.00 | \$ - | \$ 18,434.00 | N/A |
| TOTAL OTHER EXPENSES AND ADJUSTMENTS | \$ 28,824.28 | \$ 61,504.17 | \$ 4,756.00 | \$ 56,748.17 | 1293.19% |
| TOTAL OPERATING EXPENDITURES | \$ 865,609.46 | \$ 786,051.55 | \$ 846,234.00 | \$ (60,182.45) | 92.89% |
| NET INCOME | \$ (141,638.79) | \$ (77,623.18) | | | |
| CASH BALANCE AT PERIOD END | \$ 405,083.59 | \$ 327,460.41 | | | |

Attachment 2. Fund balance





NORTH CAROLINA BOARD OF BARBER EXAMINERS

Memo

TO: Board members

FROM: Dennis Seavers

DATE: June 16, 2015

SUBJECT: Fiscal year 2016 budget proposal

Below is a proposal for the board's fiscal year (FY) 2016 budget. Attachment 1 is an overview of projected revenues and proposed spending, and Attachment 2 offers a detailed breakdown of the proposal according to the state's chart of accounts.

Following an overview and explanation of assumptions in the budget proposal, I offer an explanation of areas of proposed spending that differ from the FY 2015 budget. Since the FY 2015 budget didn't always provide for actual operational needs, Attachment 2 also includes actual revenues and expenditures in FYs 2014 and 2015 so that the board can see that some apparent increases in spending actually preserve current operations.¹ In all other spending areas, either the proposal would continue the current level of spending, or the difference in expenditures isn't notable.

Although this proposal includes significant detail, board members may have additional questions. If you'd like information before the meeting about the proposal, or if aspects of the proposal are unclear, please contact me at dseavers@ncbarbers.com or (919) 981-5210 x22.

SUMMARY

- The board's starting fund balance on July 1, 2015 will be approximately \$407,159²
- The budget projects \$800,700 in operating revenues and \$1,500 in non-operating (interest) revenues
- The budget would authorize \$854,372 in spending

¹ The board shouldn't interpret this comment as a criticism of the FY 2015 budget, but the actual FYs 2014 and 2015 data help offer comparisons.

² The starting balance is based on accruals being credited or debited to the previous fiscal year, so the actual cash balance on July 1, 2015 may be different.

- This spending represents an increase of \$8,138 (about 1%) over the FY 2015 budget
- It also represents a decrease of \$19,177 (about 2.2%) compared to FY 2015 actual expenditures (with June spending estimated)
- The board's net income will be -\$52,172, so the budget continues the board's deficit spending. As indicated under "Assumptions and authorizations" below, even though the revenues projections don't account for fee increases, the board will need to eliminate this deficit if the bill to increase fees doesn't pass
- The board's ending fund balance on June 30, 2016, would be approximately \$354,987

ASSUMPTIONS AND AUTHORIZATIONS

Every budget makes certain assumptions but should, as much as possible, identify those assumptions. I've listed some assumptions below for this budget proposal (others appear in the next section of this memo). In addition, as part of this proposal, I ask the board to authorize me to continue or enter into any necessary contracts, the costs of which are included in the budget, to make sure that operations remain smooth. In most cases, these contracts are identified in this or the next section.

Board meetings

Various portions of the budget include costs associated with board meetings. The proposal assumes that the board will hold six regularly scheduled meetings, plus two additional meetings in case of special circumstances. This assumption is solely for cost projection and doesn't commit the board to a particular schedule.

Fee increase

The budget doesn't include revenues from fee increases currently being considered by the General Assembly. Even so, if the legislature does not authorize the board to increase fees, the board will need to immediately address its deficit, preferably as early in the fiscal year as possible. If the General Assembly approves the increase, the board can wait until the next fiscal year to consider spending increases—which would give time for the fund balance to improve—or the board could meet during FY 2016 to consider whether it should authorize additional expenditures.

Leased facility

The proposal assumes that the board will remain in its current privately leased facility. The contract includes one remaining five-year option to renew, and the Department of Administration has begun preparing a renewal proposal to the landlord.

Worker compensation

The budget doesn't include a spending proposal for worker compensation. The board should be aware that there will be spending in FY 2016 for worker compensation, but the question of how much spending will be addressed in executive session.

Audit services contract

The board is required to have an audit of the board's finances on a yearly basis.³ The results are shared with the board, the Office of the State Auditor, and the Office of the State Controller. The procedures for selecting an auditor are dictated by procurement laws; in addition, the Office of the State Auditor claims authority over the selection of auditors. The board must follow certain procedures when selecting a contractor, thereby limiting the board's control over the cost of the audit. The budget proposal estimates the cost, but the actual cost will be determined by accounting firms' responses to a request for proposals that I've already issued. The budget proposal would authorize me to determine which firm should receive a contract in accordance with an already established selection process.

Personnel costs

At the time I'm submitting this proposal, the General Assembly has not adopted a statewide budget. Whatever budget the legislature ultimately adopts could include provisions that affect the board. This proposal assumes a 2% increase in salaries and related increases in employee-benefit costs.⁴ The statewide budget also might include additional liabilities to the board that aren't reflected in this budget.⁵

DETAILED EXPLANATIONS AND JUSTIFICATIONS

The general approach in this budget proposal is to continue the current level of spending. This section of the memo explains portions of the budget that depart notably from the FY 2015 adopted budget. Not all changes in spending are addressed—though the most important are—so if the board has additional questions about changes, please feel free to contact me. The focus is on expenditures rather than revenues because the latter are projections rather than proposals.

The information below is organized by the state's expenditure categories and chart of accounts, as shown on Attachment 2.

³ N.C.G. S § 93B-4(b).

⁴ See H97 [Edition 5], p. 291, lines 14–18, and p. 292, lines 1–2.

⁵ For example, H97 [Edition 5], p. 292, lines 9–12, requires a one-time addition of five annual-leave days.

Personal services

EPA salaries and wages

As indicated under “Assumptions and authorizations,” the House of Representatives has proposed (but not ultimately adopted) salary increases of 2%, which would apply to all board employees. Despite this increase, the total proposed spending on salaries would decrease from the FY 2015 budget proposal because actual spending in the past two fiscal years has been relatively stable, and last year’s budget proposal appears to have anticipated additional personnel costs—perhaps from new employees—that never occurred. The proposed budget would increase spending compared to FY 2015 actuals because of the vacancy during the transition of executive directors in December 2014 and January 2015.

Supplements to regular wages

The increase of \$1,100 assumes a legislative mandated increase, as discussed above.

Employee benefit costs

These costs, which include social security, medical benefits, and retirement, are either based on employee selections during open enrollment or represent a percentage of regular salaries. The apparent increases in spending over the FY 2015 budget are based on the salary increases proposed by the House and the fact that the FY 2015 budget either didn’t match actual staffing levels in FY 2014 and 2015 or assumed that benefit costs would drop.

Other personal service payments

As indicated earlier in this memo, this proposal assumes that the board will meet for six regularly scheduled meeting and hold two additional special meetings, if necessary. Actual compensation would depend on the number of meetings the board ends up holding over the course of the year.

Purchased services

Purchased contractual services

Although total costs in this area would only increase slightly, there are two accounts where spending would either increase or decrease substantially.

- Legal services (532110). This account includes spending on legal services such as outside counsel but mostly includes collections on civil penalties.⁶ (Although it may seem strange to have an expense account with revenues, this account is

⁶ The expenses for outside counsel don’t include salary and benefits for the board’s counsel but rather for private law firms in circumstances when regulations require outside counsel.

appropriate for the penalty collections.) The FY 2015 budget evidently projected that large expenditures in FY 2014 associated with appellate litigation costs would continue. However, the *Kindsgrab* case that generated most of the spending in FY 2014 ended in FY 2015 without many additional costs. Although there could always be unexpected litigation expenses, there are no cases on the horizon that would offset penalty collections.

- Server support services (532145). The board has a contract with GL Solutions, which provides our database software, through the end of FY 2015, and most of the costs in this account are from that contract. Since the board has made a substantial commitment to developing the software, I recommend that the board authorize me to continue the contract through FY 2016. The increase in the budget for this account is due to price increases under the new software contract and the fact that the FY 2015 budget didn't include the costs for the contract.
- Miscellaneous contract services (532199). Although the budget proposal would raise costs in this account only slightly (\$1,500) compared to the FY 2015 budget, the proposal significantly decreases spending on temporary services, which cost \$12,734.22 in FY 2015.

Operational services and expenses

The proposal increases in this category spending primarily in two accounts.

- Rental or lease of buildings. As indicated under "Assumptions and authorizations" above, this proposal would include authorization for me to exercise the option to renew the current office facility for five years. The proposal assumes an increase in rent that would begin in November (the start of the next contract period).
- Rental or lease of general office equipment. Although the proposal would increase spending in this account compared to the FY 2015 budget, for the most part it maintains spending. The amount budgeted in FY 2015 for this account didn't match the contract obligations for equipment rental.

Other purchased services

The spending in this area is only slightly higher than in the FY 2015 budget. Most increases or decreases represent differences in accounting rather than in overall budgeting.⁷

Other services

The FY 2015 budget didn't account for property-insurance spending under the insurance account (532911). The FY 2016 budget proposal continues the current level of spending.

⁷ It's not uncommon for budgets to accurately predict spending but to anticipate it in different accounts.

Supplies

There are two areas of spending for supplies that would increase under this proposal.

- Data processing supplies. The board uses (and has used for a few years) outside accounting services for accounts payable. Segregation of duties is an important aspect of internal financial controls, which are assessed in yearly audits and required by statewide accounting policies. I recommend that the board continue to use the outside accounting services. The FY 2015 budget didn't account for these services, but the spending proposed in FY 2016 would maintain the same level of spending as in FY 2015.
- Security and safety supplies. At the beginning of this calendar year, the board began holding two days of exams for registered and apprentice barbers each month. As a result, costs for security increased. This proposal assumes that the board will continue having two days of registered and apprentice exams each month.

Other expenses and adjustments

Other expenses

Most of the costs in this account (535900) are for worker compensation. Although this proposal doesn't include costs for FY 2016, the board will have costs. I haven't included them in the budget proposal because the board will be considering these in a separate agenda item in executive session.

Despite the absence of these costs in the budget proposal, the board should still consider their impact on the fund balance and total operating expenditures.

Intergovernmental transactions

When the board assesses a civil penalty, it only retains a portion of the cost—the amount the board actually spends collecting and processing the penalty, but not to exceed 20% of the total penalty. The remainder is paid to the County School Fund.⁸ The board is required to remit these collections, so this budget category is based on a projection of collections rather than a request for approval by the board. The apparent increase in spending in this proposal reflects the fact that the FY 2015 budget didn't include this projection.

⁸ N.C.G.S. § 115C-457.2.

Attachment 1. FY16 Budget Proposal in Summary

| | FY14 Actual | FY15 Actual (with June estimated) | FY15 Budget | FY16 Budget | Budget difference from FY15 to FY16 |
|---|------------------------|--------------------------------------|-----------------------|-----------------------|--|
| OPERATING REVENUES | | | | | |
| Prior FY Carryover (not totaled in op rev) | \$ 546,722.38 | \$ 405,083.59 | \$ 405,083.59 | \$ 407,159.19 | |
| Sales of services | \$ 69.16 | \$ - | \$ 355.00 | \$ - | \$ (355.00) |
| Business license fees | \$ 508,047.00 | \$ 676,685.00 | \$ 482,569.00 | \$ 575,100.00 | \$ 92,531.00 |
| Certification fees | \$ 156,910.00 | \$ 135,950.00 | \$ 121,986.00 | \$ 163,000.00 | \$ 41,014.00 |
| Inspection/examination fees | \$ 28,700.00 | \$ 31,220.00 | \$ 93,751.00 | \$ 32,000.00 | \$ (61,751.00) |
| Fines, penalties, and assessment fees | \$ 15,280.00 | \$ 18,213.00 | \$ 40,000.00 | \$ 18,000.00 | \$ (22,000.00) |
| Tuition and fees | \$ 640.00 | \$ 649.54 | \$ 500.00 | \$ 600.00 | \$ 100.00 |
| Miscellaneous | \$ 12,531.01 | \$ 11,481.43 | \$ 8,467.00 | \$ 12,000.00 | \$ 3,533.00 |
| TOTAL OPERATING REVENUES | \$ 722,177.17 | \$ 874,198.97 | \$ 747,628.00 | \$ 800,700.00 | \$ 53,072.00 |
| NON OPERATING REVENUES | | | | | |
| Investment earnings, net | \$ 1,793.50 | \$ 1,425.47 | \$ 4,000.00 | \$ 1,500.00 | \$ (2,500.00) |
| TOTAL NON OPERATING REVENUES | \$ 1,793.50 | \$ 1,425.47 | \$ 4,000.00 | \$ 1,500.00 | \$ (2,500.00) |
| OPERATING EXPENDITURES | | | | | |
| PERSONAL SERVICES | | | | | |
| EPA salaries and wages | \$ 382,377.95 | \$ 385,810.59 | \$ 458,280.00 | \$ 401,000.00 | \$ (57,280.00) |
| Supplements to regular wages | \$ 5,296.00 | \$ 5,994.00 | \$ 5,000.00 | \$ 6,100.00 | \$ 1,100.00 |
| Employee benefit costs | \$ 128,891.38 | \$ 131,388.84 | \$ 115,701.00 | \$ 137,750.00 | \$ 22,049.00 |
| Other personal service payments | \$ 3,800.00 | \$ 4,300.00 | \$ 10,100.00 | \$ 4,000.00 | \$ (6,100.00) |
| TOTAL PERSONAL SERVICES | \$ 520,365.33 | \$ 527,493.43 | \$ 589,081.00 | \$ 548,850.00 | \$ (40,231.00) |
| PURCHASED SERVICES | | | | | |
| Purchased contractual services | \$ 85,990.38 | \$ 39,207.77 | \$ 38,136.00 | \$ 34,830.00 | \$ (3,306.00) |
| Operational services and expenses | \$ 79,471.02 | \$ 80,859.53 | \$ 71,402.00 | \$ 84,020.00 | \$ 12,618.00 |
| Other purchased services | \$ 87,688.89 | \$ 115,106.15 | \$ 121,494.00 | \$ 123,800.00 | \$ 2,306.00 |
| Other services | \$ 10,946.00 | \$ 10,656.00 | \$ 1,423.00 | \$ 10,800.00 | \$ 9,377.00 |
| TOTAL PURCHASED SERVICES | \$ 264,096.29 | \$ 245,829.45 | \$ 232,455.00 | \$ 253,450.00 | \$ 20,995.00 |
| SUPPLIES | | | | | |
| General administrative supplies | \$ 28,826.55 | \$ 23,686.66 | \$ 11,900.00 | \$ 28,772.00 | \$ 16,872.00 |
| TOTAL SUPPLIES | \$ 28,826.55 | \$ 23,686.66 | \$ 11,900.00 | \$ 28,772.00 | \$ 16,872.00 |
| PROPERTY, PLANT AND EQUIPMENT | | | | | |
| Equipment | \$ 23,497.01 | \$ 4,597.09 | \$ 7,042.00 | \$ - | \$ (7,042.00) |
| Intangible assets | \$ - | \$ - | \$ 1,000.00 | \$ 1,200.00 | \$ 200.00 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | \$ 23,497.01 | \$ 4,597.09 | \$ 8,042.00 | \$ 1,200.00 | \$ (6,842.00) |
| OTHER EXPENSES AND ADJUSTMENTS | | | | | |
| Other administrative expenses | \$ 1,356.52 | \$ 2,051.57 | \$ 756.00 | \$ 2,100.00 | \$ 1,344.00 |
| Other expenses | \$ 16,525.76 | \$ 50,006.64 | \$ 4,000.00 | \$ - | \$ (4,000.00) |
| Intergovernmental transactions | \$ 10,942.00 | \$ 19,884.00 | \$ - | \$ 20,000.00 | \$ 20,000.00 |
| TOTAL OTHER EXPENSES AND ADJUSTMENTS | \$ 28,824.28 | \$ 71,942.21 | \$ 4,756.00 | \$ 22,100.00 | \$ 17,344.00 |
| TOTAL OPERATING EXPENDITURES | \$ 865,609.46 | \$ 873,548.84 | \$ 846,234.00 | \$ 854,372.00 | \$ 8,138.00 |
| NET INCOME | \$ (141,638.79) | \$ 2,075.60 | \$ (94,606.00) | \$ (52,172.00) | |
| CASH BALANCE AT PERIOD END | \$ 405,083.59 | \$ 407,159.19 | \$ 310,477.59 | \$ 354,987.19 | |

Attachment 2. FY16 Budget Proposal in Detail

| | FY14 Actual | FY15 Actual (with June estimated) | FY15 Budget | FY16 Budget | Budget difference from FY15 to FY16 |
|--|----------------------|--------------------------------------|----------------------|----------------------|--|
| OPERATING REVENUES | | | | | |
| Prior FY Carryover (not totaled in op rev) | \$ 546,722.38 | \$ 405,083.59 | \$ 405,083.59 | \$ 407,159.19 | |
| Sales of services | | | | | |
| 434134 - Print, bind & duplic svc | \$ 25.00 | \$ - | \$ 355.00 | \$ - | \$ (355.00) |
| 434190 - Other sales & services | \$ 44.16 | \$ - | \$ - | \$ - | \$ - |
| Total sales of services | \$ 69.16 | \$ - | \$ 355.00 | \$ - | \$ (355.00) |
| Business license fees | | | | | |
| 435100 - Business license fees | \$ - | \$ 244,260.00 | \$ (264,254.00) | \$ - | \$ 264,254.00 |
| 435100059 - Duplicate license | \$ 880.00 | \$ 1,070.00 | \$ 1,413.00 | \$ 1,100.00 | \$ (313.00) |
| 435100060 - Individual license | \$ 276,712.00 | \$ 212,110.00 | \$ 367,458.00 | \$ 338,000.00 | \$ (29,458.00) |
| 435100061 - School permit | \$ 3,770.00 | \$ 4,780.00 | \$ 4,050.00 | \$ 6,000.00 | \$ 1,950.00 |
| 435100062 - Bus/shop/salon permit | \$ 121,700.00 | \$ 100,775.00 | \$ 194,333.00 | \$ 115,000.00 | \$ (79,333.00) |
| 435100063 - Student permit | \$ 27,000.00 | \$ 30,675.00 | \$ 33,000.00 | \$ 30,000.00 | \$ (3,000.00) |
| 435100064 - Renewal-individual | \$ 77,985.00 | \$ 83,015.00 | \$ 145,569.00 | \$ 85,000.00 | \$ (60,569.00) |
| 435100065 - Renewal-bus/shp/salon permit | \$ - | \$ - | \$ 1,000.00 | \$ - | \$ (1,000.00) |
| Total business license fees | \$ 508,047.00 | \$ 676,685.00 | \$ 482,569.00 | \$ 575,100.00 | \$ 92,531.00 |
| Certification fees | | | | | |
| 435300 - Certification fees | \$ - | \$ - | \$ (78,865.00) | \$ - | \$ 78,865.00 |
| 435300016 - Instructors exam fees | \$ 10,890.00 | \$ 8,085.00 | \$ 5,800.00 | \$ 10,000.00 | \$ 4,200.00 |
| 435300017 - Registered exam fees | \$ 32,240.00 | \$ 23,515.00 | \$ 59,833.00 | \$ 33,000.00 | \$ (26,833.00) |
| 435300018 - Apprentice exam fees | \$ 66,035.00 | \$ 60,770.00 | \$ 73,832.00 | \$ 68,000.00 | \$ (5,832.00) |
| 435300019 - Apprentice certificates | \$ 40,350.00 | \$ 31,970.00 | \$ 53,286.00 | \$ 40,000.00 | \$ (13,286.00) |
| 435300020 - Instructors certificate | \$ 7,395.00 | \$ 11,610.00 | \$ 8,100.00 | \$ 12,000.00 | \$ 3,900.00 |
| Total certification fees | \$ 156,910.00 | \$ 135,950.00 | \$ 121,986.00 | \$ 163,000.00 | \$ 41,014.00 |
| Inspection/examination fees | | | | | |
| 435400 - Inspection/exam fees | \$ 28,700.00 | \$ 31,220.00 | \$ 93,751.00 | \$ 32,000.00 | \$ (61,751.00) |
| Total inspection/examination fees | \$ 28,700.00 | \$ 31,220.00 | \$ 93,751.00 | \$ 32,000.00 | \$ (61,751.00) |
| Fines, penalties, and assessment fees | | | | | |
| 435500 - Fines, penal, assess fee | \$ 15,280.00 | \$ 18,213.00 | \$ 40,000.00 | \$ 18,000.00 | \$ (22,000.00) |
| Total fines, penalties, and assessment fees | \$ 15,280.00 | \$ 18,213.00 | \$ 40,000.00 | \$ 18,000.00 | \$ (22,000.00) |
| Tuition and fees | | | | | |
| 435800 - tuition and fees - other | \$ - | \$ 10.00 | \$ - | \$ - | \$ - |
| 435830 - Other fees | \$ 640.00 | \$ 639.54 | \$ 500.00 | \$ 600.00 | \$ 100.00 |
| Total tuition and fees | \$ 640.00 | \$ 649.54 | \$ 500.00 | \$ 600.00 | \$ 100.00 |
| Miscellaneous | | | | | |
| 437990 - Other misc rev-program | \$ 12,531.01 | \$ 11,481.43 | \$ 8,467.00 | \$ 12,000.00 | \$ 3,533.00 |
| Total miscellaneous | \$ 12,531.01 | \$ 11,481.43 | \$ 8,467.00 | \$ 12,000.00 | \$ 3,533.00 |
| TOTAL OPERATING REVENUES | \$ 722,177.17 | \$ 874,198.97 | \$ 747,628.00 | \$ 800,700.00 | \$ 53,072.00 |
| NON OPERATING REVENUES | | | | | |
| Investment earnings, net | | | | | |
| 433121 - Stif int inc-nonop-progrm | \$ 1,793.50 | \$ 1,425.47 | \$ 4,000.00 | \$ 1,500.00 | \$ (2,500.00) |
| Total sales and services, net | \$ 1,793.50 | \$ 1,425.47 | \$ 4,000.00 | \$ 1,500.00 | \$ (2,500.00) |
| TOTAL NON OPERATING REVENUES | \$ 1,793.50 | \$ 1,425.47 | \$ 4,000.00 | \$ 1,500.00 | \$ (2,500.00) |
| OPERATING EXPENDITURES | | | | | |
| PERSONAL SERVICES | | | | | |
| EPA salaries and wages | | | | | |
| 531112 - EPA-Reg Salaries-recpt | \$ 382,377.95 | \$ 385,810.59 | \$ 458,280.00 | \$ 401,000.00 | \$ (57,280.00) |
| Total EPA salaries and wages | \$ 382,377.95 | \$ 385,810.59 | \$ 458,280.00 | \$ 401,000.00 | \$ (57,280.00) |
| Supplements to regular wages | | | | | |
| 531462 - EPA&SPA-longvty pay-rec | \$ 5,296.00 | \$ 5,994.00 | \$ 5,000.00 | \$ 6,100.00 | \$ 1,100.00 |
| Total supplements to regular wages | \$ 5,296.00 | \$ 5,994.00 | \$ 5,000.00 | \$ 6,100.00 | \$ 1,100.00 |
| Employee benefit costs | | | | | |
| 531512 - Social sec contrib-recpts | \$ 28,963.49 | \$ 28,775.52 | \$ 35,147.00 | \$ 31,000.00 | \$ (4,147.00) |
| 531522 - Reg retire contrib-recpts | \$ 56,949.17 | \$ 59,593.43 | \$ 41,621.00 | \$ 63,000.00 | \$ 21,379.00 |
| 531562 - Med ins contrib-recpts | \$ 42,710.10 | \$ 42,571.40 | \$ 38,808.00 | \$ 43,100.00 | \$ 4,292.00 |
| 531576 - Flexible spendng svg acct | \$ 268.62 | \$ 448.49 | \$ 125.00 | \$ 650.00 | \$ 525.00 |
| Total employee benefit costs | \$ 128,891.38 | \$ 131,388.84 | \$ 115,701.00 | \$ 137,750.00 | \$ 22,049.00 |
| Other personal service payments | | | | | |
| 531651 - Compensation to board members | \$ 3,800.00 | \$ 4,300.00 | \$ 10,100.00 | \$ 4,000.00 | \$ (6,100.00) |
| Total other personal service payments | \$ 3,800.00 | \$ 4,300.00 | \$ 10,100.00 | \$ 4,000.00 | \$ (6,100.00) |
| TOTAL PERSONAL SERVICES | \$ 520,365.33 | \$ 527,493.43 | \$ 589,081.00 | \$ 548,850.00 | \$ (40,231.00) |

Attachment 2. FY16 Budget Proposal in Detail

| | FY14 Actual | FY15 Actual (with June estimated) | FY15 Budget | FY16 Budget | Budget difference from FY15 to FY16 |
|---|----------------------|-----------------------------------|----------------------|----------------------|-------------------------------------|
| PURCHASED SERVICES | | | | | |
| Purchased contractual services | | | | | |
| 532110 - Legal services | \$ (4,674.13) | \$ (22,101.64) | \$ 6,036.00 | \$ (22,000.00) | \$ (28,036.00) |
| 532120 - Finan/audit services | \$ 6,700.00 | \$ 6,900.00 | \$ 7,500.00 | \$ 8,000.00 | \$ 500.00 |
| 532140 - Other information tech scvs | \$ 6,415.19 | \$ - | \$ 2,300.00 | \$ - | \$ (2,300.00) |
| 532143 - LAN support services | \$ - | \$ - | \$ 300.00 | \$ - | \$ (300.00) |
| 532145 - Server support svc | \$ 30,428.44 | \$ 21,543.27 | \$ 8,000.00 | \$ 30,780.00 | \$ 22,780.00 |
| 532170 - Admin services | \$ - | \$ - | \$ 2,242.00 | \$ - | \$ (2,242.00) |
| 532170001 - Admin svc-prof test svc | \$ 9,828.00 | \$ 10,620.00 | \$ 6,258.00 | \$ 11,000.00 | \$ 4,742.00 |
| 532184 - Janitorial ser agreement | \$ 4,550.00 | \$ 4,550.00 | \$ 4,500.00 | \$ 4,550.00 | \$ 50.00 |
| 532199 - Misc contractual services | \$ 32,742.88 | \$ 17,696.14 | \$ 1,000.00 | \$ 2,500.00 | \$ 1,500.00 |
| Total purchases contractual services | \$ 85,990.38 | \$ 39,207.77 | \$ 38,136.00 | \$ 34,830.00 | \$ (3,306.00) |
| Operational services and expenses | | | | | |
| 532210 - Enrg ser-electrical | \$ 7,441.49 | \$ 6,413.71 | \$ 6,302.00 | \$ 6,500.00 | \$ 198.00 |
| 532220 - Enrg ser-nat.gas/propane | \$ 1,008.90 | \$ 1,083.37 | \$ 700.00 | \$ 1,100.00 | \$ 400.00 |
| 532430 - Maint agreement-equip | \$ - | \$ 736.58 | \$ 200.00 | \$ 800.00 | \$ 600.00 |
| 532490 - Maint agreement-other | \$ 3,560.08 | \$ 3,459.46 | \$ 3,000.00 | \$ 3,600.00 | \$ 600.00 |
| 532512 - Rent/lease-bldings/office | \$ 56,626.96 | \$ 57,420.24 | \$ 56,000.00 | \$ 59,000.00 | \$ 3,000.00 |
| 532524 - Rent/lease-gen off equip | \$ 10,833.59 | \$ 11,746.17 | \$ 5,200.00 | \$ 13,020.00 | \$ 7,820.00 |
| Total operational servies and expenses | \$ 79,471.02 | \$ 80,859.53 | \$ 71,402.00 | \$ 84,020.00 | \$ 12,618.00 |
| Other purchased services | | | | | |
| 532714 - Transp-grnd-in state | \$ 29,202.24 | \$ 34,073.50 | \$ 36,000.00 | \$ 36,000.00 | \$ - |
| 532715 - Trans grnd-out sta,in US | \$ 317.80 | \$ - | \$ 1,300.00 | \$ - | \$ (1,300.00) |
| 532721 - Lodging-in state | \$ 17,115.57 | \$ 26,581.40 | \$ 17,000.00 | \$ 26,500.00 | \$ 9,500.00 |
| 532722 - Lodging-out state, in US | \$ 368.96 | \$ - | \$ 1,200.00 | \$ - | \$ (1,200.00) |
| 532724 - Meals-in state | \$ 9,694.20 | \$ 16,666.01 | \$ 10,000.00 | \$ 16,680.00 | \$ 6,680.00 |
| 532725 - Meals-out of state, in US | \$ 155.00 | \$ - | \$ 300.00 | \$ - | \$ (300.00) |
| 532731 - Bd/non-employee transp | \$ 2,180.99 | \$ 1,952.00 | \$ 4,100.00 | \$ 2,000.00 | \$ (2,100.00) |
| 532732 - Bd/non-employee subsis | \$ 1,394.83 | \$ 2,107.47 | \$ 2,000.00 | \$ 2,100.00 | \$ 100.00 |
| 532811 - Telephone service | \$ 8,728.38 | \$ 10,366.88 | \$ 3,594.00 | \$ 11,500.00 | \$ 7,906.00 |
| 532812 - Telecommun data chrg | \$ - | \$ - | \$ 2,000.00 | \$ - | \$ (2,000.00) |
| 532814 - Cellular phone services | \$ - | \$ 117.95 | \$ 6,000.00 | \$ - | \$ (6,000.00) |
| 532815 - Email and calendaring | \$ 1,489.80 | \$ 1,768.20 | \$ 2,000.00 | \$ 1,800.00 | \$ (200.00) |
| 532817 - Internet serv prov charge | \$ 1,334.04 | \$ 1,289.45 | \$ 2,000.00 | \$ 1,420.00 | \$ (580.00) |
| 532819 - Telephone wiring svc chrg | \$ - | \$ 905.65 | \$ 1,000.00 | \$ 1,000.00 | \$ - |
| 532821 - Computer/data process svc | \$ 1,013.55 | \$ - | \$ 10,000.00 | \$ - | \$ (10,000.00) |
| 532840 - Postage, freight, & deliv | \$ 8,624.54 | \$ 12,645.33 | \$ 16,000.00 | \$ 17,800.00 | \$ 1,800.00 |
| 532850 - Print,bind,duplicate | \$ 6,068.99 | \$ 6,632.31 | \$ 7,000.00 | \$ 7,000.00 | \$ - |
| Total other purchased services | \$ 87,688.89 | \$ 115,106.15 | \$ 121,494.00 | \$ 123,800.00 | \$ 2,306.00 |
| Other services | | | | | |
| 532911 - Property-insurance | \$ 7,436.00 | \$ 8,946.00 | \$ 233.00 | \$ 9,000.00 | \$ 8,767.00 |
| 532930 - Registration fees | \$ 150.00 | \$ - | \$ 190.00 | \$ - | \$ (190.00) |
| 532942 - Other emp training expenses | \$ 3,360.00 | \$ 1,710.00 | \$ 1,000.00 | \$ 1,800.00 | \$ 800.00 |
| Total other services | \$ 10,946.00 | \$ 10,656.00 | \$ 1,423.00 | \$ 10,800.00 | \$ 9,377.00 |
| TOTAL PURCHASED SERVICES | \$ 264,096.29 | \$ 245,829.45 | \$ 232,455.00 | \$ 253,450.00 | \$ 20,995.00 |
| SUPPLIES | | | | | |
| General administrative supplies | | | | | |
| 533110 - General office supplies | \$ 11,949.00 | \$ 7,049.30 | \$ 6,000.00 | \$ 7,000.00 | \$ 1,000.00 |
| 533120 - Data processing supplies | \$ 11,667.00 | \$ 11,150.00 | \$ 2,300.00 | \$ 12,000.00 | \$ 9,700.00 |
| 533150 - Security & safety supp | \$ 4,835.25 | \$ 5,402.00 | \$ 3,100.00 | \$ 9,472.00 | \$ 6,372.00 |
| 533190 - Other admin supplies | \$ 375.30 | \$ 85.36 | \$ 500.00 | \$ 300.00 | \$ (200.00) |
| Total general administrative supplies | \$ 28,826.55 | \$ 23,686.66 | \$ 11,900.00 | \$ 28,772.00 | \$ 16,872.00 |
| TOTAL SUPPLIES | \$ 28,826.55 | \$ 23,686.66 | \$ 11,900.00 | \$ 28,772.00 | \$ 16,872.00 |
| PROPERTY, PLANT AND EQUIPMENT | | | | | |
| Equipment | | | | | |
| 534521 - Office equipment | \$ 1,267.01 | \$ - | \$ - | \$ - | \$ - |
| 534530 - Other DP equipment | \$ 22,230.00 | \$ - | \$ - | \$ - | \$ - |
| 534534 - PC/printer equipment | \$ - | \$ 4,597.09 | \$ 7,042.00 | \$ - | \$ (7,042.00) |
| Total equipment | \$ 23,497.01 | \$ 4,597.09 | \$ 7,042.00 | \$ - | \$ (7,042.00) |
| Intangible assets | | | | | |
| 534521 - PC software | \$ - | \$ - | \$ 1,000.00 | \$ 1,200.00 | \$ 200.00 |
| Total intangible assets | \$ - | \$ - | \$ 1,000.00 | \$ 1,200.00 | \$ 200.00 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | \$ 23,497.01 | \$ 4,597.09 | \$ 8,042.00 | \$ 1,200.00 | \$ (6,842.00) |
| OTHER EXPENSES AND ADJUSTMENTS | | | | | |

Attachment 2. FY16 Budget Proposal in Detail

| | FY14 Actual | FY15 Actual (with June estimated) | FY15 Budget | FY16 Budget | Budget difference from FY15 to FY16 |
|---|------------------------|--------------------------------------|-----------------------|-----------------------|--|
| Other administrative expenses | | | | | \$ - |
| 535830 - Membership dues&subscript | \$ 1,356.52 | \$ 2,051.57 | \$ 516.00 | \$ 2,100.00 | \$ 1,584.00 |
| 535840 - Service & other awards | \$ - | \$ - | \$ 240.00 | \$ - | \$ (240.00) |
| Total other administrative expenses | \$ 1,356.52 | \$ 2,051.57 | \$ 756.00 | \$ 2,100.00 | \$ 1,344.00 |
| Other expenses | | | | | |
| 535900 - Other expenses | \$ 16,525.76 | \$ 50,006.64 | \$ 4,000.00 | \$ - | \$ (4,000.00) |
| Total other expenses | \$ 16,525.76 | \$ 50,006.64 | \$ 4,000.00 | \$ - | \$ (4,000.00) |
| Intergovernmental transactions | | | | | |
| 538030 - Fine/penalty/forfeit-tran | \$ 10,942.00 | \$ 19,884.00 | \$ - | \$ 20,000.00 | \$ 20,000.00 |
| Total intergovernmental transactions | \$ 10,942.00 | \$ 19,884.00 | \$ - | \$ 20,000.00 | \$ 20,000.00 |
| TOTAL OTHER EXPENSES AND ADJUSTMENTS | \$ 28,824.28 | \$ 71,942.21 | \$ 4,756.00 | \$ 22,100.00 | \$ 17,344.00 |
| TOTAL OPERATING EXPENDITURES | \$ 865,609.46 | \$ 873,548.84 | \$ 846,234.00 | \$ 854,372.00 | \$ 8,138.00 |
| NET INCOME | \$ (141,638.79) | \$ 2,075.60 | \$ (94,606.00) | \$ (52,172.00) | |
| CASH BALANCE AT PERIOD END | \$ 405,083.59 | \$ 407,159.19 | \$ 310,477.59 | \$ 354,987.19 | |