



# The State Bar of California

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**OPEN SESSION  
AGENDA ITEM  
54-143 SEPTEMBER 2020  
FINANCE COMMITTEE II.C**

**DATE:** September 8, 2020

**TO:** Members, Finance Committee  
Members, Board of Trustees

**FROM:** John Adams, Chief Financial Officer

**SUBJECT:** 1st Quarter 2020 Financial Statement Report

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## **EXECUTIVE SUMMARY**

In adherence with the Board Policy Manual, the Office of Finance has prepared the accompanying financial reports (unaudited) for the 1st quarter ended March 31, 2020 for the Board's review.

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## **BACKGROUND**

To increase transparency and to ensure public confidence in the operations of the State Bar at all levels, the Office of Finance prepares quarterly statements that show the financial condition of the State Bar. The Finance Committee is responsible for reviewing quarterly reports prepared by the Office of Finance.

## **DISCUSSION**

In May 2020, the Office of Finance presented only the 1st Quarter Investment and Client Security Fund Reports. With the implementation of a new financial system, 1st quarter financial statements were delayed until August. The financial reports for the 1st quarter ending March 31, 2020 were finalized on August 18, 2020. The financial statements for the 1st quarter, including balance sheet and income statements, are attached to this report. The Financial Statements were reviewed and approved on September 8, 2020 by the Finance Committee. The

Finance Committee adopted a resolution that recommends that the Board of Trustees approve the reports.

### **FISCAL/PERSONNEL IMPACT**

None

### **AMENDMENTS TO RULES OF THE STATE BAR**

None

### **AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

None

### **STRATEGIC PLAN GOALS & OBJECTIVES**

None - compliance

### **RECOMMENDATIONS**

**Should the Finance Committee concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Finance Committee recommends that the Board of Trustees 2020 First Quarter Financial Report in the form presented this day before the Board, for the three months ending March 31, 2020, as certified by the Chief Financial Officer, and on file with the San Francisco office of the State Bar.

**Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Board of Trustees approve the 2020 First Quarter Financial Report in the form presented this day before the Board, for the three months ending March 31, 2020, as certified by the Chief Financial Officer, and on file with the San Francisco office of the State Bar.

### **ATTACHMENT(S) LIST**

- A. Financial Statements as of March 31, 2020



# The State Bar of California

ATTACHMENT A

OFFICE OF FINANCE

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Date: September 8, 2020

To: Members, Finance Committee

From: John Adams, Chief Financial Officer

Subject: 1st Quarter 2020 Financial Statement Report

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This memo outlines the State Bar's first quarter operating results and fiscal position as of March 31, 2020, with information and comparative analysis regarding revenue, expenses, net surplus, assets, liabilities, and net position.

## FINANCIAL HIGHLIGHTS

The table below summarizes highlights of the financial statements:

**Table 1. Financial Highlights for Year-to-Date Through March 31, 2020**

ASSETS AND LIABILITIES: YEAR OVER YEAR COMPARISON					
Financial Statement Category	March 31, 2020 (in \$M)	March 31, 2019 (in \$M)	Changes (in \$M)	Changes (in %)	Refer to Attachment
<b>Total Assets</b>	<b>\$323.7</b>	<b>\$302.5</b>	<b>\$21.2</b>	<b>9.3%</b>	<b>4&amp;5</b>
Cash & Investments	196.6	167.8	28.8	17.2%	4&5
Deferred Outflows of Resources	9.5	14.6	-5.1	-34.9%	4&5
<b>Total Liabilities</b>	<b>103.4</b>	<b>106.8</b>	<b>-3.4</b>	<b>-3.1%</b>	<b>4&amp;5</b>
Deferred Inflows of Resources	7.7	10.9	-3.2	-29.2%	4&5
Net Pension Liabilities	67.2	59.4	7.8	13.1%	4&5
Loans Payable	21.7	24.2	-2.5	-10.5%	4&5
<b>Net Position</b>	<b>220.3</b>	<b>195.7</b>	<b>24.6</b>	<b>12.6%</b>	<b>4&amp;5</b>

**ASSETS**

The State Bar's total assets consist of cash, investments, accounts receivable, capital assets, OPEB plan asset and deferred outflows of resources. Total assets increased by \$21.2 million, from \$302.5 million at March 31, 2019 to \$323.7 million at March 31, 2020. Net position (total assets minus total liabilities) at March 31, 2020 was \$220.3 million, an increase of \$24.6 million compared to \$195.7 million in the prior year.

**LIABILITIES**

The State Bar's total liabilities consist of accounts payable to vendors, unearned fees collected in advance, grants payable, net pension liabilities, the deferred inflows of resources related to pension, loans payable, and employee vacation and sick leave accruals. As of March 31, 2020, the State Bar's total liabilities were \$103.4 million, down by \$3.4 million compared to \$106.8 million at Q1 2019.

**NET POSITION**

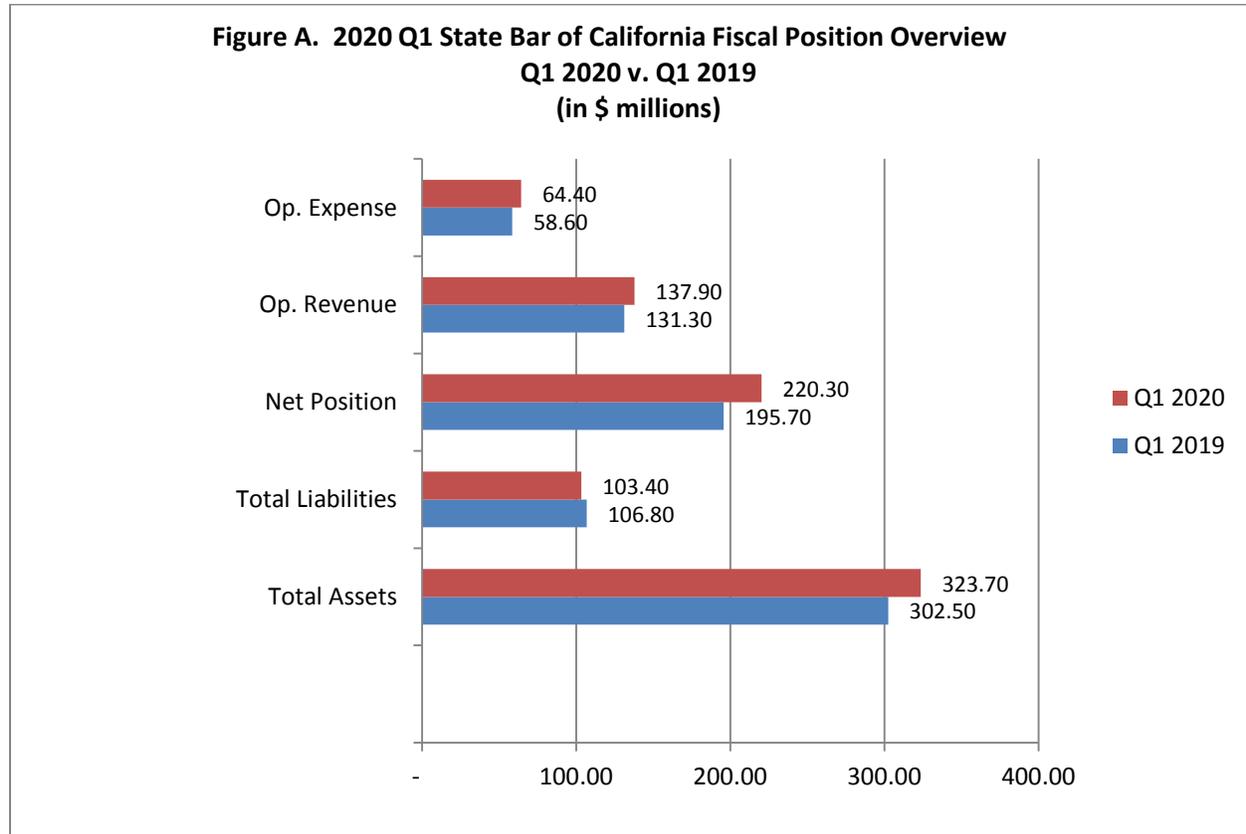
Net position consists of restricted and unrestricted net position and investment in capital assets. The State Bar's total net position (total assets minus total liabilities) as of March 31, 2020 was \$220.3 million, up by \$24.6 million or 12.6 percent compared to \$195.7 million last year.

Through March 31, 2020, year-to-date operating revenue was \$137.9 million, 6.6 percent better than the budget of \$131.3 million. Total operating expenses were \$64.4 million, 9.9 percent higher than the \$58.6 million budget.

The table below provides budget to actual comparisons for select revenues and business units:

<b>OPERATING REVENUE AND EXPENSES: BUDGET TO ACTUAL COMPARISON</b>					
<b>Financial Statement Category</b>	<b>2020 Q1 Actual (in \$M)</b>	<b>2020 Q1 Budget (in \$M)</b>	<b>Variance (in \$M)</b>	<b>Variance (in %)</b>	<b>Refer to Attachment</b>
<b>Operating Revenue</b>	<b>137.9</b>	<b>131.3</b>	<b>6.6</b>	<b>5.0%</b>	<b>1,2,3</b>
Licensing Fees & Donations	104.5	99.4	5.1	5.1%	1,2,3
<b>Operating Expenses</b>	<b>64.4</b>	<b>58.6</b>	<b>5.8</b>	<b>9.9%</b>	<b>1,2,3</b>
General & Administrative	-2.3	.44	-2.7	-675.0%	1,2,3
Chief Trial Counsel	13.6	14.6	-1.0	-6.8%	1,2,3
Client Security Fund	3.9	3.9	0	0.0%	1,2,3
Admissions	3.4	5.9	-2.5	-42.4%	1,2,3
Grant Expenses	26.5	21.7	4.8	22.1%	1,2,3

Figure A below summarizes the State Bar’s financial position at the end of the first quarter of 2020, compared to the first quarter of 2019.



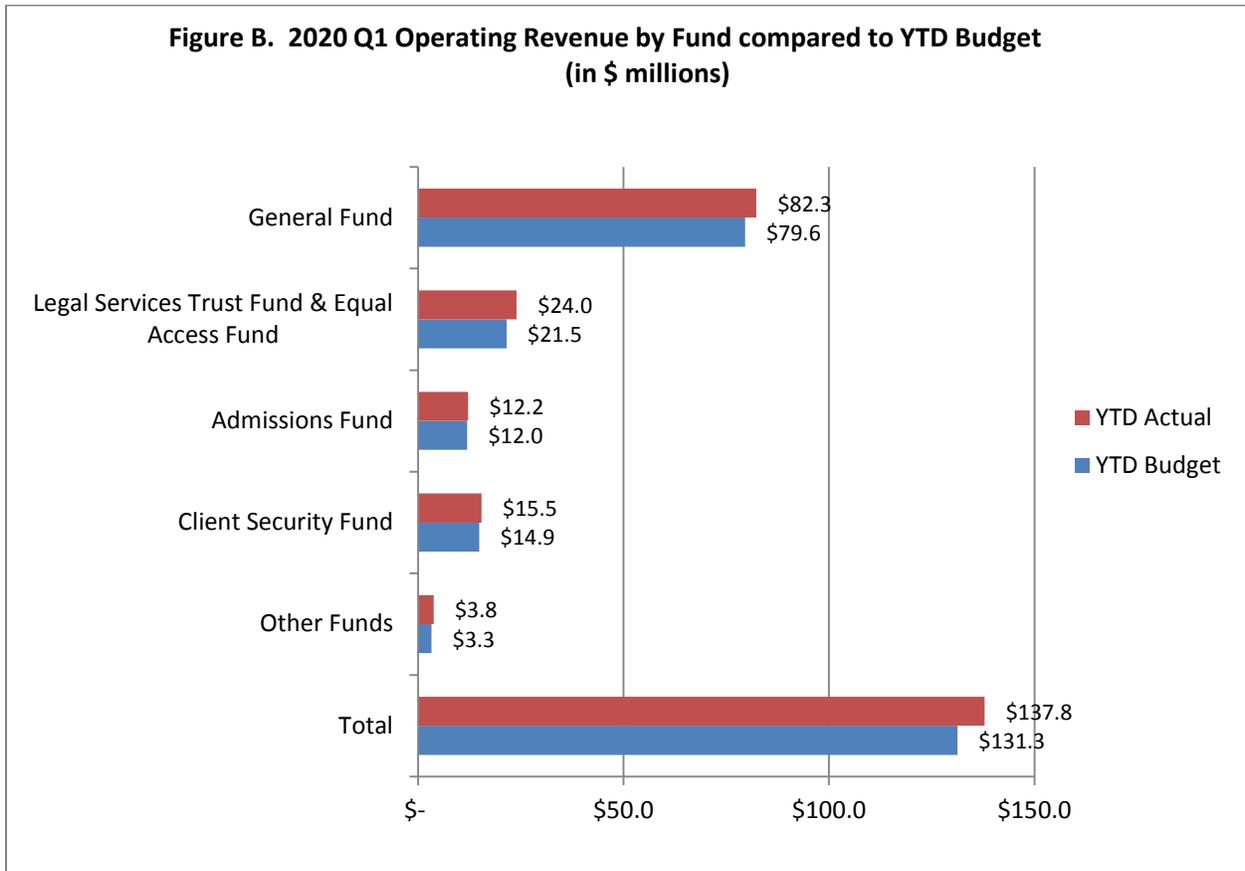
See attachments 1 and 2 for more detailed comparisons of the State Bar’s financial position at March 31, 2019 versus March 31, 2020.<sup>1</sup>

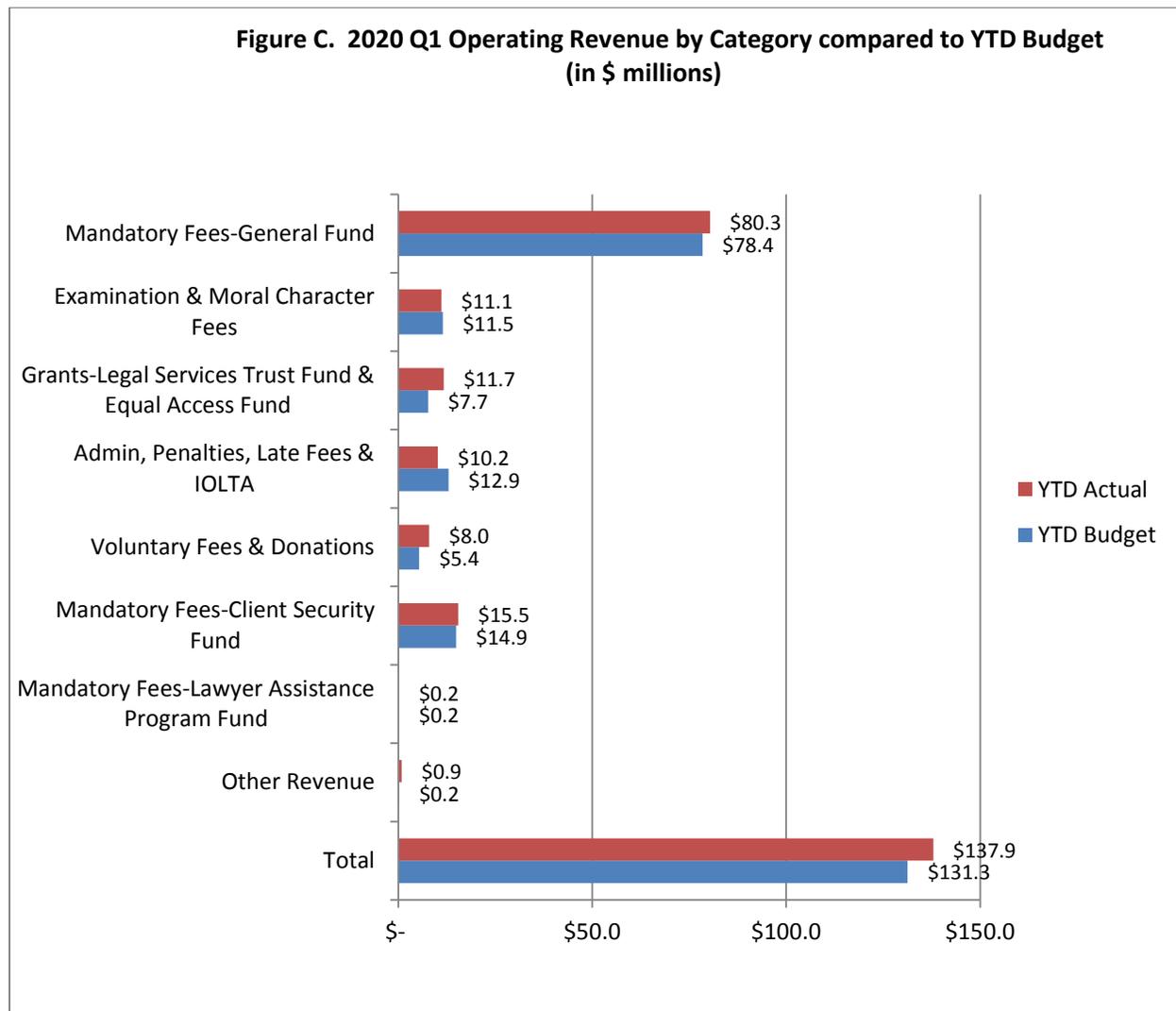
### REVENUE

Figures B and C compare budget to actuals for operating revenue, with Figure B presenting at the fund level and Figure C by revenue category. Overall, operating revenue totaled \$137.9 million through the first quarter of 2020, \$6.6 million more than the budgeted operating revenue of \$131.3 million.

The primary contributors to this positive variance are: Legal Services Trust Fund is earning higher than anticipated interest on Trust Fund monies; the recent drop in interest rates has not resulted in as large an impact on revenue generation in the first quarter as had been anticipated in the budget. However, with rates significantly decreasing in March, we should see significant impacts in the second quarter. Equal Access Grants are higher due to timing; Legal Services opt-in fees are higher than projections by \$2.6 million because we anticipated a reduction based on the increase in the annual licensing fee.

See attachment 3 for a comparison of actuals for both operating revenue and operating expenses through Q4 2019 versus Q4 2018.





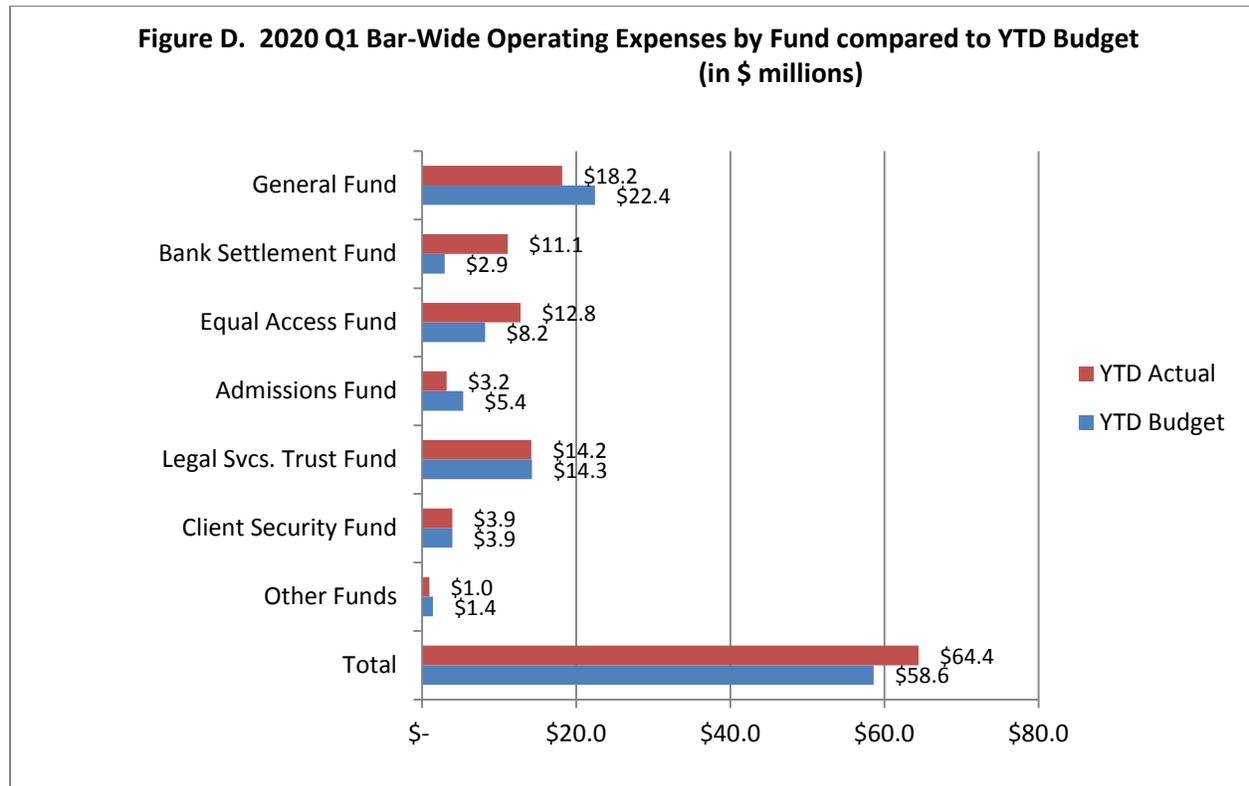
**NONOPERATING REVENUE**

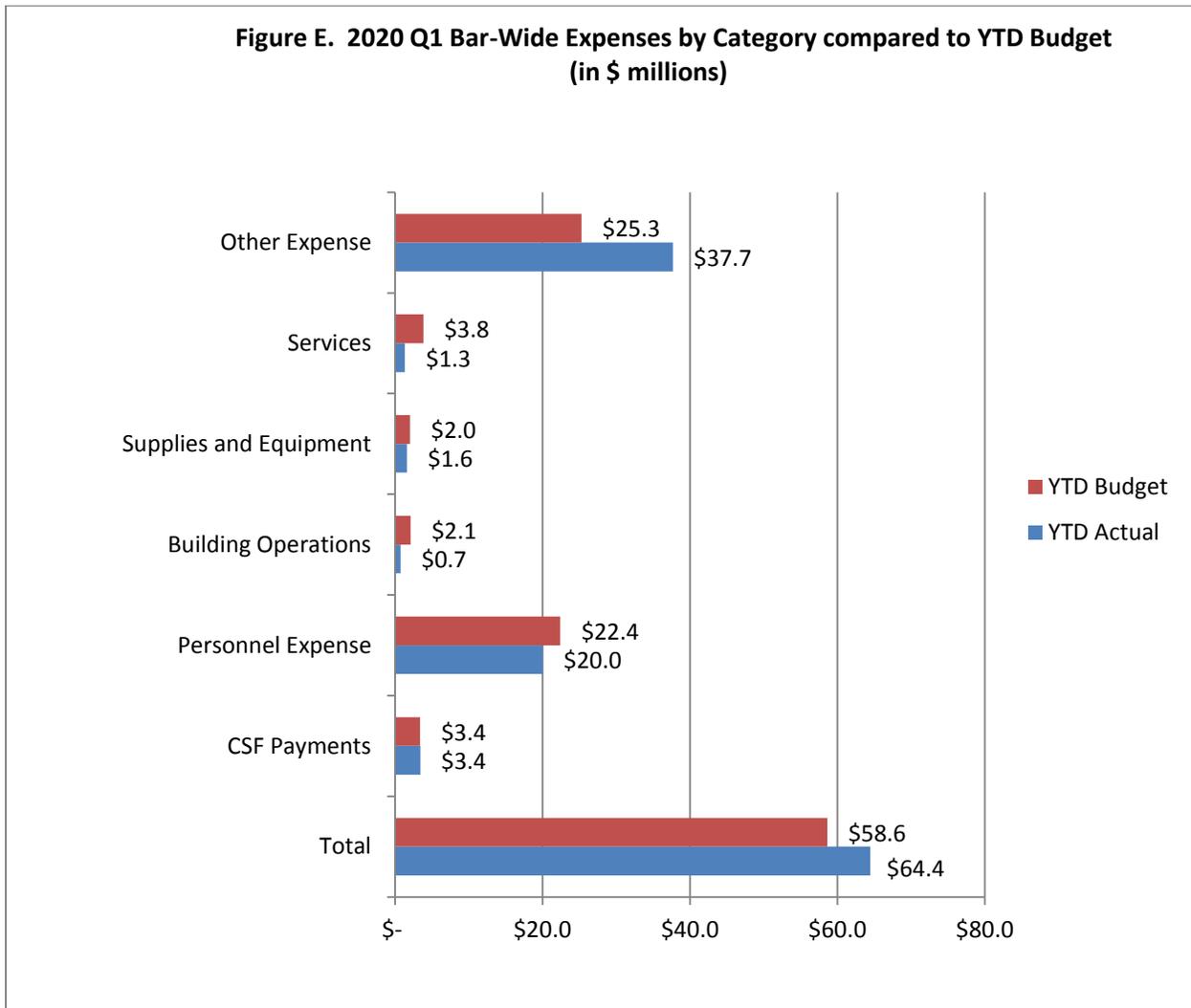
Nonoperating revenue consists of investment income, rental income, and interest expense on loans. Investment income through Q1 2020 is \$2.3 million, \$700K over the \$1.6 million budget.

**EXPENSES**

The State Bar’s operating expenses through Q1 2020 were \$64.4 million, compared to the budget of \$58.6 million. This variance is primarily attributable to a high level of grant expense within the Bank Settlement Fund. Savings on personnel expenses were \$2.4 million across the entire State Bar. The 2020 State Bar-wide staff budget, includes 609 positions, 277 of which in Chief Trial Counsel.

Figures D and E summarize the State Bar’s 2020 year-to-date operating expenses by fund and by category, compared to budget.





**Attachments:**

- Attachment 1 – Operating Revenue, Operating Expenses and Changes in Net Position (State Bar-Wide)
- Attachment 2 – Operating Revenue, Operating Expenses and Changes in Net Position (Nongeneral Funds)
- Attachment 3 – Variances Year-over-Year for Operating Revenue, Operating Expenses and Changes in Net Position (State Bar-Wide)
- Attachment 4 – Assets, Liabilities & Net Position (State Bar-Wide)
- Attachment 5 – Assets, Liabilities & Net Position (Nongeneral Funds)

**The State Bar of California Statement of Revenue, Expense & Changes in Net Position - Bar  
Wide As of March 2020**

	<b>General Fund</b>	<b>Other Funds</b>	<b>2020 Actual</b>	<b>2019 Actual</b>	<b>Variance- 2019 Actual vs 2020 Actual</b>	<b>2020 Budget</b>	<b>Variance- 2020 Actual vs Budget</b>
<b>OPERATING REVENUE</b>							
Affinity Insurance Revenue	569,682	-	569,682	(72,056)	641,738	(63,480)	633,162
Continuing Legal Education Fees	220,691	1,483	222,174	313,665	(91,491)	234,633	(12,459)
EAF AB 145 Filing Fee Revenue	-	2,039,200	2,039,200	-	2,039,200	1,811,775	227,425
Exam App. & Moral Char. Fees	-	11,300,098	11,300,098	11,816,860	(516,762)	11,622,082	(321,984)
Grant Revenue	-	9,708,625	9,708,625	-	9,708,625	5,863,721	3,844,904
Law Corporation Registration Fees	220,596	-	220,596	384,587	(163,991)	372,612	(152,016)
Legal Specialization Fees	-	1,815,111	1,815,111	1,816,916	(1,806)	1,219,164	595,947
Licensing Fees and Donations	80,850,703	23,613,340	104,464,042	81,206,633	23,257,409	99,366,447	5,097,595
Multi-Jurisdictional Practice Fees	-	679,921	679,921	656,182	23,739	200,275	479,646
Other Revenue	463,175	187,036	650,211	716,576	(66,365)	558,817	91,394
Trust Account Revenue	-	6,215,867	6,215,867	7,879,511	(1,663,643)	10,103,386	(3,887,519)
<b>Total Operating Revenue</b>	<b>82,324,847</b>	<b>55,560,680</b>	<b>137,885,527</b>	<b>104,718,874</b>	<b>33,166,653</b>	<b>131,289,432</b>	<b>6,596,095</b>
<b>OPERATING EXPENSES</b>							
Access & Inclusion	259,962	11,718,138	11,978,100	10,345,253	1,632,847	4,087,362	7,890,738
Admissions	3,998	3,432,225	3,436,223	4,067,121	(630,898)	5,868,786	(2,432,563)
Attorney Regulation and Consumer Resources	1,226,990	-	1,226,990	1,282,436	(55,446)	1,284,619	(57,629)
Chief Trial Counsel	13,640,186	-	13,640,186	10,986,840	2,653,347	14,624,765	(984,579)
Client Security Fund	-	3,936,275	3,936,275	2,145,161	1,791,114	3,933,888	2,387

**The State Bar of California Statement of Revenue, Expense & Changes in Net Position - Bar  
Wide As of March 2020**

	General Fund	Other Funds	2020 Actual	2019 Actual	Variance- 2019 Actual vs 2020 Actual	2020 Budget	Variance- 2020 Actual vs Budget
General & Administrative	(2,269,292)	-	(2,269,292)	(2,475,062)	205,770	442,838	(2,712,129)
Governance	1,087,204	223,422	1,310,626	495,516	815,110	1,630,811	(320,185)
Grant Expense	-	26,463,323	26,463,323	13,731,543	12,731,780	21,729,439	4,733,884
Lawyers Assistance Program	1,800	449,299	451,099	412,019	39,080	579,080	(127,981)
Probation	457,397	-	457,397	372,892	84,505	488,102	(30,706)
Professional Competence	649,138	-	649,138	648,386	752	775,400	(126,262)
State Bar Court	3,157,562	-	3,157,562	2,758,725	398,837	3,170,713	(13,151)
<b>Total Operating Expenses</b>	<b>18,214,982</b>	<b>46,222,842</b>	<b>64,437,824</b>	<b>44,770,830</b>	<b>19,666,994</b>	<b>58,615,803</b>	<b>5,822,021</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>64,109,864</b>	<b>9,337,838</b>	<b>73,447,703</b>	<b>59,948,044</b>	<b>13,499,659</b>	<b>72,673,628</b>	<b>774,075</b>
<b>NON-OPERATING</b>							
Investment Income	680,984	622,097	1,303,081	1,703,517	(400,436)	820,258	482,823
Rental Income	1,202,395	-	1,202,395	516,725	685,670	1,049,031	153,364
Interest Expense on Loans	(163,015)	(78,318)	(241,333)	(269,062)	27,729	(258,775)	17,442
<b>Total Non-Operating</b>	<b>1,720,364</b>	<b>543,779</b>	<b>2,264,143</b>	<b>1,951,179</b>	<b>312,964</b>	<b>1,610,514</b>	<b>653,629</b>
<b>INCOME/(LOSS) BEFORE TRANSFERS</b>	<b>65,830,228</b>	<b>9,881,618</b>	<b>75,711,846</b>	<b>61,899,223</b>	<b>13,812,623</b>	<b>74,284,142</b>	<b>1,427,704</b>
<b>TRANSFERS</b>							
49110-Transfer In From General Fund	-	-	-	-	-	37,500	(37,500)

**The State Bar of California Statement of Revenue, Expense & Changes in Net Position - Bar  
Wide As of March 2020**

	General Fund	Other Funds	2020 Actual	2019 Actual	Variance- 2019 Actual vs 2020 Actual	2020 Budget	Variance- 2020 Actual vs Budget
49232-Trsf In From Justice Gap Fund	-	1,000,000	1,000,000	-	1,000,000	250,000	750,000
49314-Transfer In From Admissions Fund	-	-	-	-	-	206,250	(206,250)
49410-Interfund Transaction-Revenue	-	-	-	644	(644)	2,591	(2,591)
69110-Transfer Out To GF	-	-	-	-	-	(37,500)	37,500
69119-Trsf. Out To Tech Improv. Fund	-	-	-	-	-	(181,250)	181,250
69224-Trsf Out To Legal Spec. Fund	-	-	-	-	-	(25,000)	25,000
69228-Transfer Out To LSTF	-	(1,000,000)	(1,000,000)	-	(1,000,000)	(250,000)	(750,000)
69410-Interfund Transaction-Expenses	-	-	-	(644)	644	-	-
<b>TOTAL TRANSFERS</b>	-	(0)	(0)	(0)	(0)	2,591	(2,591)
<b>CHANGE IN NET POSITION</b>	65,830,228	9,881,618	75,711,846	61,899,223	13,812,623	74,286,733	1,425,113
Net Position at beginning of year	48,693,432	95,846,847	144,540,279	133,778,747	10,761,532	-	0
<b>NET POSITION AT March 31</b>	114,523,660	105,728,465	220,252,125	195,677,970	24,574,155	-	0

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Non General Funds As of March 2020**

	Client Security	Elim. of Bias	Equal Access	Justice Gap	Lawyer Assist. Program	Legislat. Activities	Legal Services Trust
<b>OPERATING REVENUE</b>							
Affinity Insurance Revenue	-	-	-	-	-	-	-
Continuing Legal Education Fees	-	-	-	-	-	-	-
EAF AB 145 Filing Fee Revenue	-	-	2,039,200	-	-	-	-
Exam App. & Moral Char. Fees	-	-	-	-	-	-	-
Grant Revenue	-	-	9,588,200	-	-	-	-
Law Corporation Registration Fees	-	-	-	-	-	-	-
Legal Specialization Fees	-	-	-	-	-	-	-
Licensing Fees and Donations	15,473,998	308,576	-	749,025	189,378	726,885	6,165,478
Multi-Jurisdictional Practice Fees	-	-	-	-	-	-	-
Other Revenue	2,800	-	-	-	500	-	-
Trust Account Revenue	-	-	-	-	-	-	6,215,867
<b>Total Operating Revenue</b>	<b>15,476,798</b>	<b>308,576</b>	<b>11,627,400</b>	<b>749,025</b>	<b>189,878</b>	<b>726,885</b>	<b>12,381,346</b>
<b>OPERATING EXPENSES</b>							
Access & Inclusion	-	49,102	146,400	1,057	-	-	384,916
Admissions	-	-	-	-	-	-	-
Attorney Regulation and Consumer Resources	-	-	-	-	-	-	-
Chief Trial Counsel	-	-	-	-	-	-	-
Client Security Fund	3,936,275	-	-	-	-	-	-
General & Administrative	-	-	-	-	-	-	-

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Non General Funds As of March 2020**

	Client Security	Elim. of Bias	Equal Access	Justice Gap	Lawyer Assist. Program	Legislat. Activities	Legal Services Trust
Governance	-	-	-	-	-	190,306	-
Grant Expense	-	-	12,639,787	-	-	-	13,823,536
Lawyers Assistance Program	-	-	-	-	449,299	-	-
Probation	-	-	-	-	-	-	-
Professional Competence	-	-	-	-	-	-	-
State Bar Court	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>3,936,275</b>	<b>49,102</b>	<b>12,786,187</b>	<b>1,057</b>	<b>449,322</b>	<b>190,306</b>	<b>14,208,470</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>11,540,524</b>	<b>259,474</b>	<b>(1,158,787)</b>	<b>747,968</b>	<b>(259,444)</b>	<b>536,579</b>	<b>(1,827,125)</b>
<b>NON-OPERATING</b>							
Investment Income	18,834	2,060	81,132	18,544	21,016	3,767	248,307
Rental Income	-	-	-	-	-	-	-
Interest Expense on Loans	-	-	-	-	-	-	-
<b>Total Non-Operating</b>	<b>18,834</b>	<b>2,060</b>	<b>81,132</b>	<b>18,544</b>	<b>21,016</b>	<b>3,767</b>	<b>248,307</b>
<b>INCOME/(LOSS) BEFORE TRANSFERS</b>	<b>11,559,358</b>	<b>261,533</b>	<b>(1,077,654)</b>	<b>766,512</b>	<b>(238,429)</b>	<b>540,346</b>	<b>(1,578,818)</b>

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Non General Funds As of March 2020**

	Legal Special.	IT Special Assess.	Bank Settlement	Admission	Grants	SF Tenant Improve.	Total Other Funds
<b>OPERATING REVENUE</b>							
Affinity Insurance Revenue	-	-	-	-	-	-	-
Continuing Legal Education Fees	1,483	-	-	-	-	-	1,483
EAF AB 145 Filing Fee Revenue	-	-	-	-	-	-	2,039,200
Exam App. & Moral Char. Fees	-	-	-	11,300,098	-	-	11,300,098
Grant Revenue	-	-	42,788	77,637	-	-	9,708,625
Law Corporation Registration Fees	-	-	-	-	-	-	-
Legal Specialization Fees	1,814,811	-	-	300	-	-	1,815,111
Licensing Fees and Donations	-	(0)	-	-	-	-	23,613,340
Multi-Jurisdictional Practice Fees	-	-	-	679,921	-	-	679,921
Other Revenue	8,163	-	-	175,573	-	-	187,036
Trust Account Revenue	-	-	-	-	-	-	6,215,867
<b>Total Operating Revenue</b>	<b>1,824,457</b>	<b>(0)</b>	<b>42,788</b>	<b>12,233,528</b>	<b>-</b>	<b>-</b>	<b>55,560,680</b>

**OPERATING EXPENSES**

Access & Inclusion	-	-	11,136,663	-	-	-	11,718,138
Admissions	236,757	-	-	3,195,468	-	-	3,432,225
Attorney Regulation and Consumer Resources	-	-	-	-	-	-	-
Chief Trial Counsel	-	-	-	-	-	-	-
Client Security Fund	-	-	-	-	-	-	3,936,275
General & Administrative	-	-	-	-	-	-	-
Governance	-	-	-	-	33,116	-	223,422

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Non General Funds As of March 2020**

	Legal Special.	IT Special Assess.	Bank Settlement	Admission	Grants	SF Tenant Improve.	Total Other Funds
Grant Expense	-	-	-	-	-	-	26,463,323
Lawyers Assistance Program	-	-	-	-	-	-	449,299
Probation	-	-	-	-	-	-	-
Professional Competence	-	-	-	-	-	-	-
State Bar Court	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	236,757	-	11,136,663	3,195,588	33,116	-	46,222,842
<b>OPERATING INCOME/(LOSS)</b>	1,587,700	0	(11,093,875)	9,037,941	(33,116)	-	9,337,838
<b>NON-OPERATING</b>							
Investment Income	27,488	1,186	115,364	78,600	-	5,800	622,097
Rental Income	-	-	-	-	-	-	-
Interest Expense on Loans	-	-	-	-	-	78,318	(78,318)
<b>Total Non-Operating</b>	27,488	1,186	115,364	78,600	-	72,518	543,779
<b>INCOME/(LOSS) BEFORE TRANSFERS</b>	1,615,188	1,186	(10,978,512)	9,116,540	(33,116)	(72,518)	9,881,618

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Non General Funds As of March 2020**

	Client Security	Elim. of Bias	Equal Access	Justice Gap	Lawyer Assist. Program	Legislat. Activities	Legal Services Trust
<b>TRANSFERS</b>							
49232-Trsf In From Justice Gap Fund	-	-	-	-	-	-	1,000,000
69228-Transfer Out To LSTF	-	-	-	(1,000,000)	-	-	-
Total Transfers	-	-	-	(1,000,000)	-	-	1,000,000
<b>CHANGE IN NET POSITION</b>	11,559,358	261,533	(1,077,654)	(233,488)	(238,429)	540,346	(578,818)
Net Position at beginning of year	19,594	290,522	8,488,363	2,971,146	3,664,012	484,678	46,871,392
<b>NET POSITION AT March 31</b>	11,578,952	552,055	7,410,709	2,737,658	3,425,583	1,025,024	46,292,574

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Non General Funds As of March 2020**

	Legal Special.	IT Special Assess.	Bank Settlement	Admission	Grants	SF Tenant Improve.	Total Other Funds
<b>TRANSFERS</b>							
<b>49232-Trsf In From Justice Gap Fund</b>	-	-	-	-	-	-	1,000,000
<b>69228-Transfer Out To LSTF</b>	-	-	-	-	-	-	(1,000,000)
Total Transfers	-	-	-	-	-	-	(0)
<b>CHANGE IN NET POSITION</b>							
	1,615,188	1,186	(10,978,512)	9,116,540	(33,116)	(72,518)	9,881,618
Net Position at beginning of year	4,365,619	6,224	20,468,102	8,417,789	155,777	(356,371)	95,846,847
<b>NET POSITION AT March 31</b>	5,980,807	7,410	9,489,590	17,534,329	122,661	(428,889)	105,728,465

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Bar Wide As of March 2020**

	<b>2020 Actual</b>	<b>2019 Actual</b>	<b>Variance</b>	<b>% Change</b>
<b>OPERATING REVENUE</b>				
<b>Affinity Insurance Revenue</b>	569,682	(72,056)	641,738	890.6
<b>Continuing Legal Education Fees</b>	222,174	313,665	(91,491)	29.2
<b>EAF AB 145 Filing Fee Revenue</b>	2,039,200	-	2,039,200	-
<b>Exam App. &amp; Moral Char. Fees</b>	11,300,098	11,816,860	(516,762)	4.4
<b>Grant Revenue</b>	9,708,625	-	9,708,625	-
<b>Law Corporation Registration Fees</b>	220,596	384,587	(163,991)	42.6
<b>Legal Specialization Fees</b>	1,815,111	1,816,916	(1,806)	0.1
<b>Licensing Fees and Donations</b>	104,464,042	81,206,633	23,257,409	(28.6)
<b>Multi-Jurisdictional Practice Fees</b>	679,921	656,182	23,739	(3.6)
<b>Other Revenue</b>	650,211	716,576	(66,365)	9.3
<b>Trust Account Revenue</b>	6,215,867	7,879,511	(1,663,643)	21.1
<b>Total Operating Revenue</b>	<b>137,885,527</b>	<b>104,718,874</b>	<b>33,166,653</b>	<b>(31.7)</b>

**OPERATING EXPENSES**

Access & Inclusion	11,978,100	10,345,253	1,632,847	15.8
Admissions	3,436,223	4,067,121	(630,898)	(15.5)
Attorney Regulation and Consumer Resources	1,226,990	1,282,436	(55,446)	(4.3)
Chief Trial Counsel	13,640,186	10,986,840	2,653,347	24.2
Client Security Fund	3,936,275	2,145,161	1,791,114	83.5
General & Administrative	(2,269,292)	(2,475,062)	205,770	(8.3)
Governance	1,310,626	495,516	815,110	164.5

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Bar Wide As of March 2020**

	2020 Actual	2019 Actual	Variance	% Change
Grant Expense	26,463,323	13,731,543	12,731,780	92.7
Lawyers Assistance Program	451,099	412,019	39,080	9.5
Probation	457,397	372,892	84,505	22.7
Professional Competence	649,138	648,386	752	0.1
State Bar Court	3,157,562	2,758,725	398,837	14.5
<b>Total Operating Expenses</b>	<b>64,437,824</b>	<b>44,770,830</b>	<b>19,666,994</b>	<b>43.9</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>73,447,703</b>	<b>59,948,044</b>	<b>13,499,659</b>	<b>22.5</b>
<b>NON-OPERATING</b>				
Investment Income	1,303,081	1,703,517	(400,436)	23.5
Rental Income	1,202,395	516,725	685,670	(132.7)
Interest Expense on Loans	(241,333)	(269,062)	27,729	10.3
<b>Total Non-Operating</b>	<b>2,264,143</b>	<b>1,951,179</b>	<b>312,964</b>	<b>16.0</b>
<b>INCOME/(LOSS) BEFORE TRANSFERS</b>	<b>75,711,846</b>	<b>61,899,223</b>	<b>13,812,623</b>	<b>22.3</b>
<b>TRANSFERS</b>				
49110-Transfer In From General Fund	-	-	-	-
49232-Trsf In From Justice Gap Fund	1,000,000	-	1,000,000	-
49314-Transfer In From Admissions Fund	-	-	-	-
49410-Interfund Transaction-Revenue	-	644	(644)	100.0
69110-Transfer Out To GF	-	-	-	-

**The State Bar of California Statement of Revenue, Expenses and Changes in Net Position -  
Bar Wide As of March 2020**

	2020 Actual	2019 Actual	Variance	% Change
69119-Trsf. Out To Tech Improv. Fund	-	-	-	-
69224-Trsf Out To Legal Spec. Fund	-	-	-	-
69228-Transfer Out To LSTF	(1,000,000)	-	(1,000,000)	-
69410-Interfund Transaction-Expenses	-	(644)	644	100.0
<b>TOTAL TRANSFERS</b>	(0)	(0)	(0)	-
<b>CHANGE IN NET POSITION</b>	75,711,846	61,899,223	13,812,623	22.3
Net Position at beginning of year	144,540,279	133,778,747	10,761,532	8.0
<b>NET POSITION AT</b>	220,252,125	195,677,970	24,574,155	12.6

**The State Bar of California Statement of Assets, Liabilities and Net Position -  
Bar Wide As of March 2020**

<b>ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total 2020</b>	<b>Total 2019</b>	<b>Variance- 2020 v. 2019</b>
Cash	116,572,376	2,495,000	119,067,376	76,817,317	42,250,059
Investments	77,535,137	-	77,535,137	90,938,096	(13,402,959)
Accounts Receivable (net of allowances)	2,137,415	1,208,456	3,345,871	14,785,734	(11,439,863)
Interfund Rec(Pay)	(107,170,556)	107,170,556	0	4,114	(4,114)
Other Assets	3,301,660	173,018	3,474,678	4,706,819	8,181,497
OPEB Investments	10,215,794	-	10,215,794	8,254,371	1,961,423
Capital Assets (net of depreciation)	95,474,255	5,069,658	100,543,913	101,784,035	(1,240,122)
Deferred Outflows	9,507,406	-	9,507,406	14,602,756	(5,095,350)
<b>Total Assets &amp; Deferred Outflows</b>	<b>207,573,487</b>	<b>116,116,688</b>	<b>323,690,175</b>	<b>302,479,604</b>	<b>21,210,571</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>					
Accounts Payable and Accrued Liabilities	6,276,730	647,176	6,923,906	11,933,943	(5,010,037)
Unearned Income	0	-	0	425,752	(425,752)
Loan Payable	15,031,329	6,624,330	21,655,659	24,200,587	(2,544,928)
Deferred Inflows	7,703,640	-	7,703,640	10,878,281	(3,174,641)
Pension Liability	67,154,845	-	67,154,845	59,363,071	7,791,774
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>96,166,544</b>	<b>7,271,506</b>	<b>103,438,050</b>	<b>106,801,634</b>	<b>(3,363,584)</b>
<b>NET POSITION</b>					
Net Position at Beginning of Year	48,693,432	95,846,847	144,540,279	133,778,747	10,761,532
Change in Net Position	62,713,511	12,998,335	75,711,846	61,899,223	13,812,623
Total Net Position	111,406,943	108,845,182	220,252,125	195,677,970	24,574,155
Total Liabilities & Net Position	207,573,487	116,116,688	323,690,175	302,479,604	21,210,571

The State Bar of California Statement of Assets, Liabilities and Net Position - Non General  
Funds As of March 2020

ATTACHMENT 5

	Client Security	Elim. of Bias	Equal Access	Justice Gap	Lawyer Assist. Program	Leg. Activities	Legal Svcs. Trust	Legal Special.	IT Special Assess.	Bank Settle.
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>										
Cash	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Accounts Receivable (net of allowances)	-	-	913,144	-	0	-	294,493	-	-	-
Interfund Rec(Pay)	12,091,664	661,220	6,613,137	2,738,714	3,697,937	1,277,984	46,090,184	6,143,386	7,540	9,513,786
Other Assets	-	-	-	-	27,788	-	-	-	-	-
OPEB Investments	-	-	-	-	-	-	-	-	-	-
Capital Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-
Deferred Outflows	-	-	-	-	-	-	-	-	-	-
<b>Total Assets &amp; Deferred Outflows</b>	<b>12,091,664</b>	<b>661,220</b>	<b>7,526,281</b>	<b>2,738,714</b>	<b>3,725,725</b>	<b>1,277,984</b>	<b>46,384,677</b>	<b>6,143,386</b>	<b>7,540</b>	<b>9,513,786</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>										
Accounts Payable and Accrued Liabilities	145,130	(0)	(0)	(0)	45,272	5,595	31,764	5,858	(0)	-
Unearned Income	-	-	-	-	-	-	-	-	-	-
Loan Payable	-	-	-	-	-	-	-	-	-	-
Deferred Inflows	-	-	-	-	-	-	-	-	-	-
Pension Liability	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>145,130</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>45,272</b>	<b>5,595</b>	<b>31,764</b>	<b>5,858</b>	<b>(0)</b>	<b>-</b>
<b>NET POSITION</b>										
Net Position at Beginning of Year	19,594	290,522	8,488,363	2,971,146	3,664,012	484,678	46,871,392	4,365,619	6,224	20,468,102
Change in Net Position	11,926,940	370,698	(962,083)	232,432	16,441	787,711	(518,479)	1,771,909	1,316	(10,954,316)
<b>Total Net Position</b>	<b>11,946,534</b>	<b>661,220</b>	<b>7,526,281</b>	<b>2,738,714</b>	<b>3,680,453</b>	<b>1,272,389</b>	<b>46,352,913</b>	<b>6,137,528</b>	<b>7,540</b>	<b>9,513,786</b>
<b>Total Liabilities &amp; Net Position</b>	<b>(12,091,664)</b>	<b>(661,220)</b>	<b>(7,526,281)</b>	<b>(2,738,714)</b>	<b>(3,725,725)</b>	<b>(1,277,984)</b>	<b>(46,384,677)</b>	<b>(6,143,386)</b>	<b>(7,540)</b>	<b>(9,513,786)</b>

**The State Bar of California Statement of Assets, Liabilities and Net Position -  
Non General Funds As of March 2020**

	Admission	Grants	SF Tenant Improve.	Total Other Funds
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>				
Cash	-	-	2,495,000	2,495,000
Investments	-	-	-	-
Accounts Receivable (net of allowances)	-	-	-	1,207,637
Interfund Rec(Pay)	19,794,829	128,318	(1,593,661)	107,165,040
Other Assets	151,565	-	-	179,353
OPEB Investments	-	-	-	-
Capital Assets (net of depreciation)	-	-	5,069,658	5,069,658
Deferred Outflows	-	-	-	-
<b>Total Assets &amp; Deferred Outflows</b>	<b>19,946,394</b>	<b>128,318</b>	<b>5,970,997</b>	<b>116,116,688</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>				
Accounts Payable and Accrued Liabilities	382,472	4,680	26,406	647,176
Unearned Income	-	-	-	-
Loan Payable	-	-	6,624,330	6,624,330
Deferred Inflows	-	-	-	-
Pension Liability	-	-	-	-
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>382,472</b>	<b>4,680</b>	<b>6,650,736</b>	<b>7,271,506</b>
<b>NET POSITION</b>				
Net Position at Beginning of Year	8,417,789	155,777	(356,371)	95,846,847
Change in Net Position	11,146,133	(32,139)	(323,368)	12,998,335
<b>Total Net Position</b>	<b>19,563,922</b>	<b>123,638</b>	<b>(679,739)</b>	<b>108,845,182</b>
<b>Total Liabilities &amp; Net Position</b>	<b>(19,946,394)</b>	<b>(128,318)</b>	<b>(5,970,997)</b>	<b>(116,116,688)</b>