

ATTORNEY GRIEVANCE COMMISSION
OF MARYLAND
Annapolis, Maryland

AUDITED FINANCIAL STATEMENTS
June 30, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Commissioners
Attorney Grievance Commission of Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the Attorney Grievance Commission of Maryland, which comprise the balance sheets as of June 30, 2015 and 2014, and the related statements of budget, receipts, expenditures, and fund balance, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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Basis for Qualified Opinion

As more fully described in Note 1, the Commission has expensed property and equipment at the date of purchase, a practice that was established by the Court at the inception of the Commission. In our opinion, property and equipment should be recorded at cost, if purchased, or at fair value, if received by donation or contribution, to conform with accounting principles generally accepted in the United States of America, and those amounts should be depreciated over the estimated useful lives of the assets. The results of this departure cannot be reasonably determined.

Qualified Opinion

In our opinion, except for the effects on the financial statements of not capitalizing and depreciating property and equipment as described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Attorney Grievance Commission of Maryland as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the potential effects on the supplementary schedules related to the recognition of property and equipment described in the Basis for Qualified Opinion paragraph in this report, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink, appearing to read "Heim Haupt". The signature is fluid and cursive, with a large loop at the end.

Annapolis, Maryland
November 18, 2015

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
BALANCE SHEETS
JUNE 30, 2015 and 2014**

ASSETS	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 352,734	\$ 29,089
Investments	3,649,824	3,548,331
Attorney assessments receivable	10,470	19,394
Due from Client Protection Fund - salary and benefits	121,168	228,517
Other receivables	5,641	-
Prepaid expenses	35,054	9,274
TOTAL CURRENT ASSETS	<u>4,174,891</u>	<u>3,834,605</u>
 Security deposits	 <u>20,020</u>	 <u>-</u>
TOTAL ASSETS	<u><u>\$ 4,194,911</u></u>	<u><u>\$ 3,834,605</u></u>
 LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	\$ 77,779	\$ 86,970
Pension payable	19,222	23,803
Accrued compensated absences	310,415	305,063
Current portion of deferred lease expense	5,859	-
TOTAL CURRENT LIABILITIES	<u>413,275</u>	<u>415,836</u>
 Deferred lease expense	 52,735	 -
Retiree health insurance credit plan	<u>156,293</u>	<u>103,179</u>
TOTAL LIABILITIES	622,303	519,015
 FUND BALANCE		
Unrestricted	3,163,831	3,208,448
Restricted	<u>408,778</u>	<u>107,142</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 4,194,911</u></u>	<u><u>\$ 3,834,605</u></u>

The accompanying notes are an integral part of the financial statements.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF BUDGET, RECEIPTS, EXPENDITURES, AND FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2015 and 2014**

	<u>2015</u>			<u>2014</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive (Negative)</u>
COMMISSION RECEIPTS						
Attorney Assessments	\$ 4,151,923	\$ 4,010,055	\$ 141,868	\$ 4,069,133	\$ 3,916,500	\$ 152,633
Investment Income	24,440	30,000	(5,560)	32,269	50,000	(17,731)
Court Recovered Costs	58,627	25,000	33,627	52,597	25,000	27,597
CPF Reimbursements	347,608	334,398	13,210	356,856	317,496	39,360
TOTAL RECEIPTS	<u>4,582,599</u>	<u>4,399,453</u>	<u>183,146</u>	<u>4,510,855</u>	<u>4,308,996</u>	<u>201,859</u>
COMMISSION EXPENSES						
Personnel Costs	2,696,240	2,911,962	(215,722)	2,610,798	2,915,227	(304,429)
Case Management Costs	276,903	283,349	(6,446)	262,231	274,079	(11,848)
Staff Support	102,006	139,000	(36,994)	112,207	136,500	(24,293)
Outside Services	38,547	41,000	(2,453)	34,985	38,000	(3,015)
Information Technology Support	233,758	196,000	37,758	595,534	456,000	139,534
Office Expense	284,629	300,900	(16,271)	132,320	134,100	(1,780)
Court Mandated Costs	185,590	156,910	28,680	124,864	115,284	9,580
Office of Executive Secretary	169,204	184,883	(15,679)	172,112	184,131	(12,019)
Client Protection Fund - Payroll	231,561	225,324	6,237	232,883	216,955	15,928
TOTAL EXPENDITURES	<u>4,218,438</u>	<u>4,439,328</u>	<u>(220,890)</u>	<u>4,277,933</u>	<u>4,470,276</u>	<u>(192,343)</u>
INCREASE IN UNRESTRICTED FUND BALANCE BEFORE COURT ORDERED TRANSFER	364,161	(39,875)	404,036	232,922	(161,280)	394,202
Court Ordered Transfer	-	-	-	2,495,109	2,495,109	-
INCREASE (DECREASE) IN UNRESTRICTED FUND BALANCE	<u>\$ 364,161</u>	<u>\$ (39,875)</u>	<u>\$ 404,036</u>	<u>\$ (2,262,187)</u>	<u>\$ (2,656,389)</u>	<u>\$ 394,202</u>
UNRESTRICTED FUND BALANCE, BEGINNING OF YEAR	3,208,448			5,577,778		
RESTRICTED FUND BALANCE	<u>408,778</u>			<u>107,142</u>		
UNRESTRICTED FUND BALANCE, END OF YEAR	<u>\$ 3,163,831</u>			<u>\$ 3,208,448</u>		

The accompanying notes are an integral part of the financial statements.

THE ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 and 2014

CASH FLOWS FROM OPERATING ACTIVITIES	2015	2014
Increase (decrease) in unrestricted fund balance:	\$ 364,161	\$(2,262,187)
Adjustments to reconcile increase in unrestricted fund balance to cash provided (used) by operating activities		
(Increase) decrease in:		
Attorney assessments receivable	8,924	(11,064)
Due from Client Protection Fund	107,349	(125,091)
Other receivables	(5,641)	-
Prepaid expenses	(25,780)	2,206
Security deposits	(20,021)	-
Increase (decrease) in:		
Accounts payable	(9,191)	70,741
Pension payable	(4,581)	(32,752)
Accrued compensated absences	5,352	(39,029)
Retiree health insurance credit plan	53,114	50,004
Deferred lease expense	58,594	-
Excess fund balance	(107,142)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	60,977	(84,985)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments - net	(101,493)	2,051,709
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(101,493)	2,051,709
NET INCREASE (DECREASE) IN CASH	323,645	(295,463)
CASH AT BEGINNING OF YEAR	29,089	324,553
CASH AT END OF YEAR	\$ 352,734	\$ 29,089

The accompanying notes are an integral part of the financial statements.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Nature of the Commission

The Attorney Grievance Commission of Maryland, (the Commission) was authorized and created by the Court of Appeals of Maryland on February 10, 1975 to supervise and administer the discipline and inactive status of attorneys under Maryland rules. The Commission oversees the conduct of both Maryland lawyers and nonmembers of the Maryland Bar who engage in the practice of law in the State. The Commission investigates and, where indicated, prosecutes attorneys whose conduct violates the Maryland Lawyers Rules of Professional Conduct as well as those engaged in the unauthorized practice of law.

Basis of Accounting

As an instrumentality of the Maryland Court of Appeals, the Commission maintains its accounting records on a basis consistent with a governmental special revenue fund. These funds are used to account for the proceeds of revenue sources that are restricted to expenditures for specific purposes. These financial statements reflect only the activity of an unrestricted fund. There are no permanently or temporarily restricted funds.

Revenue and Revenue Recognition

Attorney assessments are the Commission's primary source of revenue. Assessments are received through payments made by individual attorneys to the Client Protection Fund of the Bar of Maryland (the Fund) on a billing which includes assessments for the Fund, the Maryland Professionalism Center, and the Commission. These assessments are required by the Maryland court system on an annual basis by any individual who is admitted to practice before the Court of Appeals or is issued a certificate of special authorization under Rule 15 of the Rules Governing Admission to the Bar of Maryland, or any individual who holds himself or herself out as being admitted to practice in Maryland by any means.

Since there is no requirement that an individual remain admitted to practice law in the State of Maryland, assessments are deemed to be revenue only when collected, the only receivable on these financial statements are assessments collected by the Client Protection Fund but not yet remitted to the Commission. Based on prior experience, management feels that all amounts will be collected; therefore, there is no allowance for doubtful accounts included in these financial statements. The assessment for the Commission was \$105 for the years ended June 30, 2015 and 2014, for each attorney in practice. The number of practicing attorneys assessed during the years ended June 30, 2015 and 2014 was 38,150 and 37,266, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Commission is an instrumentality of the Maryland Court of Appeals and as such is not subject to income taxes. Accordingly, no provision has been made. The Commission believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in checking, savings and money market accounts with original maturities of less than ninety days.

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015 and 2014

Property and Equipment

The Commission customarily budgets for and expenses property and equipment in the year of purchase, and accordingly, there are no property, equipment, accumulated depreciation, or depreciation expense included in these financial statements.

Investments - other

The Commission invests in U.S. Government securities and certificates of deposit, including Treasury Bills and Treasury notes. Investments are recorded at market value as of the balance sheet date.

Compensated Absences

The entity accrues a liability for certain sick leave, and all annual leave which has been earned but not taken by the employees. Employees can earn a maximum of 25 days for annual leave a year. Annual leave can be accumulated up to 35 days. There is no requirement that annual leave be taken in the year earned. Upon termination, employees are paid for any accumulated annual leave. Employees hired prior to January 1, 1989 are reimbursed one third of accumulated sick leave, up to sixty days upon termination. Employees hired after 1988 are not reimbursed for accumulated sick leave.

NOTE 2 – INVESTMENTS

For the years ending June 30, 2015 and 2014, investment income consisted of the following:

<u>Year ended</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Interest Income	\$ 23,215	\$ 34,113
Unrealized Gain/(Loss)	<u>1,225</u>	<u>(1,844)</u>
Total Investment Income	<u>\$ 24,440</u>	<u>\$ 32,269</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Association has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial instruments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are financial instruments where values are based on unadjusted quoted prices for an identical asset in an active market the Commission has the ability to access.

Level 2. These are financial instruments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the financial instruments.

Level 3. These are financial instruments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the financial

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015 and 2014

instruments. These financial instruments include non-readily marketable securities that do not have an active market.

All of the Commissions' investments are stated at fair value on a recurring basis, using level 1 inputs. Unrealized gains and losses are included as a component of investment income.

<u>Year ending</u>	<u>June 30 2015,</u>	<u>June 30, 2014</u>
Certificates of Deposit	\$ 3,598,864	\$ 3,347,115
US Government Securities	50,960	201,216
Total Investments	<u>\$ 3,649,824</u>	<u>\$ 3,548,331</u>

NOTE 4 - PENSION PLAN

The Commission sponsors a trustee defined contribution pension plan covering substantially all employees meeting minimum age and service requirements. Contributions to the plan during the years ended June 30, 2015 and 2014 were \$282,204 and \$275,556, respectively. This amount is equal to 15% of the participant's compensation.

NOTE 5 – OTHER POSTEMPLOYMENT BENEFITS

On September 1, 2012 the Commission adopted an Other Postemployment Benefit Plan (OPEB) in order to provide health insurance expense reimbursement benefits to eligible retirees and their surviving spouses. The official name of the plan is "The Attorney Grievance Commission of Maryland Retiree Health Insurance Credit Plan." The Eligible retirees will include employees with at least ten years of service and have attained age fifty-five, or persons who have become disabled and are receiving benefits under the terms of the Social Security Act. Surviving spouses must have been covered under this plan at the time of the retiree's death and enroll in the Plan on the first day of the month following the death of the covered retiree. Plan benefits will be paid directly by the Commission to the retiree at a rate of the lesser of \$1,980 annually or their actual health insurance premiums. The total contribution expense charged as an expenditure in the current year was \$59,000. The actual and estimated schedules of employer contributions and funding progress are as follows through June 30, 2015, assuming a discount rate of 3.5%:

Schedule of Employer Contributions

Year Ended June 30,	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2013	\$54,000	\$825	1.5%	\$53,175
2014	\$57,000	\$6,996	12.3%	\$103,179
2015	\$59,000	\$5,886	10.0%	\$156,293

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio
7/1/2012	\$0	\$363,000	\$363,000	0.0%
7/1/2013	\$0	\$391,000	\$391,000	0.0%
7/1/2014	\$0	\$418,000	\$418,000	0.0%

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015 and 2014

NOTE 6 – LEASE COMMITMENT

The Commission leases office space in Annapolis, MD. The lease calls for monthly rental payments beginning on July 1, 2016. The lease is an operating lease and the agreement expires in 2025, with an option to renew for up to five years. In the normal course of business, it is expected that available options to renew will be exercised.

In addition, part of the new lease included a lease incentive of deferred lease expense for the first three months of the agreement. The total amount of deferred lease expense provided by the lessor was \$58,594. This amount is reported on the Balance Sheet as deferred lease expense and is amortized over the life of the lease.

The following is a schedule by year of future minimum rental payments required under the operating lease agreements:

June 30, 2016	\$	240,236
June 30, 2017		240,236
June 30, 2018		240,236
June 30, 2019		240,236
June 30, 2020		<u>240,236</u>
Total	\$	<u>1,201,180</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

The Commission has significant transactions with the Client Protection Fund of the Bar of Maryland, an instrumentality of the State of Maryland. All assessments of the Client Protection Fund of the Bar of Maryland and the Attorney Grievance Commission of Maryland are billed and collected by the Client Protection Fund of the Bar of Maryland and the Commission's portion is transferred monthly by check.

During the years ending June 30, 2015 and 2014 the Client Protection Fund of the Bar of Maryland incurred fees for salaries and benefits used in the billing and collection process in the amount of \$378,518 and \$390,049, respectively. At June 30, 2015 and 2014, the Client Protection Fund of the Bar of Maryland owed these fees to the Commission in the amount of \$121,168 and \$228,517, respectively. In addition, the Client Protection Fund of the Bar of Maryland owed to the Commission attorney assessments in the amount of \$10,470 and \$19,394 at June 30, 2015 and 2014, respectively.

NOTE 8 – BOND

The Commission has a \$6,000,000 blanket crime protection insurance policy in effect for employee dishonesty.

NOTE 9 – CONTINGENCIES

Prior to the 2014 fiscal year, the Maryland Court of Appeals, at its discretion, was permitted to order a transfer of funds from the Commission to court related agencies. On March 13, 2014 an Administrative Order was issued by the Maryland Court of Appeals, requiring the Commission to maintain a Fund Balance of 75% of the prior year's fiscal expenditures. Any excess Fund Balance amount would be due to the Client Protection Fund, as of 30 days following the issuance of annual audited financial statements. As this amount cannot be accurately be determined by the Commission as of the fiscal year end, and it has not been declared or approved by the Courts, it is not a current liability of the Commission, but rather a restricted portion of the fund balance. Per this Order, at June 30,

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2015 and 2014

2015 and 2014, the Commission owed \$408,778 and \$107,142 to the Client Protection Fund, respectively. This amount is set aside as “Restricted Fund Balance” on the June 30, 2015 and 2014 balance sheets.

NOTE 10 – MANAGEMENT’S SUBSEQUENT REVIEW

The Commission has evaluated subsequent events through November 18, 2015, the date which the financial statements were available to be issued, and no events were noted that would materially impact the financial statements.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
SUPPLEMENTARY SCHEDULES OF
BUDGET, RECEIPTS, EXPENDITURES AND FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2015 and 2014**

	2015			2014		
	Actual	Budget	Variance Positive (Negative)	Actual	Budget	Variance Positive (Negative)
RECEIPTS						
Attorney assessments	\$ 4,151,923	\$ 4,010,055	\$ 141,868	\$ 4,069,133	\$ 3,916,500	\$ 152,633
Investment income	24,440	30,000	(5,560)	32,269	50,000	(17,731)
Court recovered Costs	58,627	25,000	33,627	52,597	25,000	27,597
Total	4,234,991	4,065,055	169,936	4,153,999	3,991,500	162,499
CPF Executive Director Salary and Benefits	135,365	134,459	906	131,218	129,660	1,558
CPF Secretarial Salary and Benefits	71,393	61,749	9,644	79,446	59,347	20,099
CPF Administrative Assistant Salary and Benefits	83,933	82,434	1,499	81,812	78,415	3,397
CPF Office Clerk Salary and Benefits	56,917	55,756	1,161	64,380	50,074	14,306
Total CPF reimbursements	347,608	334,398	13,210	356,856	317,496	39,360
Total receipts	4,582,599	4,399,453	183,146	4,510,855	4,308,996	201,859
EXPENDITURES						
Bar counsel salary	138,566	138,566	-	135,196	135,196	-
Deputy bar counsel salary	109,345	109,345	-	104,619	104,619	-
Assistant bar counsel salaries	642,183	676,097	(33,914)	622,614	668,469	(45,855)
Investigator salaries	413,996	425,077	(11,081)	411,120	411,122	(2)
Office Manager & Administrative Assistant salaries	128,709	148,154	(19,445)	124,421	185,819	(61,398)
Paralegal salaries	94,337	124,481	(30,144)	89,447	119,012	(29,565)
Secretaries salaries	226,126	305,262	(79,136)	246,250	365,532	(119,282)
FICA	128,919	143,703	(14,784)	127,587	146,727	(19,140)
Medicare	30,196	33,608	(3,412)	29,896	34,315	(4,419)
Employee benefits	713,070	802,670	(89,600)	699,926	739,416	(39,490)
Retiree Health Insurance Credit Plan	63,157	5,000	58,157	61,446	5,000	56,446
Compensated absences	7,636	-	7,636	(41,725)	-	(41,725)
Total Personnel Costs	2,696,240	2,911,962	(215,722)	2,610,798	2,915,227	(304,429)
Temporary Contractual Staffing	19,193	25,000	(5,807)	14,547	25,000	(10,453)
Investigator/related costs	135,740	98,000	37,740	121,253	96,000	25,253
Depositions and transcripts	19,288	25,000	(5,712)	26,329	26,000	329
Peer review committee	80,548	115,349	(34,801)	78,067	110,079	(32,012)
Law library	22,135	20,000	2,135	22,034	17,000	5,034
Total Case Management Costs	276,903	283,349	(6,446)	262,231	274,079	(11,848)
Travel and mileage	58,163	65,000	(6,837)	64,004	66,500	(2,496)
Dues/professional organizations	14,946	12,000	2,946	9,440	10,000	(560)
Contin. Education & related cost	10,526	27,000	(16,474)	17,900	25,000	(7,100)
Staff Functions	7,822	10,000	(2,178)	10,309	10,000	309
Commission expenses	10,548	15,000	(4,452)	10,554	15,000	(4,446)
Peer review training seminars	-	10,000	(10,000)	-	10,000	(10,000)
Total Staff Support	102,006	139,000	(36,994)	112,207	136,500	(24,293)
Insurance and bonds	8,507	20,000	(11,493)	17,485	18,000	(515)
Audit and periodic accounting support	30,040	21,000	9,040	17,500	20,000	(2,500)
Total Outside Services	\$ 38,547	\$ 41,000	\$ (2,453)	\$ 34,985	\$ 38,000	\$ (3,015)

The accompanying notes are an integral part of the financial statements.

**ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
SUPPLEMENTARY SCHEDULES OF
BUDGET, RECEIPTS, EXPENDITURES AND FUND BALANCE
YEARS ENDED JUNE 30, 2015 and 2014 (Continued)**

EXPENDITURES (Continued)	2015			2014		
	Actual	Budget	Variance Positive (Negative)	Actual	Budget	Variance Positive (Negative)
Outside legal and software support	\$ 84,940	\$ 92,000	\$ (7,060)	\$ 3,492	\$ 6,000	\$ (2,508)
Computer hardware and software	16,279	-	16,279	149,821	150,000	(179)
Case Management System Development	132,056	104,000	28,056	442,220	300,000	142,220
Computer Maintenance	484	-	484	-	-	-
Total Information Technology Support	233,758	196,000	37,758	595,534	456,000	139,534
Telephone	18,513	20,000	(1,487)	16,111	20,000	(3,889)
Photocopy	13,666	15,000	(1,334)	23,515	15,000	8,515
Postage meter	3,972	5,500	(1,528)	5,018	5,500	(482)
Office supplies	45,429	35,000	10,429	40,401	35,000	5,401
Postage	27,537	25,000	2,537	27,512	28,000	(488)
Equipment maintenance	2,145	15,000	(12,855)	15,377	15,000	377
Bank fees	357	900	(543)	948	600	348
Office furniture	17,663	40,000	(22,337)	3,437	15,000	(11,563)
Relocation Costs	96,752	82,000	14,752	-	-	-
Office lease expense	58,594	62,500	(3,906)	-	-	-
Total Office Expense	284,628	300,900	(16,271)	132,320	134,100	(1,780)
Conservatorship costs	78,680	50,000	28,680	22,881	12,500	10,381
Lawyer assistance program	106,910	106,910	-	101,984	102,784	(801)
Total Court Mandated Costs	185,590	156,910	28,680	124,864	115,284	9,580
Executive secretary salary	111,914	111,914	-	109,191	109,191	-
Legal secretary salary	53,569	53,569	-	50,640	50,640	-
Office supplies	849	2,100	(1,251)	1,623	2,500	(878)
Mailing costs	-	2,000	(2,000)	1,500	2,500	(1,000)
Equipment purchases	-	8,000	(8,000)	4,834	10,500	(5,666)
Equipment maintenance	2,472	3,500	(1,028)	3,924	4,800	(876)
Telephone	100	3,000	(2,900)	100	3,000	(2,900)
Miscellaneous	300	800	(500)	300	1,000	(700)
Total Office of Executive Secretary	169,204	184,883	(15,679)	172,112	184,131	(12,019)
CPF secretarial	45,210	38,972	6,237	53,469	37,541	15,928
CPF executive director	98,143	98,143	-	94,474	94,474	-
CPF administrative assistant	53,351	53,351	-	51,360	51,360	-
CPF clerk	34,858	34,858	-	33,580	33,580	-
Total Client Protection Fund Payroll	231,561	225,324	6,237	232,883	216,955	15,928
Total Expenditures	4,218,438	4,439,328	(220,890)	4,277,933	4,470,276	(192,343)
INCREASE IN UNRESTRICTED FUND BALANCE BEFORE COURT ORDERED TRANSFER	364,161	(39,875)	404,036	232,922	(161,280)	394,202
Court Ordered Transfer	-	-	-	2,495,109	2,495,109	-
INCREASE (DECREASE) IN UNRESTRICTED FUND BALANCE	\$ 364,161	\$ (39,875)	\$ 404,036	\$ (2,262,187)	\$ (2,656,389)	\$ 394,202
UNRESTRICTED FUND BALANCE, BEGINNING OF YEAR	3,208,448			5,577,778		
RESTRICTED FUND BALANCE	408,778			107,142		
UNRESTRICTED FUND BALANCE, END OF YEAR	\$ 3,163,831			\$ 3,208,448		

The accompanying notes are an integral part of the financial statements.