



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

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MEMORANDUM

DATE: July 15, 2015
TO: Members, Planning and Budget Committee
Members, Board of Trustees
FROM: Christine Wong, Finance Director
SUBJECT: Financial Statements for the Second Quarter Ended June 30, 2015

Attached for your review are the 2015 second 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 June 30, 2015, the Bar's total assets are \$228.9 million, liabilities are \$29.7 million, and net assets are \$199.2 million.

Compared to the same quarter in 2014, the Bar's total assets are up by \$11.1 million or 5.1%. The increase is due primarily to a \$13 million increase in cash and investment; a \$2 million increase in OPEB asset; partially offset by a \$3.9 million decrease in capital assets and other assets.

Cash and investments consist 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 June 30, 2015, the combined cash and investment balance is \$117.6 million, a \$13 million or 11.3% increase from \$114.6 million in 2014. The higher cash balance in 2015 is due to increase of operating revenues as explained below. In addition, the cash balance in 2014 was lower than other normal years due primarily to the capital spending on the new facility in Los Angeles.

The State Bar's capital assets consisted of land, buildings, building improvements, office equipment, furniture and fixtures, net of accumulated depreciation. Net capital assets balance as of June 30, 2015 is \$99.7 million, a \$3.6 million decrease compared to \$103.3 million last year due to normal depreciation.

Other assets consisted of interest receivable, prepayments, grant receivable, other receivables, and the Other Postemployment Benefits Obligation (OPEB) asset. The combined balance of other assets for the reporting quarter is \$11.7 million, a \$1.7 million or 17% increase compared to \$100.0 million last year. The increase is due primarily to the annual contribution made to the OPEB asset in 2014 and 2015.

The Bar's total liabilities consist of accounts payable to vendor accounts, grants payable, loans payable, and employee vacation and sick leave accruals. As of June 30, 2015, State Bar's total liabilities are \$29.7 million, down by \$2.0 million or 6.2% compared to \$31.7 million in 2014. The decrease is largely due to scheduled mortgage loan payments for the Los Angeles building.

The General Fund, the Bar's largest operating fund, has assets of \$111.3 million, liabilities of \$73.0 million and net assets of \$28.3 million as of June 30, 2015. The General Fund's total assets are up by \$11.6 million compared to last year, due largely to the increase in cash and investments as explained above. The General Fund's combined cash and investment balance for the reporting quarter is \$110.9 million, up by \$12.2 million compared to \$98.7 million in 2014. The cash balance in 2014 was lower than average due largely to capital spending on the new facility in Los Angeles.

General Fund total liabilities are up by \$10.0 million compared to last year due to the increase in inter-fund payables. Inter-fund payables represent the amounts the General Fund holds on behalf of each individual restricted fund. These balances are eliminated during the consolidation process and they do not impose any fiscal impacts to the State Bar's financial statements.

Statement of Revenue, Expenses and Changes in Net Assets – Comparison to Second Quarter Ended June 30, 2015 Actual Results

This statement reports the Bar's revenues, expenses, excess/(deficit) of revenues over expenses and changes in net assets. For the second quarter ended June 30, 2015, the Bar's total revenues (operating and non-operating) are \$127.1 million, and expenses are \$65.9 million, and the excess of revenues over expenditures for the reported quarter is \$61.2 million.

Total operating revenues for all programs for the quarter ended are \$126.0 million, up by \$7.5 million compared to \$118.5 million in 2014. The increase is due to a combination of 1) a \$2.8 million increase in membership revenues as a result of the \$10 increase in the optional

contribution to legal services and normal growth in the membership due to new admittees; 2) a \$2.2 million increase in other programs due to increases in application fees and seminar workshop revenues; 3) a \$2.5 million increase in other revenue, which is related to a settlement grant received from Bank of America. Pursuant to the terms of its settlement with the US Department of Justice, Bank of America has granted the Legal Services Trust Fund Program (as the administrator of IOLTA funds in California) the sum of \$2.5 million for regranting to IOLTA organizations for two allowable grant purposes: 1) foreclosure prevention legal assistance; and, 2) community redevelopment legal assistance.

The Bar's total operating expenses for all programs are \$65.9 million, up by \$1.6 million or 2.5% compared to \$64.3 million in 2014. The increase is due to a combination of 1) a \$3.9 million increase in grant expenses due to the restructuring of the IOLTA grant program to align the grant year to a calendar year in 2014; 2) a \$0.9 million increase in general operation due to higher personnel costs as a result of step increases and cost of living adjustment; these increases are offset by 3) a \$3.2 million decrease in Client Security Fund application payouts. As explained in the Client Security Fund Report, the application payout in 2014 was higher than a normal year as a result of the Board's decision in 2013 to devote additional financial resources to mitigate the pending application waiting time.

Year-To-Date Actual Comparison to Prior Year - General Fund

Each quarter, a budget to actual comparison report for the General Fund is prepared. This statement is designed to provide the Board with information about how the actual performance of the General Fund's revenues and expenses compares with prior year and the anticipated (budgeted) results. The report includes a quarterly budget comparison as well as year to date and prior year comparison.

The General Fund's total operating revenues for the reported quarter are \$67.1 million, up by \$1.2 million, or 1.8% compared to \$65.9 million in 2014. The increase is due to an increase in membership dues revenue from normal membership growth. The General Fund's total operating expenses for the quarter ended are \$31.5 million, which is almost the same level as in last year.

Year-To-Date Budget to Actual Comparison - General Fund

The General Fund's total revenues for the reported quarter are \$67.1 million, which is almost in line with the budget, reflecting an insignificant favorable variance of \$0.9 million compared to the year-to-date budget of \$66.2 million. General Fund revenues for the fiscal year 2015 are expected to be in-line with the annual budget later this year.

The General Fund's total expenditures for the reported quarter are \$31.5 million with a \$3.5 million favorable variance compared to the year-to-date budget of \$34.5 million. Personnel savings from vacant positions as well as deferred expenses are the two primary reasons expenses are below budget. There are insignificant variances at the General Fund program level due to timing of expenses incurred in general operation. As these deferred or delayed expenses are realized later this year, the expenses are expected to be more in-line with the budget. Due to the unfilled senior executive positions, year-to-date actual salary savings from vacant positions is

approximately \$1.5 million, higher than the \$0.75 million savings estimated in the adopted budget. Staff will update the Board regarding these saving in the next quarter.

In addition, the indirect costs to programs are allocated at cost center level in 2015 instead of at the fund level as was previously presented in June 2014. The purpose of such changes is to provide a greater level of transparency to report the total functional costs in the General Fund.

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 June 30, 2015

	General Fund	Restricted Funds	Fixed Asset Fund	Interfund Elimination	YTD Total All Fund June 2015	YTD Total All Fund June 2014	Change
ASSETS							
Cash	64,189,153	6,690,063	-	-	70,879,216	55,849,780	15,029,436
Investments	46,727,359	-	-	-	46,727,359	48,720,073	(1,992,714)
Accounts Receivable (net of allowances)	-	2,352,424	-	-	2,352,424	2,231,016	121,408
Interfund Receivable	-	72,351,332	-	(72,351,332)	-	-	-
Capital Assets (net of depreciation)	-	74,349,624	25,280,565	-	99,630,189	103,275,859	(3,645,670)
OPEB Investment	-	8,278,727	-	-	8,278,727	6,244,160	2,034,567
Other Assets	381,220	706,845	-	-	1,088,065	1,529,820	(441,755)
TOTAL ASSETS	111,297,732	164,729,015	25,280,565	(72,351,332)	228,955,980	217,850,708	11,105,272
LIABILITIES AND NET ASSETS							
Accounts Payable and Accrued Liabilities	5,057,093	2,544,512	-	-	7,601,605	8,226,034	(624,429)
Interfund Payable	67,984,734	4,366,598	-	(72,351,332)	-	-	-
Unearned Income	-	80,753	-	-	80,753	94,674	(13,921)
Grants Payable	-	16,753	-	-	16,753	16,753	-
Obligations under Debt Agreements	-	22,048,317	-	-	22,048,317	23,379,755	(1,331,438)
TOTAL LIABILITIES	73,041,827	29,056,933	-	(72,351,332)	29,747,428	31,717,216	(1,969,788)
NET ASSETS							
Net Assets at Beginning of Year	2,605,394	109,348,213	26,094,583	-	138,048,190	130,876,975	7,171,215
Current Operating Excess/(Deficit)	35,650,511	26,323,869	(814,018)	-	61,160,362	55,256,517	5,903,845
TOTAL NET ASSETS	38,255,905	135,672,082	25,280,565	-	199,208,552	186,133,492	13,075,060
TOTAL LIABILITIES & NET ASSETS	111,297,732	164,729,015	25,280,565	-	228,955,980	217,850,708	11,105,272

The State Bar of California
Statement of Assets, Liabilities and Net Assets - General Fund
As of June 30, 2015

	Year to Date Total June 2015	Year to Date Total June 2014	Change
ASSETS			
Cash	64,189,153	49,995,463	14,193,690
Investments	46,727,359	48,720,073	(1,992,714)
Other Assets	381,220	940,855	(559,635)
TOTAL ASSETS	<u>111,297,732</u>	<u>99,656,391</u>	<u>11,641,341</u>
LIABILITIES AND NET ASSETS			
Accounts Payable and Accrued Liabilities	5,057,093	5,857,621	(800,528)
Interfund Payable	67,984,734	57,164,309	10,820,425
TOTAL LIABILITIES	<u>73,041,827</u>	<u>63,021,930</u>	<u>10,019,897</u>
NET ASSETS			
Net Assets at Beginning of Year	2,605,394	2,587,381	18,013
Current Operating Excess/(Deficit)	35,650,511	34,047,080	1,603,431
TOTAL NET ASSETS	<u>38,255,905</u>	<u>36,634,461</u>	<u>1,621,444</u>
TOTAL LIABILITIES & NET ASSETS	<u>111,297,732</u>	<u>99,656,391</u>	<u>11,641,341</u>

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of June 30, 2015

	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Client Security	Discipline Fund	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Total A-L
ASSETS														
Cash	50	-	781,036	106,912	-	-	-	-	-	-	-	-	-	887,998
Accounts Receivable (net of allowances)	146	-	-	189,687	-	-	-	-	1,643,088	-	-	-	-	1,832,921
Interfund Receivable	12,031,802	-	-	4,311,413	3,339	7,303,584	-	1,154,617	1,861,950	342,277	1,214,024	906,279	3,138,470	32,267,755
Capital Assets (net of depreciation)	-	-	-	2,714,679	-	-	-	-	-	-	-	-	-	2,714,679
OPEB Assets	-	-	8,278,727	-	-	-	-	-	-	-	-	-	-	8,278,727
Other Assets	267,650	-	-	-	-	-	-	-	-	-	-	-	-	267,650
TOTAL ASSETS	12,299,648	-	9,059,763	7,322,691	3,339	7,303,584	-	1,154,617	3,505,038	342,277	1,214,024	906,279	3,138,470	46,249,730
LIABILITIES AND NET ASSETS														
Accounts Payable and Accrued Liabilities	317,891	24,840	-	267,904	-	116,640	-	41,967	-	-	-	-	55,325	824,567
Interfund Payable	-	3,968	171,407	-	-	-	-	-	-	-	-	-	-	175,375
Unearned Income	50	-	-	80,703	-	-	-	-	-	-	-	-	-	80,753
Grants Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	317,941	28,808	171,407	348,607	-	116,640	-	41,967	-	-	-	-	55,325	1,080,695
NET ASSETS														
Net Assets at Beginning of Year	3,622,560	109,636	8,887,169	7,506,396	-	2,208,555	-	847,549	3,738,934	488,541	1,211,409	308,837	1,833,833	30,763,419
Current Operating Excess/(Deficit)	8,359,147	(138,444)	1,187	(532,312)	3,339	4,978,389	-	265,101	(233,896)	(146,264)	2,615	597,442	1,249,312	14,405,616
TOTAL NET ASSETS/(DEFICITS)	11,981,707	(28,808)	8,888,356	6,974,084	3,339	7,186,944	-	1,112,650	3,505,038	342,277	1,214,024	906,279	3,083,145	45,169,035
TOTAL LIABILITIES & NET ASSETS	12,299,648	-	9,059,763	7,322,691	3,339	7,303,584	-	1,154,617	3,505,038	342,277	1,214,024	906,279	3,138,470	46,249,730

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of June 30, 2015

	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Education	Sections	Support & Administration	Technology improvement	Total L-T	Total A-L	All Restricted Funds
ASSETS													
Cash	-	-	-	-	-	4,610,000	8,457	-	1,183,608	-	5,802,065	887,998	6,690,063
Accounts Receivable (net of allowances)	-	519,503	-	-	-	-	-	-	-	-	519,503	1,832,921	2,352,424
Interfund Receivable	5,211,442	10,011,370	5,949,810	927,890	-	1,890,299	-	11,749,434	-	4,343,332	40,083,577	32,267,755	72,351,332
Capital Assets (net of depreciation)	-	-	-	-	71,634,945	-	-	-	-	-	71,634,945	2,714,679	74,349,624
OPEB Investments	-	-	-	-	-	-	-	-	-	-	-	8,278,727	8,278,727
Other Assets	-	-	-	-	-	-	-	-	439,195	-	439,195	267,650	706,845
TOTAL ASSETS	5,211,442	10,530,873	5,949,810	927,890	71,634,945	6,500,299	8,457	11,749,434	1,622,803	4,343,332	118,479,285	46,249,730	164,729,015
LIABILITIES AND NET ASSETS													
Accounts Payable and Accrued Liabilities	9,923	83,297	25,376	45,518	196,612	-	-	177,419	1,181,800	-	1,719,945	824,567	2,544,512
Interfund Payable	-	-	-	-	3,728,159	-	22,061	-	441,003	-	4,191,223	175,375	4,366,598
Unearned Income	-	-	-	-	-	-	-	-	-	-	-	80,753	80,753
Grants Payable	-	16,753	-	-	-	-	-	-	-	-	16,753	-	16,753
Obligations under Debt Agreements	-	-	-	-	22,048,317	-	-	-	-	-	22,048,317	-	22,048,317
TOTAL LIABILITIES	9,923	100,050	25,376	45,518	25,973,088	-	22,061	177,419	1,622,803	-	27,976,238	1,080,695	29,056,933
NET ASSETS													
Net Assets at Beginning of Year	4,588,061	4,606,052	4,478,500	454,193	45,748,829	6,498,022	(14,211)	7,629,998	-	4,595,350	78,584,794	30,763,419	109,348,213
Current Operating Excess/(Deficit)	613,458	5,824,771	1,445,934	428,179	(86,972)	2,277	607	3,942,017	-	(252,018)	11,918,253	14,405,616	26,323,869
TOTAL NET ASSETS/(DEFICITS)	5,201,519	10,430,823	5,924,434	882,372	45,661,857	6,500,299	(13,604)	11,572,015	-	4,343,332	90,503,047	45,169,035	135,672,082
TOTAL LIABILITIES & NET ASSETS	5,211,442	10,530,873	5,949,810	927,890	71,634,945	6,500,299	8,457	11,749,434	1,622,803	4,343,332	118,479,285	46,249,730	164,729,015

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Six Months Ending June 30, 2015

	General Fund	Restricted Funds	Fixed Asset Funds		Total All Funds Year to Date June-15	Total All Funds Year to Date June-14	Change	Percentage Change
OPERATING REVENUES								
Membership Fees, Voluntary Contributions	64,964,212	18,216,817	-	-	83,181,029	80,339,799	2,841,230	3.54%
Convention Income	-	367,025	-	-	367,025	319,701	47,324	14.80%
Law Corporation Registration Fees	759,977	-	-	-	759,977	720,352	39,625	5.50%
Continuing Legal Education Fees	493,205	104,590	-	-	597,795	652,982	(55,187)	-8.45%
Law Practices Sections Fees	-	5,778,065	-	-	5,778,065	5,326,429	451,636	8.48%
Grant Revenue	11,750	5,758,300	-	-	5,770,050	5,953,966	(183,916)	-3.09%
Trust Account Revenue	-	2,700,793	-	-	2,700,793	2,592,066	108,727	4.19%
EAF AB 145 Filing Fee Revenue	-	1,468,106	-	-	1,468,106	1,328,728	139,378	10.49%
MJP Fees	496,945	-	-	-	496,945	522,805	(25,860)	-4.95%
Examination Application Fees	-	17,108,513	-	-	17,108,513	16,382,081	726,432	4.43%
Legal Specialization Fees	-	2,023,909	-	-	2,023,909	1,808,500	215,409	11.91%
Seminar/Workshop Revenue	20,740	937,840	-	-	958,580	602,258	356,322	59.16%
CalBar Journal Revenue	68,223	33,232	-	-	101,455	90,362	11,093	12.28%
Other Revenue	258,965	4,445,123	-	-	4,704,088	1,897,773	2,806,315	147.87%
Total Operating Revenue	67,074,017	58,942,313	-	-	126,016,330	118,537,802	7,478,528	6.31%
OPERATING EXPENSES								
Discipline and Adjudication	25,683,718	-	-	-	25,683,718	18,388,683	7,295,035	39.67%
Grant Expenses	-	12,651,005	-	-	12,651,005	8,767,684	3,883,321	44.29%
Administration of Justice	372,538	-	-	-	372,538	324,388	48,150	14.84%
Governance	1,005,420	-	-	-	1,005,420	1,083,041	(77,621)	-7.17%
Administration of the Profession	1,540,219	-	-	-	1,540,219	1,172,520	367,699	31.36%
Program Development	1,079,516	-	-	-	1,079,516	661,604	417,912	63.17%
Communications	898,658	-	-	-	898,658	794,831	103,827	13.06%
Examination costs and administration	-	9,220,842	-	-	9,220,842	8,754,975	465,867	5.32%
Claims (net of reimbursements)	-	1,425,645	-	-	1,425,645	4,582,012	(3,156,367)	-68.89%
Law Practices (Sections)	-	3,616,911	-	-	3,616,911	3,433,521	183,390	5.34%
General and Administrative costs	-	6,720,747	814,018	-	7,534,765	7,432,133	102,632	1.38%
Interest Expense on Loan	-	-	-	-	-	422,682	(422,682)	100.00%
Indirect Costs - Support & Admin	907,026	-	-	-	907,026	8,544,102	(7,637,076)	-89.38%
Indirect Costs - L A Facility	-	-	-	-	-	-	-	-
Total Operating Expenses	31,487,095	33,635,150	814,018	-	65,936,263	64,362,176	1,574,087	2.45%
OPERATING INCOME/(LOSS)	35,586,922	25,307,163	(814,018)	-	60,080,067	54,175,626	5,904,441	10.90%
NON-OPERATING REVENUE								
Investment Income	63,359	73,906	-	-	137,265	148,206	(10,941)	-7.38%
Rental Income	-	943,030	-	-	943,030	932,685	10,345	1.11%
Total Non-Operating Revenue	63,359	1,016,936	-	-	1,080,295	1,080,891	(596)	-0.06%
INCOME/(LOSS) BEFORE TRANSFERS	35,650,281	26,324,099	(814,018)	-	61,160,362	55,256,517	5,903,845	10.68%
Interfund Transaction - Revenue	35,250	11,870	-	47,120	-	-	-	0.00%
Interfund Transaction - Expense	(35,020)	(12,100)	-	(47,120)	-	-	-	0.00%
Change in Net Position	35,650,511	26,323,869	(814,018)	-	61,160,362	55,256,517	5,903,845	10.68%
CHANGES IN NET ASSETS								
Net Assets at beginning of year	2,605,394	109,348,213	26,094,583	-	138,048,190	130,876,975	7,171,215	5.48%
NET ASSETS AS OF JUNE 30, 2015	38,255,905	135,672,082	25,280,565	-	199,208,552	186,133,492	13,075,060	7.02%

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - General Fund
For the Six Months Ending June 30, 2015

	Year to Date June 2015	Year to Date June 2014	Change
OPERATING REVENUES			
Membership Fee, Voluntary Contributions and Attorney Applications	64,964,212	63,805,828	1,158,384
Law Corporation Registration Fees	759,977	720,352	39,625
Continuing Legal Education Fees	493,205	539,452	(46,247)
Seminar/Workshop Revenue	20,740	8,870	11,870
CalBar Journal Revenue	68,223	71,903	(3,680)
MJP Fees	496,945	450,855	46,090
Grant Revenue	11,750	-	11,750
Other Revenue	258,965	273,632	(14,667)
Total Operating Revenue	67,074,017	65,870,892	1,203,125
OPERATING EXPENSES			
Discipline	25,683,718	18,388,683	7,295,035
Administration of Justice	372,538	324,388	48,150
Governance	1,005,420	1,083,041	(77,621)
Administration of the Profession	1,540,219	1,172,520	367,699
Program Development	1,079,516	661,604	417,912
Communications	898,658	794,831	103,827
Indirect Costs - Support & Admin	907,026	8,544,102	(7,637,076)
Indirect Costs - L A Facility	-	920,647	(920,647)
Total Operating Expenses	31,487,095	31,889,816	(402,721)
OPERATING INCOME/(LOSS)	35,586,922	33,981,076	1,605,846
NON-OPERATING REVENUE			
Investment Income	63,359	66,895	(3,536)
Total Non-Operating Revenue	63,359	66,895	(3,536)
INCOME/(LOSS) BEFORE TRANSFERS	35,650,281	34,047,971	1,602,310
Interfund Transaction - Revenue	35,250	41,450	(6,200)
Interfund Transaction - Expense	(35,020)	(42,341)	7,321
Change in Net Position	35,650,511	34,047,080	1,603,431
NET ASSETS			
Net Assets at beginning of year	2,605,394	2,587,381	18,013
NET ASSETS AS OF JUNE 30, 2015	38,255,905	36,634,461	1,621,444

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Six Months Ending June 30, 2015

	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
REVENUE													
Membership Fees & Voluntary Dues	81,650	-	-	-	3,388	7,615,648	772,000	-	-	1,153	605,591	2,003,438	11,082,868
Investment Income	12,302	107	1,187	6,699	2	8,494	1,125	546	-	1,462	895	3,738	36,557
Convention Income	-	65,200	-	-	-	-	-	-	-	-	-	-	65,200
Continuing Legal Education Fees	93,750	-	-	-	-	-	-	-	-	-	-	-	93,750
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	677,730	-	-	-	-	-	-	-	-	677,730
Grant Revenue	-	-	-	-	-	-	-	5,715,600	37,700	-	-	-	5,753,300
Trust Account Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	1,468,106	-	-	-	-	1,468,106
MJP Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Exam Application & Moral Character Fees	17,108,513	-	-	-	-	-	-	-	-	-	-	-	17,108,513
Legal Specialization Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminar/Workshop Revenue	-	-	-	-	-	-	2,630	-	-	-	-	-	2,630
Advertising Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	284,914	-	-	-	-	7,023	-	243,457	-	-	-	-	535,394
TOTAL REVENUE	17,581,129	65,307	1,187	684,429	3,390	7,631,165	775,755	7,427,709	37,700	2,615	606,486	2,007,176	36,824,048
EXPENSES													
Grants	-	-	-	-	-	-	-	7,429,684	180,000	-	-	-	7,609,684
Examination Costs and Administration	9,220,842	-	-	-	-	-	-	-	-	-	-	-	9,220,842
CSF Application (net of reimbursement)	-	-	-	-	-	1,425,645	-	-	-	-	-	-	1,425,645
Law Practices (Sections)	-	-	-	-	-	-	-	-	-	-	-	-	-
General and Administrative	-	208,551	-	1,216,741	51	1,230,111	510,549	231,921	3,964	-	9,044	757,439	4,168,371
TOTAL EXPENSES	9,220,842	208,551	-	1,216,741	51	2,655,756	510,549	7,661,605	183,964	-	9,044	757,439	22,424,542
INCOME/(LOSS) BEFORE TRANSFERS	8,360,287	(143,244)	1,187	(532,312)	3,339	4,975,409	265,206	(233,896)	(146,264)	2,615	597,442	1,249,737	14,399,506
Interfund Transaction - Revenue	-	4,800	-	-	-	4,120	-	-	-	-	-	1,050	9,970
Interfund Transaction - Expense	(1,140)	-	-	-	-	(1,140)	(105)	-	-	-	-	(1,475)	(3,860)
Change in Net Position	8,359,147	(138,444)	1,187	(532,312)	3,339	4,978,389	265,101	(233,896)	(146,264)	2,615	597,442	1,249,312	14,405,616
CHANGES IN NET ASSETS													
Net Assets at beginning of year	3,622,560	109,636	8,887,169	7,506,396	-	2,208,555	847,549	3,738,934	488,541	1,211,409	308,837	1,833,833	30,763,419
NET ASSETS AS OF JUNE 30, 2015	11,981,707	(28,808)	8,888,356	6,974,084	3,339	7,186,944	1,112,650	3,505,038	342,277	1,214,024	906,279	3,083,145	45,169,035

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Six Months Ending June 30, 2015

	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	LA Facility	Public Protection	SB Access & Education	Sections	Support & Administration	Technology Improvement	Total L-T	Total A-L	All Restricted Funds
REVENUE													
Membership Fees & Voluntary Dues	-	6,382,209	-	751,740	-	-	-	-	-	-	7,133,949	11,082,868	18,216,817
Investment Income	4,179	7,667	5,606	1,113	(2,448)	2,277	-	13,972	(460)	5,443	37,349	36,557	73,906
Convention Income	-	-	-	-	-	-	-	301,825	-	-	301,825	65,200	367,025
Continuing Legal Education Revenue	-	-	10,840	-	-	-	-	-	-	-	10,840	93,750	104,590
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	5,778,065	-	-	5,778,065	-	5,778,065
Rental Income	-	-	-	-	265,300	-	-	-	-	-	265,300	677,730	943,030
Grant Revenue	-	-	-	-	-	-	5,000	-	-	-	5,000	5,753,300	5,758,300
LSTF Trust Account Revenue	-	2,700,793	-	-	-	-	-	-	-	-	2,700,793	-	2,700,793
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	1,468,106	1,468,106
MJP Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Exam Application & Moral Character Fees	-	-	-	-	-	-	-	-	-	-	-	17,108,513	17,108,513
Legal Specialization Fees	-	-	2,023,909	-	-	-	-	-	-	-	2,023,909	-	2,023,909
Seminar/Workshop Revenue	-	-	-	-	-	-	-	935,210	-	-	935,210	2,630	937,840
Advertising Revenue	-	-	-	-	-	-	-	33,232	-	-	33,232	-	33,232
Other Revenue	920,850	2,485,197	1,502	-	-	-	-	498,324	3,856	-	3,909,729	535,394	4,445,123
TOTAL REVENUE	925,029	11,575,866	2,041,857	752,853	262,852	2,277	5,000	7,560,628	3,396	5,443	23,135,201	36,824,048	59,959,249
EXPENSES													
Grants	-	5,037,321	-	-	-	-	4,000	-	-	-	5,041,321	7,609,684	12,651,005
Examination costs and Administration	-	-	-	-	-	-	-	-	-	-	-	9,220,842	9,220,842
Claims (net of reimbursement)	-	-	-	-	-	-	-	-	-	-	-	1,425,645	1,425,645
Law Practices (Sections)	-	-	-	-	-	-	-	3,616,911	-	-	3,616,911	-	3,616,911
General and Administrative	311,571	713,669	595,668	324,294	349,824	-	393	-	(504)	257,461	2,552,376	4,168,371	6,720,747
TOTAL EXPENSES	311,571	5,750,990	595,668	324,294	349,824	-	4,393	3,616,911	(504)	257,461	11,210,608	22,424,542	33,635,150
INCOME/(LOSS) BEFORE TRANSFERS	613,458	5,824,876	1,446,189	428,559	(86,972)	2,277	607	3,943,717	3,900	(252,018)	11,924,593	14,399,506	26,324,099
Interfund Transaction - Revenue	-	-	1,800	-	-	-	-	100	-	-	1,900	9,970	11,870
Interfund Transaction - Expense	-	(105)	(2,055)	(380)	-	-	-	(1,800)	(3,900)	-	(8,240)	(3,860)	(12,100)
Change in Net Position	613,458	5,824,771	1,445,934	428,179	(86,972)	2,277	607	3,942,017	-	(252,018)	11,918,253	14,405,616	26,323,869
CHANGES IN NET ASSETS													
Net Assets at beginning of year	4,588,061	4,606,052	4,478,500	454,193	45,748,829	6,498,022	(14,211)	7,629,998	-	4,595,350	78,584,794	30,763,419	109,348,213
NET ASSETS AS OF JUNE 30, 2015	5,201,519	10,430,823	5,924,434	882,372	45,661,857	6,500,299	(13,604)	11,572,015	-	4,343,332	90,503,047	45,169,035	135,672,082

The State Bar of California
Budget to Actual Comparison - General Fund
For the Six Months Ending June 30, 2015

	Jun 2015 Year to Date Actual	Jun 2015 Year to Date Budget	Jun 2014 Prior Year to Date Actual	Inc./.(Dec.) From Prior Year	2015 Annual Budget	
REVENUE						
Membership Fees	64,964,212	64,651,496	312,716	63,805,828	1,158,384	65,653,000
Investment Income	63,359	30,000	33,359	66,895	(3,536)	60,000
Law Corp Registration Fees	759,977	392,490	367,487	720,352	39,625	785,000
CalBar Journal Revenue	68,223	57,498	10,725	71,903	(3,680)	115,000
Continuing Legal Education	493,205	592,230	(99,025)	539,452	(46,247)	1,184,500
Seminar/Workshop Revenue	20,740	3,996	16,744	8,870	11,870	8,000
MJP Fees	496,945	229,998	266,947	450,855	46,090	460,000
Grant Revenue	11,750	-	11,750	-	11,750	-
Other Revenue	258,965	248,730	10,235	273,632	(14,667)	497,500
TOTAL REVENUE	67,137,376	66,206,438	930,938	65,937,787	1,199,589	68,763,000
EXPENSES						
Discipline	25,683,718	28,530,609	2,846,891	18,388,683	7,295,035	57,412,868
Administration of Justice	372,538	468,898	96,360	324,388	48,150	942,094
Governance	1,005,420	1,403,222	397,802	1,083,041	(77,621)	2,815,088
Administration of the Profession	1,540,219	1,719,551	179,332	1,172,520	367,699	3,458,577
Program Development	1,079,516	1,024,745	(54,771)	661,604	417,912	2,058,817
Communications	898,658	1,049,366	150,708	794,831	103,827	2,111,417
Indirect Costs - Support & Admin	907,026	756,438	(150,588)	8,544,102	(7,637,076)	1,512,738
Indirect Costs - L A Facility	-	-	-	920,647	(920,647)	-
TOTAL EXPENSES	31,487,095	34,952,829	3,465,734	31,889,816	(402,721)	70,311,599
INCOME/(LOSS) BEFORE TRANSFERS	35,650,281	31,253,609	(2,534,796)	34,047,971	1,602,310	(1,548,599)
Transfer in From Grants Fund	-	100,000	100,000	-	-	100,000
Interfund Transaction - Revenue	35,250	24,996	(10,254)	41,450	(6,200)	50,000
Interfund Transaction - Expense	(35,020)	(36,690)	(1,670)	(42,341)	7,321	(73,518)
NET OPERATING SURPLUS/(DEFICIT)	35,650,511	31,341,915	(2,446,720)	34,047,080	1,603,431	(1,472,117)

The State Bar of California
Budget To Actual Comparison - General Fund
Expenses by Function
For the Six Months Ending June 30, 2015

Attachment 8

	Jun 2015 Year to Date Actual	Jun 2015 Year to Date Budget	Variance Favorable (Unfavorable)	Jun 2014 Prior Year to Date Actual	Inc./((Dec.) From Prior Year	2015 Annual Budget
EXPENSES BY FUNCTION						
Enforcement	18,087,654	20,705,335	2,617,681	13,224,132	4,863,522	41,667,259
Probation	634,621	662,617	27,996	468,323	166,298	1,331,635
State Bar Court	5,482,261	5,429,392	(52,869)	3,614,301	1,867,960	10,930,719
Mandatory Fee Arbitration	383,777	477,900	94,123	297,468	86,309	961,570
Professional Competence	1,095,405	1,255,365	159,960	784,459	310,946	2,521,685
TOTAL DISCIPLINE	25,683,718	28,530,609	2,846,891	18,388,683	7,295,035	57,412,868
Administration of Justice	372,538	468,898	96,360	324,388	48,150	942,094
Governance	1,005,420	1,403,222	397,802	1,083,041	(77,621)	2,815,088
Administration of the Profession	1,540,219	1,719,551	179,332	1,172,520	367,699	3,458,577
Program Development	1,079,516	1,024,745	(54,771)	661,604	417,912	2,058,817
Communications	898,658	1,049,366	150,708	794,831	103,827	2,111,417
Indirect Costs - Support & Admin	907,026	756,438	(150,588)	8,544,102	(7,637,076)	1,512,738
Indirect Costs - LA Facility	-	-	-	920,647	(920,647)	-
TOTAL NON DISCIPLINE	5,803,377	6,422,220	618,843	13,501,133	(7,697,756)	12,898,731
Interfund Transaction - Expense	35,020	36,690	1,670	42,341	(7,321)	73,518
TOTAL INTERFUND TRANSFERS	35,020	36,690	1,670	42,341	(7,321)	73,518
TOTAL GENERAL FUND EXPENSE BY FUNCTION	31,522,115	34,989,519	3,467,404	31,932,157	(410,042)	70,385,117