



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 22, 2014
TO: Board of Trustees
FROM: Christine Wong, Finance Director
SUBJECT: 2014 Third Quarter Financial Statements – Financial Highlights

Attached for your review are the 2014 third quarter financial statements for the State Bar of California. The statements include:

- Attachment 1 – Assets, Liabilities & Net Assets – All Funds
- Attachment 2 – Assets, Liabilities & Net Assets – General Fund
- Attachment 3 – Assets, Liabilities & Net Assets – Restricted Funds
- Attachment 4 – Revenue, Expenses and Changes in Net Assets – All Funds
- Attachment 5 – Revenue, Expenses and Changes in Net Assets – General Fund
- Attachment 6 – Revenue, Expenses and Changes in Net Assets – Restricted Funds
- Attachment 7 – Budget To Actual Comparison – General Fund
- Attachment 8 – Budget To Actual Comparison – General Fund Expenses by Function

Statement of Assets, Liabilities & Net Assets:

This statement reports the Bar's assets, liabilities and net assets. For the quarter ended September 30, 2014, the Bar's total assets are \$191.7 million, liabilities are \$31.6 million, and net assets are \$160.1 million.

Compared to the same quarter in 2013, the Bar's total assets are slightly down by \$3.5 million or 1.8%. The decrease is due to a combination of (1) a \$20.1 million decrease in cash and investment; (2) a \$0.8 million decrease in other assets and receivable; partially offset by (3) a \$17.4 million increase in capital assets.

Cash and investments consisted of balances in demand deposit accounts, money market accounts, the State Bar's share of California's Local Agency Investment Fund, and investment securities. For the quarter ended September 30, 2014, the combined cash and investment balance was \$78.7

million, a \$20.2 million or a 20.4% decrease from \$98.9 million last year. The lower cash balance is due primarily to capital spending on the new facility in Los Angeles.

The State Bar's capital assets consisted of land, buildings, and building improvements, office equipment, furniture and fixtures, net of accumulated depreciation. Net capital assets balance as of September 30, 2014 is \$102.5 million, a \$17.4 million increase compared to \$85.1 million last year. The increase is due to building improvement and capital expenditures incurred on the new facility in Los Angeles.

Other assets consisted of interest receivable, prepayments, grant receivable, other receivables, and the Other Postemployment Benefits Obligation (OPEB) asset. The combined balance of accounts receivable and other assets for the reported quarter is \$10.5 million, down slightly by \$0.8 million, or 7.1% compared to \$11.3 million in 2013. The decrease is due to a higher prepayment balance in 2013, which was a result of more capital expenditures incurred for the new Los Angeles building in 2013.

The Bar's total liabilities consisted of accounts payable to vendor accounts, unearned fees collected in advance, grants payable, loans payable, and employee vacation and sick leave accruals. As of September 30, 2014, State Bar's total liabilities are \$31.6 million, down by \$5.9 million or 15.7% compared to \$37.5 million last year. The decrease is a result of a \$1.4 million reduction in the loan payable from the repayment of Los Angeles building mortgage, and a \$4.5 million decrease in IOLTA grant payable due to the restructuring of the IOLTA grant program. In March, 2014, the Board adopted a resolution to align the IOLTA grant year to a calendar year. As a result, the grant payable balance as of September 30, 2014 consisted of IOLTA grant payable amounts for the 6-month bridge period instead of a full grant year in 2013.

Statement of Assets, Liabilities & Net Assets – General Fund:

The General Fund, the Bar's largest operating fund, has assets of \$74.0 million, liabilities of \$51.6 million and net assets of \$22.4 million as of September 30, 2014. The General Fund's total assets are down by \$18.3 million compared to last year, due largely to the decrease in cash and investments. The General Fund's combined cash and investment balance for the reporting quarter is \$73.0 million, down by \$19.2 million compared to \$92.2 million in 2013. The lower cash balance is due largely to capital spending on the new facility in Los Angeles in late 2013 and early 2014, and additional cash set aside in restricted funds for debt servicing reserve and various building improvement projects.

General Fund total liabilities are \$51.6 million, down by \$21.2 million compared to last year due largely to the decrease in inter-fund payables. The decrease is partially offset by a \$2.2 million increase in accounts payable and accrued liabilities. All investments and cash are recorded in the General Fund which serves as treasurer for all the State Bar's funds. The General Fund interfund payable balance represents the amount the General Fund holds on behalf on each individual restricted fund.

Statement of Revenue, Expenses and Changes in Net Assets – Comparison to Third Quarter Ended September 30, 2014 Actual Results:

This statement reports the Bar's revenues, expenses, excess/(deficit) of revenues over expenses and changes in net assets. For the third quarter ended September 30, 2014, the Bar's total revenues (operating and non-operating) are \$128.0 million, and expenses are \$98.7 million, and the excess of revenues over expenditures for the reported quarter is \$29.3 million.

Total operating revenues for all programs for the quarter ended are \$126.3 million, up by \$3.1 million compared to \$123.2 million in 2013. The increase is due largely to higher membership revenues received as a result of the \$10 increase in the optional contribution to legal services and overall growth in the membership due to new admittees.

The Bar's total operating expenses for all programs are \$98.7 million, slightly down by \$2.6 million or 2.6% compared to \$101.3 million in 2013. The decrease is due to a decline of \$4.9 million in IOLTA grant distribution as a result of the program restructuring. The decrease is partially offset by the higher personnel costs from the Bar's implementation of the 2014 MOU.

Year-To-Date Actual Comparison – General Fund

The General Fund's total operating revenues for the reported quarter are \$68.0 million, up by \$6.1 million, or 9.8% as compared to \$61.9 million in 2013. The increase is a result of a \$20 restoration in membership dues allocated to the General Fund in 2014 and overall growth in the membership due to new admittees.

The General Fund's total operating expenses for the quarter ended are \$48.2 million, slightly increased by \$2.0 million compared to last year. The increase is due primarily to a \$1.2 million interfund transfer to the L.A. Facility Fund and higher personnel costs resulting from the Bar's implementation of the 2014 MOU.

Budget to Actual Comparison for General Fund

The General Fund's total revenues for the reported quarter are \$68.0 million, in line with the year-to-date budget of \$66.5 million, with an insignificant favorable variance of \$1.5 million.

The General Fund's total expenditures for the reported quarter are \$48.2 million, resulting in a favorable variance of \$3.5 million compared to the year-to-date budget of \$51.7 million primarily due to saving from vacant positions.

If you have any questions or would like additional information, please contact Christine Wong at christine.wong@calbar.ca.gov

The State Bar of California
Statement of Assets, Liabilities and Net
Assets – All Funds
As of September 30, 2014

Attachment 1

ASSETS	General Fund	Restricted Funds	Fixed Asset Fund	Interfund Elimination	YTD Total All Fund September-14	YTD Total All Fund September-13	Change
Cash	24,335,487	5,720,715	0	0	30,056,202	43,246,797	-13,190,595
Investments	48,714,896	0	0	0	48,714,896	55,679,375	-6,964,479
Accounts Receivable (net of allowances)	0	2,220,440	0	0	2,220,440	1,790,214	430,226
Interfund Receivable	0	48,435,093	0	-48,435,093	0	0	0
Capital Assets (net of depreciation)	0	88,002,728	14,519,428	0	102,522,156	85,079,827	17,442,329
OPEB Investment	0	6,244,160	0	0	6,244,160	6,764,594	-520,434
Other Assets	990,675	1,005,640	0	0	1,996,315	2,736,270	-739,955
TOTAL ASSETS	74,041,058	151,628,776	14,519,428	-48,435,093	191,754,169	195,297,077	-3,542,908

LIABILITIES AND NET ASSETS	General Fund	Restricted Funds	Fixed Asset Fund	Interfund Elimination	YTD Total All Fund September-14	YTD Total All Fund September-13	Change
Accounts Payable and Accrued Liabilities	5,925,224	2,354,218	0	0	8,279,442	5,622,497	2,656,945
Interfund Payable	45,658,222	2,776,871	0	-48,435,093	0	0	0
Unearned Income	0	251,978	0	0	251,978	80,703	171,275
Grants Payable	0	16,753	0	0	16,753	7,364,341	-7,347,588
Obligations under Debt Agreements	0	23,053,368	0	0	23,053,368	24,449,094	-1,395,726
TOTAL LIABILITIES	51,583,446	28,453,188	0	-48,435,093	31,601,541	37,516,635	-5,915,094

NET ASSETS	General Fund	Restricted Funds	Fixed Asset Fund	Interfund Elimination	YTD Total All Fund September-14	YTD Total All Fund September-13	Change
Net Assets at Beginning of Year	2,587,381	113,083,281	15,206,313	0	130,876,975	134,962,069	-4,085,094
Current Operating Excess/(Deficit)	19,870,231	10,255,139	-849,717	0	29,275,653	22,818,373	6,457,280
Transfer of Fixed Assets to Fixed Assets Fund	0	-162,832	162,832	0	0	0	0
TOTAL NET ASSETS	22,457,612	123,175,588	14,519,428	0	160,152,628	157,780,442	2,372,186

TOTAL LIABILITIES & NET ASSETS	74,041,058	151,628,776	14,519,428	0	191,754,169	195,297,077	-3,542,908
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**The State Bar of California Statement of
Assets, Liabilities and Net Assets - General
Fund As of September 30, 2014**

Attachment - 2

ASSETS	Year to Date Total September-14	Year to Date Total September-13	Change
Cash	\$24,335,487.00	\$36,545,009.00	-\$12,209,522.00
Investments	\$48,714,896.00	\$55,679,375.00	-\$6,964,479.00
Other Assets	\$990,675.00	\$136,989.00	\$853,686.00
TOTAL ASSETS	\$74,041,058.00	\$92,361,373.00	-\$18,320,315.00
LIABILITIES AND NET ASSETS	Year to Date Total September-14	Year to Date Total September-13	Change
Accounts Payable and Accrued Liabilities	\$5,925,224.00	\$3,569,517.00	\$2,355,707.00
Interfund Payable	\$45,658,222.00	\$69,262,500.00	-\$23,604,278.00
TOTAL LIABILITIES	\$51,583,446.00	\$72,832,017.00	-\$21,248,571.00
NET ASSETS	Year to Date Total September-14	Year to Date Total September-13	Change
Net Assets at Beginning of Year	\$2,587,381.00	\$3,733,819.00	-\$1,146,438.00
Current Operating Excess/(Deficit)	\$19,870,231.00	\$15,795,537.00	\$4,074,694.00
Transfer of Fixed Assets to Fixed Assets Fund	\$0.00	\$0.00	\$0.00
TOTAL NET ASSETS	\$22,457,612.00	\$19,529,356.00	\$2,928,256.00
TOTAL LIABILITIES & NET ASSETS	Year to Date Total September-14	Year to Date Total September-13	Change
TOTAL LIABILITIES & NET ASSETS	\$74,041,058.00	\$92,361,373.00	-\$18,320,315.00

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of September 30, 2014

ASSETS	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
Cash	50	0	781036	46887	0	0	0	0	0	0	0	0	827973
Accounts Receivable (net of allowances)	150	0	0	7398	0	0	0	1692567	0	0	0	0	1700115
Interfund Receivable	7192734	372196	1821907	5463982	10986	5165584	519530	0	491110	212702	1066598	2263374	24580703
Interfund Loan Receivable/(Payable)	0	0	0	0	0	0	745700	0	0	0	0	0	745700
Capital Assets (net of depreciation)	0	0	0	14421311	0	0	0	0	0	0	0	0	14421311
OPEB Assets	0	0	6244160	0	0	0	0	0	0	0	0	0	6244160
Other Assets	209641	0	0	0	0	0	0	0	0	0	0	0	209641
TOTAL ASSETS	7402575	372196	8847103	19939578	10986	5165584	1265230	1692567	491110	212702	1066598	2263374	48729603
LIABILITIES AND NET ASSETS	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
Accounts Payable and Accrued Liabilities	307812	30586	0	170893	0	112980	45305	0	0	0	0	49701	717277
Interfund Payable	0	0	0	0	0	0	0	1842326	0	0	0	0	1842326
Unearned Income	0	0	0	80703	0	0	0	0	0	0	0	0	80703
Grants Payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Obligations under Debt Agreements	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	307812	30586	0	251596	0	112980	45305	1842326	0	0	0	49701	2640306
NET ASSETS	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
Net Assets at Beginning of Year	3707619	-15197	8843776	19881438	0	5575541	306602	416176	230006	3699667	407397	1401099	44454124
Prior Year Adjustment	0	0	0	0	0	0	781952	0	0	0	0	0	781952
Current Operating Excess/(Deficit)	3387144	356807	3327	-193456	10986	-522937	131371	-565935	261104	-3486965	659201	812574	853221
Transfer of Fixed Assets to Fixed Assets Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET ASSETS/(DEFICITS)	7094763	341610	8847103	19687982	10986	5052604	1219925	-149759	491110	212702	1066598	2213673	46089297
TOTAL LIABILITIES & NET ASSETS	7402575	372196	8847103	19939578	10986	5165584	1265230	1692567	491110	212702	1066598	2263374	48729603

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of September 30, 2014

ASSETS	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
Cash	0	0	0	0	0	4,610,000	7,950	0	274,792	0	4,892,742	827,973	5,720,715
Accounts Receivable (net of allowances)	0	518,378	0	0	0	0	0	-85	2,032	0	520,325	1,700,115	2,220,440
Interfund Receivable	1,100,975	3,064,235	2,232,636	545,309	0	1,886,974	0	9,823,592	141,647	5,059,022	23,854,390	24,580,703	48,435,093
Interfund Loan Receivable/(Payable)	3,288,674			49,414	-4,083,788	0	0	0	0	0	-745,700	745,700	0
Capital Assets (net of depreciation)	0	0	0	0	73,581,417	0	0	0	0	0	73,581,417	14,421,311	88,002,728
OPEB Investments	0	0	0	0	0	0	0	0	0	0	0	6,244,160	6,244,160
Other Assets	0	0	0	0	0	0	0	0	795,999	0	795,999	209,641	1,005,640
TOTAL ASSETS	4,389,649	3,582,613	2,232,636	594,723	69,497,629	6,496,974	7,950	9,823,507	1,214,470	5,059,022	102,899,173	48,729,603	151,628,776
LIABILITIES AND NET ASSETS	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
Accounts Payable and Accrued Liabilities	10,890	75,150	28,495	41,301	110,740	0	0	155,895	1,214,470	0	1,636,941	717,277	2,354,218
Interfund Payable	0	0	0	0	912,483	0	22,062	0	0	0	934,545	1,842,326	2,776,871
Unearned Income	0	0	0	0	0	0	0	171,275	0	0	171,275	80,703	251,978
Grants Payable	0	16,753	0	0	0	0	0	0	0	0	16,753	0	16,753
Obligations under Debt Agreements	0	0	0	0	23,053,368	0	0	0	0	0	23,053,368	0	23,053,368
TOTAL LIABILITIES	10,890	91,903	28,495	41,301	24,076,591	0	22,062	327,170	1,214,470	0	25,812,882	2,640,306	28,453,188
NET ASSETS	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
Net Assets at Beginning of Year	729,295	515,065	1,244,191	219,668	50,231,836	6,493,547	-18,759	7,434,485	0	1,779,829	68,629,157	44,454,124	113,083,281
Prior Year Adjustment	3,449,492	0	0	51,802	-4,283,246	0	0	0	0	0	-781,952	781,952	0
Current Operating Excess/(Deficit)	199,972	2,975,645	959,950	281,952	-527,552	3,427	4,647	2,061,852	0	3,442,025	9,401,918	853,221	10,255,139
Transfer of Fixed Assets to Fixed Assets Fund	0	0	0	0	0	0	0	0	0	-162,832	-162,832	0	-162,832
TOTAL NET ASSETS/(DEFICITS)	4,378,759	3,490,710	2,204,141	553,422	45,421,038	6,496,974	-14,112	9,496,337	0	5,059,022	77,086,291	46,089,297	123,175,588
TOTAL LIABILITIES & NET ASSETS	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
TOTAL LIABILITIES & NET ASSETS	4,389,649	3,582,613	2,232,636	594,723	69,497,629	6,496,974	7,950	9,823,507	1,214,470	5,059,022	102,899,173	48,729,603	151,628,776

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Nine Months Ending September 30, 2014

OPERATING REVENUES	General Fund	Restricted Funds	Fixed Asset Funds	Interfund Elimination	Total All Funds Year to Date September-14	Total All Funds Year to Date September-13	Change	Percentage Change
Membership Fees, Voluntary Contributions	64,469,024	16,744,355	0	0	81,213,379	77,873,805	3,339,574	4.29%
Convention Income	0	1,002,061	0	0	1,002,061	815,783	186,278	22.83%
Law Corporation Registration Fees	794,568	0	0	0	794,568	759,021	35,547	4.68%
Continuing Legal Education Fees	1,174,650	163,255	0	0	1,337,905	1,399,143	-61,238	-4.38%
Law Practices Sections Fees	0	5,366,089	0	0	5,366,089	4,907,204	458,885	9.35%
Grant Revenue	0	6,025,399	0	0	6,025,399	5,832,473	192,926	3.31%
Trust Account Revenue	0	3,927,270	0	0	3,927,270	3,711,559	215,711	5.81%
EAF AB 145 Filing Fee Revenue	0	2,500,505	0	0	2,500,505	3,273,551	-773,046	-23.61%
MJP Fees	473,700	112,600	0	0	586,300	506,693	79,607	15.71%
Examination Application Fees	0	17,370,741	0	0	17,370,741	17,795,566	-424,825	-2.39%
Legal Specialization Fees	0	1,941,125	0	0	1,941,125	2,112,618	-171,493	-8.12%
Seminar/Workshop Revenue	8,870	742,482	0	0	751,352	859,063	-107,711	-12.54%
CalBar Journal Revenue	101,026	35,179	0	0	136,205	109,988	26,217	23.84%
Other Revenue	433,370	2,889,672	0	0	3,323,042	3,211,761	111,281	3.46%
Transfer In - IT Spec. Fund	0	3,500,000	0	-3,500,000	0	0	0	100.00%
Transfer In - Insurance Fund	500,000	250,000	0	-750,000	0	0	0	100.00%
Transfer In - LA Facility	0	1,558,184	0	-1,558,184	0	0	0	0.00%
Transfer In-Interfund Loan Repayment	0	134,034	0	-134,034	0	0	0	0.00%
Interfund Transaction-Revenue	49,580	45,129	0	-94,709	0	0	0	0.00%
Total Operating Revenue	68,004,788	64,308,080	0	-6,036,927	126,275,941	123,168,228	3,107,713	2.52%
OPERATING EXPENSES	General Fund	Restricted Funds	Fixed Asset Funds	Interfund Elimination	Total All Funds Year to Date September-14	Total All Funds Year to Date September-13	Change	Percentage Change
Discipline and Adjudication	28,449,083	0	0	0	28,449,083	27,080,340	1,368,743	5.05%
Grant Expenses	0	13,576,261	0	0	13,576,261	18,514,139	-4,937,878	-26.67%
Administration of Justice	485,049	0	0	0	485,049	395,560	89,489	22.62%
Governance	1,672,424	0	0	0	1,672,424	1,453,045	219,379	15.10%
Administration of the Profession	1,773,742	0	0	0	1,773,742	1,620,888	152,854	9.43%
Program Development	1,022,611	0	0	0	1,022,611	884,609	138,002	15.60%
Communications	1,195,847	0	0	0	1,195,847	834,249	361,598	43.34%
Examination costs and administration	0	14,399,785	0	0	14,399,785	14,135,007	264,778	1.87%
Claims (net of reimbursements)	0	6,329,252	0	0	6,329,252	8,223,032	-1,893,780	-23.03%
Law Practices (Sections)	0	5,275,227	0	0	5,275,227	4,762,612	512,615	10.76%
General and Administrative costs	0	10,567,769	849,717	0	11,417,486	9,545,724	1,871,762	19.61%
Indirect Costs to General Fund	12,409,844	0	0	0	12,409,844	13,869,171	-1,459,327	-10.52%
Transfer Out - General Fund	0	500,000	0	-500,000	0	0	0	100.00%
Transfer Out - Annual Mtg Fund	0	250,000	0	-250,000	0	0	0	100.00%
Transfer Out - Tech Improv. Fund	0	3,500,000	0	-3,500,000	0	0	0	100.00%
Transfer Out - LA Facility	1,152,869	405,315	0	-1,558,184	0	0	0	0.00%
Transfer Out-Interfund loan Repayment	0	134,034	0	-134,034	0	0	0	0.00%
Interfund Transaction-Expense	55,778	38,931	0	-94,709	0	0	0	0.00%
Total Operating Expenses	48,217,247	55,648,274	849,717	-6,036,927	98,678,311	101,318,376	-2,640,065	-2.61%

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Nine Months Ending September 30, 2014

NON-OPERATING REVENUE	General Fund	Restricted Funds	Fixed Asset Funds	Interfund Elimination	Total All Funds Year to Date September-14	Total All Funds Year to Date September-13	Change	Percentage Change
Investment Income	82,690	112,407	0	0	195,097	204,871	-9,774	-4.77%
Rental Income	0	1,482,926	0	0	1,482,926	763,650	719,276	94.19%
Total Non-Operating Revenue	82,690	1,595,333	0	0	1,678,023	968,521	709,502	73.26%
EXCESS/(DEFICIT) OF REVENUES	General Fund	Restricted Funds	Fixed Asset Funds	Interfund Elimination	Total All Funds Year to Date September-14	Total All Funds Year to Date September-13	Change	Percentage Change
OVER EXPENSES	19,870,231	10,255,139	-849,717	0	29,275,653	22,818,373	6,457,280	28.30%
CHANGES IN NET ASSETS	General Fund	Restricted Funds	Fixed Asset Funds	Interfund Elimination	Total All Funds Year to Date September-14	Total All Funds Year to Date September-13	Change	Percentage Change
Net Assets at beginning of year	2,587,381	113,083,281	15,206,313	0	130,876,975	134,962,069	-4,085,094	-3.03%
Transfers of Fixed Assets to Fixed Asset Fund	0	-162,832	162,832	0	0	0	0	0.00%
NET ASSETS AS OF SEPTEMBER 30, 2014	22,457,612	123,175,588	14,519,428	0	160,152,628	157,780,442	2,372,186	1.50%

The State Bar of California
Statement of Revenue, Expenses and Changes in
Net Assets - General Fund
For the Nine Months Ending September 30, 2014

Attachment – 5

OPERATING REVENUES	Year to Date September-14	Year to Date September-13	Change
Membership Fee, Voluntary Contributions and Attorney Applications	64,469,024	58,969,086	5,499,938
Law Corporation Registration Fees	794,568	759,021	35,547
Continuing Legal Education Fees	1,174,650	1,224,438	-49,788
Seminar/Workshop Revenue	8,870	8,280	590
CalBar Journal Revenue	101,026	79,205	21,821
MJP Fees	473,700	420,843	52,857
Grant Revenue	0	19,500	-19,500
Other Revenue	433,370	399,692	33,678
Transfer In From A&I Fund	500,000	0	500,000
Interfund Transaction-Revenue	49,580	51,487	-1,907
Total Operating Revenue	68,004,788	61,931,552	6,073,236
OPERATING EXPENSES	Year to Date September-14	Year to Date September-13	Change
Discipline	28,449,083	27,080,340	1,368,743
Administration of Justice	485,049	395,560	89,489
Governance	1,672,424	1,453,045	219,379
Administration of the Profession	1,773,742	1,620,888	152,854
Program Development	1,022,611	884,609	138,002
Communications	1,195,847	834,249	361,598
Indirect Costs	12,409,844	13,869,171	-1,459,327
Transfer out - LA Facility	1,152,869	0	1,152,869
Interfund Transaction-Expense	55,778	53,878	1,900
Total Operating Expenses	48,217,247	46,191,740	2,025,507
OPERATING INCOME/(LOSS)	19,787,541	15,739,812	4,047,729
NON-OPERATING REVENUE	Year to Date September-14	Year to Date September-13	Change
Investment Income	82,690	55,725	26,965
Total Non-Operating Revenue	82,690	55,725	26,965
EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES	19,870,231	15,795,537	4,074,694
NET ASSETS	Year to Date September-14	Year to Date September-13	Change
Net Assets at beginning of year	2,587,381	3,733,819	-1,146,438
Transfers of Fixed Assets to Fixed Assets Fund	0	0	0
NET ASSETS AS OF SEPTEMBER 30, 2014	22,457,612	19,529,356	2,928,256

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2014

REVENUE	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
Membership Fees & Voluntary Dues	0	0	0	0	11,160	7,574,871	788,960	0	0	6,403	668,570	1,992,766	11,042,730
Investment Income	19,801	7,598	3,309	11,264	10	15,787	1,361	-2,639	0	6,737	1,644	4,763	69,635
Convention Income	0	625,609	0	0	0	0	535	0	0	0	0	0	626,144
Law Corporation Registration Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Continuing Legal Education Fees	152,080	0	0	0	0	0	0	0	0	0	0	0	152,080
Law Practices (Sections) Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental Income	0	0	0	1,103,925	0	0	0	0	0	0	0	0	1,103,925
Grant Revenue	0	0	0	0	0	0	4,000	5,715,600	300,799	0	0	0	6,020,399
Trust Account Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
EAF AB145 Filing Fee Revenue	0	0	0	0	0	0	0	2,500,505	0	0	0	0	2,500,505
EAF Cy Pres Awards	0	0	0	0	0	0	0	0	0	0	0	0	0
MJP Fees	112,600	0	0	0	0	0	0	0	0	0	0	0	112,600
Exam Application & Moral Character Fees	17,370,741	0	0	0	0	0	0	0	0	0	0	0	17,370,741
Legal Specialization Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Seminar/Workshop Revenue	0	700	0	0	0	0	1,610	0	0	0	0	0	2,310
Advertising Revenue	0	2,435	0	0	0	0	0	0	0	0	0	0	2,435
Other Revenue	409,707	77,572	18	-7,411	0	7,531	0	255,453	0	0	0	0	742,870
Transfer In - IT Spec. Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer In - Insurance Fund	0	250,000	0	0	0	0	0	0	0	0	0	0	250,000
Transfer In- L A Facility	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer In-Interfund Loan Repayment	0	0	0	0	0	0	24,475	0	0	0	0	0	24,475
Interfund Transaction-Revenue	0	32,829	0	0	0	4,020	0	0	0	0	0	1,030	37,879
TOTAL REVENUE	18,064,929	996,743	3,327	1,107,778	11,170	7,602,209	820,941	8,468,919	300,799	13,140	670,214	1,998,559	40,058,728
EXPENSES	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
Grants	0	0	0	0	0	0	0	8,767,684	0	0	0	0	8,767,684
Administration of the Profession	0	0	0	0	0	0	0	0	0	0	0	0	0
Examination Costs and Administration	14,399,785	0	0	0	0	0	0	0	0	0	0	0	14,399,785
CSF Application (net of reimbursement)	0	0	0	0	0	6,329,252	0	0	0	0	0	0	6,329,252
Law Practices (Sections)	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Loan	0	0	0	0	0	0	0	0	0	0	0	0	0
General and Administrative	0	633,993	0	1,301,234	184	1,768,466	688,975	267,170	39,695	105	11,013	1,158,425	5,869,260
Transfer Out - General Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer Out - Annual Mtg Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer Out - Tech Improv. Fund	0	0	0	0	0	0	0	0	0	3,500,000	0	0	3,500,000
Transfer Out - L A facility	276,766	5,943	0	0	0	26,593	0	0	0	0	0	26,085	335,387
Transfer Out-Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Transaction-Expense	1,234	0	0	0	0	835	595	0	0	0	0	1,475	4,139
TOTAL EXPENSES	14,677,785	639,936	0	1,301,234	184	8,125,146	689,570	9,034,854	39,695	3,500,105	11,013	1,185,985	39,205,507

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2014

	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES	3,387,144	356,807	3,327	-193,456	10,986	-522,937	131,371	-565,935	261,104	-3,486,965	659,201	812,574	853,221
CHANGES IN NET ASSETS	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
Net Assets at beginning of year	3,707,619	-15,197	8,843,776	19,881,438	0	5,575,541	306,602	416,176	230,006	3,699,667	407,397	1,401,099	44,454,124
Prior Year Adjustment	0	0	0	0	0	0	781,952	0	0	0	0	0	781,952
Transfers of Fixed Assets to Fixed Assets Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
NET ASSETS AS OF SEPTEMBER 30, 2014	7,094,763	341,610	8,847,103	19,687,982	10,986	5,052,604	1,219,925	-149,759	491,110	212,702	1,066,598	2,213,673	46,089,297

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2014

REVENUE	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
Membership Fees & Voluntary Dues	0	4,930,050	0	771,575	0	0	0	0	0	0	5,701,625	11,042,730	16,744,355
Investment Income	1,761	9,590	4,310	1,261	-252	3,427	0	19,989	-432	3,118	42,772	69,635	112,407
Convention Income	0	0	0	0	0	0	0	375,917	0	0	375,917	626,144	1,002,061
Law Corporation Registration Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Continuing Legal Education Revenue	0	0	11,175	0	0	0	0	0	0	0	11,175	152,080	163,255
Law Practices (Sections) Revenue	0	0	0	0	0	0	0	5,366,089	0	0	5,366,089	0	5,366,089
Rental Income	0	0	0	0	379,001	0	0	0	0	0	379,001	1,103,925	1,482,926
Grant Revenue	0	0	0	0	0	0	5,000	0	0	0	5,000	6,020,399	6,025,399
LSTF Trust Account Revenue	0	3,927,270	0	0	0	0	0	0	0	0	3,927,270	0	3,927,270
EAF AB145 Filing Fee Revenue	0	0	0	0	0	0	0	0	0	0	0	2,500,505	2,500,505
EAF Cy Pres Awards	0	0	0	0	0	0	0	0	0	0	0	0	0
MJP Fees	0	0	0	0	0	0	0	0	0	0	0	112,600	112,600
Exam Application & Moral Character Fees	0	0	0	0	0	0	0	0	0	0	0	17,370,741	17,370,741
Legal Specialization Fees	0	0	1,941,125	0	0	0	0	0	0	0	1,941,125	0	1,941,125
Seminar/Workshop Revenue	0	0	0	0	0	0	0	740,172	0	0	740,172	2,310	742,482
Advertising Revenue	0	0	0	0	0	0	0	32,744	0	0	32,744	2,435	35,179
Other Revenue	1,305,637	0	2,273	0	0	0	0	833,467	5,425	0	2,146,802	742,870	2,889,672
Transfer In - IT Spec. Fund	0	0	0	0	0	0	0	0	0	3,500,000	3,500,000	0	3,500,000
Transfer In - Insurance Fund	0	0	0	0	0	0	0	0	0	0	0	250,000	250,000
Transfer In - L A facility	0	0	0	0	1,558,184	0	0	0	0	0	1,558,184	0	1,558,184
Transfer In - Interfund Loan Repayment	107,937	0	0	1,622	0	0	0	0	0	0	109,559	24,475	134,034
Interfund Transaction-Revenue	0	0	1,275	0	0	0	0	5,975	0	0	7,250	37,879	45,129
TOTAL REVENUE	1,415,335	8,866,910	1,960,158	774,458	1,936,933	3,427	5,000	7,374,353	4,993	3,503,118	25,844,685	40,058,728	65,903,413

EXPENSES	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
Grants	0	4,808,577	0	0	0	0	0	0	0	0	4,808,577	8,767,684	13,576,261
Administration of the Profession	0	0	0	0	0	0	0	0	0	0	0	0	0
Examination costs and Administration	0	0	0	0	0	0	0	0	0	0	0	14,399,785	14,399,785
Claims (net of reimbursement)	0	0	0	0	0	0	0	0	0	0	0	6,329,252	6,329,252
Law Practices (Sections)	0	0	0	0	0	0	0	5,275,227	0	0	5,275,227	0	5,275,227
Interest on Loan	0	0	0	0	671,700	0	0	0	0	0	671,700	0	671,700
General and Administrative	437,482	1,067,089	981,649	492,126	1,658,751	0	353	0	-34	61,093	4,698,509	5,869,260	10,567,769
Transfer Out - General Fund	500,000	0	0	0	0	0	0	0	0	0	500,000	0	500,000
Transfer Out - Annual Mtg Fund	250,000	0	0	0	0	0	0	0	0	0	250,000	0	250,000
Transfer Out - Tech Improv. Fund	0	0	0	0	0	0	0	0	0	0	0	3,500,000	3,500,000
Transfer Out - L A facility	4,031	15,494	16,704	0	0	0	0	33,699	0	0	69,928	335,387	405,315
Transfer Out-Interfund Loan Repayment	0	0	0	0	134,034	0	0	0	0	0	134,034	0	134,034
Interfund Transaction-Expense	23,850	105	1,855	380	0	0	0	3,575	5,027	0	34,792	4,139	38,931
TOTAL EXPENSES	1,215,363	5,891,265	1,000,208	492,506	2,464,485	0	353	5,312,501	4,993	61,093	16,442,767	39,205,507	55,648,274

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2014

	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Protection	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES	199,972	2,975,645	959,950	281,952	-527,552	3,427	4,647	2,061,852	0	3,442,025	9,401,918	853,221	10,255,139
CHANGES IN NET ASSETS													
Net Assets at beginning of year	729,295	515,065	1,244,191	219,668	50,231,836	6,493,547	-18,759	7,434,485	0	1,779,829	68,629,157	44,454,124	113,083,281
Prior Year Adjustment	3,449,492	0	0	51,802	-4,283,246	0	0	0	0	0	-781,952	781,952	0
Transfers of Fixed Assets to Fixed Assets Fund	0	0	0	0	0	0	0	0	0	-162,832	-162,832	0	-162,832
NET ASSETS AS OF SEPTEMBER 30, 2014	4,378,759	3,490,710	2,204,141	553,422	45,421,038	6,496,974	-14,112	9,496,337	0	5,059,022	77,086,291	46,089,297	123,175,588

The State Bar of California
Budget to Actual Comparison - General Fund
For the Nine Months Ending September 30, 2014

Attachment – 7

REVENUE	Sept-14 Year to Date Actual	Sept-14 Year to Date Budget	Variance Favorable (Unfavorable)	Sept-13 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2014 Annual Budget
Membership Fees	64,469,024	63,574,997	894,027	58,969,086	5,499,938	63,600,000
Investment Income	82,690	29,997	52,693	55,725	26,965	40,000
Law Corp Registration Fees	794,568	588,735	205,833	759,021	35,547	785,000
CalBar Journal Revenue	101,026	71,244	29,782	79,205	21,821	95,000
Continuing Legal Education	1,174,650	1,038,735	135,915	1,224,438	-49,788	1,385,000
Seminar/Workshop Revenue	8,870	5,994	2,876	8,280	590	8,000
MJP Fees	473,700	311,247	162,453	420,843	52,857	415,000
Grant Revenue	0	0	0	19,500	-19,500	0
Other Revenue	433,370	332,235	101,135	399,692	33,678	443,000
Transfer In From A&I Fund	500,000	500,000	0	0	500,000	500,000
Interfund Transaction-Revenue	49,580	37,494	12,086	51,487	-1,907	50,000
TOTAL REVENUE	68,087,478	66,490,678	1,596,800	61,987,277	6,100,201	67,321,000
EXPENSES	Sept-14 Year to Date Actual	Sept-14 Year to Date Budget	Variance Favorable (Unfavorable)	Sept-13 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2014 Annual Budget
Discipline	28,449,083	30,844,575	2,395,492	27,080,340	1,368,743	40,309,558
Administration of Justice	485,049	502,486	17,437	395,560	89,489	665,123
Governance	1,672,424	2,049,143	376,719	1,453,045	219,379	2,720,892
Administration of the Profession	1,773,742	1,817,890	44,148	1,620,888	152,854	2,390,540
Program Development	1,022,611	1,147,056	124,445	884,609	138,002	1,501,773
Communications	1,195,847	1,252,840	56,993	834,249	361,598	1,643,733
Indirect Costs	12,409,844	14,033,881	1,624,037	13,869,171	-1,459,327	18,548,762
Transfer Out - L A Facility	1,152,869	0	-1,152,869	0	1,152,869	0
Interfund Transaction-Expense	55,778	55,035	-743	53,878	1,900	73,518
TOTAL EXPENSES	48,217,247	51,702,906	3,485,659	46,191,740	2,025,507	67,853,899
NET OPERATING SURPLUS/(DEFICIT)	19,870,231	14,787,772	5,082,459	15,795,537	4,074,694	-532,899

The State Bar of California
Budget To Actual Comparison - General Fund
Expenses by Function
For the Nine Months Ending September 30, 2014

Attachment – 8

EXPENSES BY FUNCTION

	Sept-14 Year to Date Actual	Sept-14 Year to Date Budget	Variance Favorable (Unfavorable)	Sept-13 Prior Year to Date Actual	Inc./.(Dec.) From Prior Year	2014 Annual Budget
Enforcement	20,580,396	22,806,747	2,226,351	19,614,382	966,014	29,795,649
Probation	730,381	685,619	-44,762	674,260	56,121	896,784
State Bar Court	5,433,475	5,438,300	4,825	5,204,761	228,714	7,107,804
Mandatory Fee Arbitration	463,779	540,960	77,181	427,483	36,296	711,536
Professional Competence	1,241,052	1,372,949	131,897	1,159,454	81,598	1,797,785
TOTAL DISCIPLINE	28,449,083	30,844,575	2,395,492	27,080,340	1,368,743	40,309,558

	Sept-14 Year to Date Actual	Sept-14 Year to Date Budget	Variance Favorable (Unfavorable)	Sept-13 Prior Year to Date Actual	Inc./.(Dec.) From Prior Year	2014 Annual Budget
Administration of Justice	485,049	502,486	17,437	395,560	89,489	665,123
Governance	1,672,424	2,049,143	376,719	1,453,045	219,379	2,720,892
Administration of the Profession	1,773,742	1,817,890	44,148	1,620,888	152,854	2,390,540
Program Development	1,022,611	1,147,056	124,445	884,609	138,002	1,501,773
Communications	1,195,847	1,252,840	56,993	834,249	361,598	1,643,733
Indirect Costs	12,409,844	14,033,881	1,624,037	13,869,171	-1,459,327	18,548,762
Transfer Out - LA Facility	1,152,869	0	-1,152,869	0	1,152,869	0
Interfund Transaction - Expense	55,778	55,035	-743	53,878	1,900	73,518
TOTAL NON DISCIPLINE	19,768,164	20,858,331	1,090,167	19,111,400	656,764	27,544,341

	Sept-14 Year to Date Actual	Sept-14 Year to Date Budget	Variance Favorable (Unfavorable)	Sept-13 Prior Year to Date Actual	Inc./.(Dec.) From Prior Year	2014 Annual Budget
TOTAL GENERAL FUND EXPENSE BY FUNCTION	48,217,247	51,702,906	3,485,659	46,191,740	2,025,507	67,853,899