



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 25, 2011
TO: Board of Governors
FROM: Christine Wong, Finance Director
SUBJECT: Third Quarter 2011 Financial Statements – Financial Highlights

Attached for your review are the 2011 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 – Projection to Actual Comparison – General Fund
- Attachment 8 – Projection 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 third quarter ended September 30, 2011, the Bar's total assets are \$146.2 million, liabilities are \$28.7 million, and net assets are \$117.5 million.

Compare to the same period in 2010, the Bar's total assets are up by \$0.6 million. The increase is due to a combination of (1) a \$4.6 million increase in the Other Postemployment Benefits (OPEB) assets; (2) a \$1.4 million increase in accounts receivable and other assets; and partially offset by (3) a net decrease of \$4.7 million in cash and investment; and (4) a \$0.7 million net decrease in capital asset due to normal depreciation.

Cash and investments consist of balances in demand deposit accounts, money market accounts, the State Bar's share of the Local Agency Investment Fund ("LAIF"), and investment securities. For the third quarter ended September 30, 2011, the combined cash and investment balance is \$102.7 million, a \$4.7 million or 4.4% decline compared to \$107.4 million in 2010. The decrease is due to the scheduled transfer of the 2009-2010 annual required contributions to the Executive Health Retirement Benefit Trust. The State Bar's Other Postemployment Benefit (OPEB) asset, by contrast, reflects an increase of \$4.6 million compare to 2010 as a result of this scheduled contribution.

Capital assets decreased by \$0.7 million compared to 2010. The 1.8% decrease was primarily attributable to normal depreciation on capital assets, partially offset by the additional of office equipment.

The Bar's total liabilities for the reported quarter are \$28.7 million, up by \$4.2 million or 17.1% compared to the same quarter in 2010. As mentioned in the Client Security Fund ("CSF") Report, the increase is due to the elevated outstanding claim liabilities as a result of a large number of loan modification fraud claims filed in previous years.

The General Fund, the Bar's largest operating fund, has assets of \$102.6 million, liabilities of \$77.9 million and net assets of \$24.7 million. The General Fund's total assets are down by \$4.5 million or 4.2% compared 2010 due to the OPEB scheduled contributions mentioned above. The total liabilities are down by \$4.5 million due to the decrease in interfund payable.

Statement of Revenue, Expenses and Changes in Net Assets – Comparison to 2010 Third Quarter Actual Results

This statement reports the Bar's revenues, expenses, excess/(deficit) of revenues over expenses and changes in net assets. For the quarter ended September 30, 2011, the Bar's total revenues (operating and non-operating) are \$120.6 million, and expenses are \$103.3 million, resulting in a surplus of \$17.3 million. It should be noted, however, that this surplus results from the fact that virtually all of the Bar's membership fee revenue is received in the first half of the year while expenditures are incurred throughout the year.

Total operating revenue for all programs through September 30, 2011 is \$119.6 million, an increase of \$4.3 million or 3.7% over the same period in 2010. The increase is due to a combination of (1) a \$1.5 million increase in membership revenue due to additional revenue from new members and late penalties; (2) a \$1 million increase in Equal Access Fund AB145 filing fee revenue; (3) a \$0.8 million increase in Legal Specialization fees due to fee increase in 2011; and (4) a \$1 million increase in examination application fees and continuing legal education fees.

For the reported quarter, the Bar's total operating expense for all programs are \$103.3 million, up by \$8.7 million or 9.1% compared to \$94.6 million in 2010. The increase is due to a \$4.6 million increase in Client Security Claim liabilities as mentioned above, a \$3 increase million in

general administrative costs, and a net increase of \$1.1 million in other program costs. These overall increases in expenditures should be viewed in the appropriate context. Total expenditures for 2010 were basically at the same level as 2007 due in large part to the Governor's veto of the 2010 fee bill in October 2009. The uncertainty surrounding that event resulted in the postponement of certain costs and a delay in filling a significant number of vacant positions. Estimated operating expenditures for 2011 will basically be in line with the baseline operating expenditures of 2008 and 2009.

Year-To-Date Actual Comparison – General Fund

The General Fund's total operating revenue for the reported quarter is \$61.1 million, down by \$0.8 million, or 1.3% compared to \$61.9 million in 2010. The 2011 fee bill established member dues at the same level as 2010, with a new \$10 diversion to the Temporary Emergency Legal Services Voluntary Assistance Program that effectively reduced member dues revenue available to the General Fund by \$2 million. Actual member dues revenue through September is \$56.5 million. Absent the diversion, member dues revenue for 2011 would have been approximately \$58.5 million. With the additional revenue from new admittees and the much higher level of late payment penalty revenue in 2011, the State Bar's General Fund is able to maintain its revenue at the same level as in 2010.

The General Fund's total operating expense for the reported quarter is \$48.4 million – approximately \$2 million or 4.4% more than in 2010. As discussed above, spending levels for 2011 are approaching normal operating levels after the extraordinarily low spending level incurred in 2010.

Year End Projection for General Fund

Substantially all of the General Fund's revenues have been received by the end of the third quarter so year-end revenue is estimated at \$61.3 million. Current year end projections for General Fund expenditures are approximately \$65 million. The excess of expenditures over revenues for 2011 is estimated at \$3.7 million which comes as no surprise. Based in large part to the substantial fund balance that accumulated from the years of salary freezes and deferred maintenance, the Board authorized three major expenditures for 2011 including: the approval of a three year MOU calling for 5% lump sum payments to employees in October; a separation incentive program to assist in implementation of the entity-wide reorganization; and the transfer of \$2.8 million to the Building Fund for maintenance projects.

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

The State Bar of California
Statement of Assets, Liabilities and Net Assets - All Funds
As of September 30, 2011

Attachment 1

	General Fund	Restricted Funds	Fixed Asset Fund	Interfund Elimination	YTD Total All Funds September-11	YTD Total All Funds September-10	Change
ASSETS							
Cash	51,726,581	781,086	-	-	52,507,667	70,524,140	-18,016,473
Accounts Receivable (net of allowances)	-	2,107,341	-	-	2,107,341	844,110	1,263,231
Interfund Receivable	-	73,864,449	-	-73,864,449	-	-	-
Capital Assets (net of depreciation)	-	13,378,021	18,346,944	-	31,724,965	32,396,729	-671,764
Investments	50,162,046	-	-	-	50,162,046	36,875,159	13,286,887
OPEB Investment	-	8,625,334	-	-	8,625,334	4,074,287	4,551,047
Other Assets	685,499	415,686	-	-	1,101,185	896,489	204,696
TOTAL ASSETS	102,574,126	99,171,917	18,346,944	-73,864,449	146,228,538	145,610,914	617,624
LIABILITIES AND NET ASSETS							
Accounts Payable and Accrued Liabilities	3,006,032	19,063,315	-	-	22,069,347	17,261,967	4,807,380
Interfund Payable	73,864,449	-	-	-73,864,449	-	-	-
Unearned Fees Collected in Advance	-	-	-	-	-	297,382	-297,382
Grants Payable	-	5,541,256	-	-	5,541,256	5,962,735	-421,479
Accrued Postretirement Benefits	1,017,743	94,505	-	-	1,112,248	990,520	121,728
TOTAL LIABILITIES	77,888,224	24,699,076	-	-73,864,449	28,722,851	24,512,604	4,210,247
NET ASSETS							
Net Assets at Beginning of Year	11,879,483	70,022,670	18,271,126	-	100,173,279	98,985,320	1,187,959
Current Operating Excess/(Deficit)	12,806,419	5,183,666	-657,677	-	17,332,408	22,112,990	-4,780,582
Transfer of Fixed Assets to Fixed Assets Fund	-	-733,495	733,495	-	-	-	-
TOTAL NET ASSETS	24,685,902	74,472,841	18,346,944	-	117,505,687	121,098,310	-3,592,623
TOTAL LIABILITIES & NET ASSETS	102,574,126	99,171,917	18,346,944	-	146,228,538	145,610,914	617,624

The State Bar of California
Statement of Assets, Liabilities and Net Assets - General Fund
As of September 30, 2011

Attachment 2

	<u>Year to Date Total September- 11</u>	<u>Year to Date Total September- 10</u>	<u>Change</u>
ASSETS			
Cash	51,726,581	69,743,057	-18,016,476
Accounts Receivable (net of allowances)	-	50,056	-50,056
Investments	50,162,046	36,875,159	13,286,887
Other Assets	685,499	444,488	241,011
TOTAL ASSETS	<u>102,574,126</u>	<u>107,112,760</u>	<u>-4,538,634</u>
 LIABILITIES AND NET ASSETS			
Accounts Payable and Accrued Liabilities	3,006,032	3,154,527	-148,495
Interfund Payable	73,864,449	78,321,231	-4,456,782
Accrued Postretirement Benefits	1,017,743	896,015	121,728
TOTAL LIABILITIES	<u>77,888,224</u>	<u>82,371,773</u>	<u>-4,483,549</u>
 NET ASSETS			
Net Assets at Beginning of Year	11,879,483	9,017,767	2,861,716
Current Operating Excess/(Deficit)	12,806,419	15,723,220	-2,916,801
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-
TOTAL NET ASSETS	<u>24,685,902</u>	<u>24,740,987</u>	<u>-55,085</u>
 TOTAL LIABILITIES & NET ASSETS	<u>102,574,126</u>	<u>107,112,760</u>	<u>-4,538,634</u>

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of September 30, 2011

Attachment 3
Page 1 of 2

	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Certification Activity	Client Security	Discipline	Education Foundation	Elimination of Bias	Equal Access	Grants	Info. Tech. Special Assess	Total A-I
ASSETS														
Cash	50	-	781,036	-	-	-	-	-	-	-	-	-	-	781,086
Accounts Receivable (net of allowances)	-	-	-	67,889	-	-	-	-	-	-	1,345,522	112	-	1,413,523
Interfund Receivable/Payable	7,536,444	506,928	-431,109	7,434,655	6,042,313	1,210,024	15,491,777	1,154,522	-136,781	1,443,473	515,341	230,311	5,055,304	46,053,202
Capital Assets (net of depreciation)	-	-	-	13,378,021	-	-	-	-	-	-	-	-	-	13,378,021
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEB Assets	-	-	8,625,334	-	-	-	-	-	-	-	-	-	-	8,625,334
Other Assets	81,891	-	-	-	-	-	-	-	-	-	-	-	-	81,891
TOTAL ASSETS	7,618,385	506,928	8,975,261	20,880,565	6,042,313	1,210,024	15,491,777	1,154,522	-136,781	1,443,473	1,860,863	230,423	5,055,304	70,333,057
LIABILITIES AND NET ASSETS														
Accounts Payable and Accrued Liabilities	289,223	20,343	-	132,421	-	-	17,477,353	-	750	36,920	-	-	-	17,957,010
Unearned Fees Collected in Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants Payable	-	-	-	-	-	-	-	-	-	-	113,445	-	-	113,445
Accrued Postretirement Benefits	-	-	94,505	-	-	-	-	-	-	-	-	-	-	94,505
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	289,223	20,343	94,505	132,421	-	-	17,477,353	-	750	36,920	113,445	-	-	18,164,960
NET ASSETS														
Net Assets at Beginning of Year	3,668,582	403,798	8,878,260	17,239,742	4,007,593	1,207,346	2,322,314	1,151,967	-	1,214,059	3,423,367	154,923	3,396,349	47,068,300
Current Operating Excess/(Deficit)	3,660,580	82,787	2,496	3,508,402	2,034,720	2,678	-4,307,890	2,555	-137,531	192,494	-1,675,949	75,500	1,658,955	5,099,797
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	7,329,162	486,585	8,880,756	20,748,144	6,042,313	1,210,024	-1,985,576	1,154,522	-137,531	1,406,553	1,747,418	230,423	5,055,304	52,168,097
TOTAL LIABILITIES & NET ASSETS	7,618,385	506,928	8,975,261	20,880,565	6,042,313	1,210,024	15,491,777	1,154,522	-136,781	1,443,473	1,860,863	230,423	5,055,304	70,333,057

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of September 30, 2011

Attachment 3
Page 2 of 2

	Justice Gap	Lawyers Assistance Program	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Total J-T	Total A-I	All Restricted Funds
ASSETS													
Cash	-	-	-	-	-	-	-	-	-	-	-	781,086	781,086
Accounts Receivable (net of allowances)	-	-	-	693,818	-	-	-	-	-	-	693,818	1,413,523	2,107,341
Interfund Receivable/Payable	1,660,846	2,080,913	2,219,895	1,883,237	2,412,247	1,845,712	6,463,032	9,547,644	491,284	-793,563	27,811,247	46,053,202	73,864,449
Capital Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-	-	13,378,021	13,378,021
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEB Investments	-	-	-	-	-	-	-	-	-	-	-	8,625,334	8,625,334
Other Assets	-	-	-	-	-	-	-	-	333,795	-	333,795	81,891	415,686
TOTAL ASSETS	1,660,846	2,080,913	2,219,895	2,577,055	2,412,247	1,845,712	6,463,032	9,547,644	825,079	-793,563	28,838,860	70,333,057	99,171,917
LIABILITIES AND NET ASSETS													
Accounts Payable and Accrued Liabilities	-	65,742	1,179	63,311	17,146	31,933	-	117,710	809,284	-	1,106,305	17,957,010	19,063,315
Unearned Fees Collected in Advance	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants Payable	-	-	-	5,427,811	-	-	-	-	-	-	5,427,811	113,445	5,541,256
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	94,505	94,505
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	65,742	1,179	5,491,122	17,146	31,933	-	117,710	809,284	-	6,534,116	18,164,960	24,699,076
NET ASSETS													
Net Assets at Beginning of Year	1,083,287	1,691,844	1,503,858	2,186,483	1,553,408	1,402,141	6,448,730	6,962,789	15,795	106,035	22,954,370	47,068,300	70,022,670
Current Operating Excess/(Deficit)	577,559	323,327	714,858	-5,100,550	841,693	411,638	14,302	2,467,145	91,568	-257,671	83,869	5,099,797	5,183,666
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-91,568	-641,927	-733,495	-	-733,495
TOTAL NET ASSETS	1,660,846	2,015,171	2,218,716	-2,914,067	2,395,101	1,813,779	6,463,032	9,429,934	15,795	-793,563	22,304,744	52,168,097	74,472,841
TOTAL LIABILITIES & NET ASSETS	1,660,846	2,080,913	2,219,895	2,577,055	2,412,247	1,845,712	6,463,032	9,547,644	825,079	-793,563	28,838,860	70,333,057	99,171,917

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Nine Months Ending September 30, 2011

Attachment 4

	General Fund	Restricted Funds	Fixed Asset Fund	Interfund Elimination	Total All Funds Year to Date Sep-11	Total All Funds Year to Date Sep-10	Change	Percentage Change
OPERATING REVENUES:								
Membership Fees, Voluntary Contributions	56,541,791	16,573,273	-	-	73,115,064	72,306,004	809,060	1.12%
Penalties and Prior Years Membership Fees	2,022,566	-	-	-	2,022,566	1,277,527	745,039	58.32%
Convention Income	-	978,360	-	-	978,360	886,245	92,115	10.39%
Law Corporation Registration Fees	705,221	-	-	-	705,221	678,944	26,277	3.87%
Continuing Legal Education Fees	1,137,129	152,960	-	-	1,290,089	954,467	335,622	35.16%
Law Practices Sections Fees	-	4,743,888	-	-	4,743,888	4,741,309	2,579	0.05%
Grant Revenue	14,000	5,841,895	-	-	5,855,895	6,017,121	-161,226	-2.68%
Trust Account Revenue	-	4,846,013	-	-	4,846,013	5,117,367	-271,354	-5.30%
EAF AB 145 Filing Fee Revenue	-	3,635,121	-	-	3,635,121	2,536,481	1,098,640	43.31%
Examination Application Fees	-	16,195,981	-	-	16,195,981	15,316,292	879,689	5.74%
MJP Fees	173,191	244,630	-	-	417,821	381,633	36,188	9.48%
Legal Specialization Fees	-	1,718,759	-	-	1,718,759	910,639	808,120	88.74%
Seminar/Workshop Revenue	9,635	805,315	-	-	814,950	663,798	151,152	22.77%
CalBar Journal Revenue	42,601	28,015	-	-	70,616	169,152	-98,536	-58.25%
Other Revenue	409,061	2,774,579	-	-	3,183,640	3,370,026	-186,386	-5.53%
Interfund Transfer In	-	2,790,000	-	-2,790,000	-	-	-	0.00%
Interfund Transaction-Revenue	60,713	35,475	-	-96,188	-	-	-	0.00%
Total Operating Revenue	61,115,908	61,364,264	-	-2,886,188	119,593,984	115,327,005	4,266,979	3.70%
OPERATING EXPENSES:								
Discipline and Adjudication	39,311,697	-	-	-	39,311,697	37,858,133	1,453,564	3.84%
Grant Expenses	-	21,664,605	-	-	21,664,605	20,691,648	972,957	4.70%
Administration of Justice	344,943	-	-	-	344,943	550,784	-205,841	-37.37%
Governance	1,033,932	-	-	-	1,033,932	1,402,714	-368,782	-26.29%
Administration of the Profession	1,940,599	-	-	-	1,940,599	2,328,004	-387,405	-16.64%
Program Development	1,116,932	-	-	-	1,116,932	1,155,683	-38,751	-3.35%
Communications	785,531	-	-	-	785,531	970,952	-185,421	-19.10%
Examination costs and administration	-	13,390,954	-	-	13,390,954	13,803,515	-412,561	-2.99%
Claims (net of reimbursements)	-	10,150,268	-	-	10,150,268	5,593,120	4,557,148	81.48%
Law Practices (Sections)	-	3,099,419	-	-	3,099,419	2,805,375	294,044	10.48%
General and Administrative costs	-	8,735,244	657,677	-	9,392,921	6,655,233	2,737,688	41.14%
Non Departmental	1,027,326	-	-	-	1,027,326	795,826	231,500	29.09%
Interfund Transfer Out	2,790,000	-	-	-2,790,000	-	-	-	0.00%
Interfund Transaction-Expense	67,758	28,430	-	-96,188	-	-	-	0.00%
Total Operating Expenses	48,418,718	57,068,920	657,677	-2,886,188	103,259,127	94,610,987	8,648,140	9.14%
OPERATING INCOME/(LOSS)	12,697,190	4,295,344	-657,677	-	16,334,857	20,716,018	-4,381,161	-21.15%
NON-OPERATING REVENUE:								
Investment Income	109,229	183,195	-	-	292,424	659,206	-366,782	-55.64%
Rental Income	-	705,127	-	-	705,127	737,766	-32,639	-4.42%
Total Non-Operating Revenue	109,229	888,322	-	-	997,551	1,396,972	-399,421	-28.59%
EXCESS/ (DEFICIT) OF REVENUES OVER EXPENSES	12,806,419	5,183,666	-657,677	-	17,332,408	22,112,990	-4,780,582	-21.62%
CHANGES IN NET ASSETS:								
Net Assets at beginning of year	11,879,483	70,022,670	18,271,126	-	100,173,279	98,985,320	1,187,959	1.20%
Transfers of Fixed Assets to Fixed Asset Fund	-	-733,495	733,495	-	-	-	-	0.00%
NET ASSETS AS OF SEPTEMBER 30, 2011	24,685,902	74,472,841	18,346,944	-	117,505,687	121,098,310	-3,592,623	-2.97%

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - General Fund
For the Nine Months Ending September 30, 2011

Attachment 5

	Year to Date September-11	Year to Date September-10	Change
OPERATING REVENUES			
Membership Fees	56,541,791	57,499,666	-957,875
Penalties and Prior Years Membership Fees	2,022,566	1,277,527	745,039
Law Corporation Registration Fees	705,221	678,759	26,462
Continuing Legal Education Fees	1,137,129	939,617	197,512
Seminar/Workshop Revenue	9,635	4,800	4,835
CalBar Journal Revenue	42,601	132,042	-89,441
MJP Fees	173,191	381,633	-208,442
Grant Revenue	14,000	10,000	4,000
Other Revenue	409,061	455,602	-46,541
Transfer In From Affinity Program	-	500,000	-500,000
Interfund Transaction-Revenue	60,713	54,778	5,935
Total Operating Revenue	<u>61,115,908</u>	<u>61,934,424</u>	<u>-818,516</u>
OPERATING EXPENSES:			
Discipline	38,606,273	37,112,961	1,493,312
Probation	705,424	745,172	-39,748
Administration of Justice	344,943	550,784	-205,841
Governance	1,033,932	1,402,714	-368,782
Administration of the Profession	1,940,599	2,328,004	-387,405
Program Development	1,116,932	1,155,683	-38,751
Communications	785,531	970,952	-185,421
Non Departmental	1,027,326	795,826	231,500
Interfund Transfer out to Bldg. Fund	2,790,000	1,230,000	1,560,000
Interfund Transaction-Expense	67,758	68,808	-1,050
Total Operating Expenses	<u>48,418,718</u>	<u>46,360,904</u>	<u>2,057,814</u>
OPERATING INCOME/(LOSS)	12,697,190	15,573,520	-2,876,330
NON-OPERATING REVENUE			
Investment Income	109,229	149,700	-40,471
Total Non-Operating Revenue	<u>109,229</u>	<u>149,700</u>	<u>-40,471</u>
EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES	<u>12,806,419</u>	<u>15,723,220</u>	<u>-2,916,801</u>
NET ASSETS			
Net Assets at beginning of year	11,879,483	9,017,767	2,861,716
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-
NET ASSETS AS OF SEPTEMBER 30, 2011	<u><u>24,685,902</u></u>	<u><u>24,740,987</u></u>	<u><u>-55,085</u></u>

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2011

Attachment 6
Page 1 of 2

	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Certification Activities	Client Security	Discipline	Education	Elimination of Bias	Equal Access	Grants	Info. Tech. Special Assess	Total A-I
REVENUE														
Membership Fees & Voluntary Dues	-	-	-	3,272	2,060,111	-	7,105,509	-	-	808,240	-	-	1,679,399	11,656,531
Investment Income	22,027	848	2,496	9,253	12,763	2,678	41,092	2,555	85	3,805	2,227	-	10,684	110,513
Convention Income	-	620,685	-	-	-	-	-	-	356,425	-	-	-	-	977,110
Law Corporation Registration Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing Legal Education Fees	146,885	-	-	-	-	-	-	-	-	-	-	-	-	146,885
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	705,127	-	-	-	-	-	-	-	-	-	705,127
Grant Revenue	-	-	-	-	-	-	-	-	-	23,038	5,718,357	75,500	-	5,816,895
Trust Account Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	3,635,121	-	-	3,635,121
Application Fees	16,195,981	-	-	-	-	-	-	-	-	-	-	-	-	16,195,981
MJP Fees	244,630	-	-	-	-	-	-	-	-	-	-	-	-	244,630
Legal Specialization Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminar/Workshop Revenue	-	-	-	-	-	-	-	-	802,887	-	-	-	-	802,887
Advertising Revenue	-	8,350	-	-	-	-	-	-	11,915	-	-	-	-	20,265
Other Revenue	442,291	57,408	-	750	-	-	17,800	-	126,887	-	235,713	-	-	880,849
Interfund Transfers	-	-	-	2,790,000	-	-	-	-	-	-	-	-	-	2,790,000
Interfund Transaction-Revenue	1,170	27,645	-	-	-	-	1,170	-	-	105	-	-	-	30,090
TOTAL REVENUE	17,052,984	714,936	2,496	3,508,402	2,072,874	2,678	7,165,571	2,555	1,298,199	835,188	9,591,418	75,500	1,690,083	44,012,884
EXPENSES														
Grants	-	-	-	-	-	-	-	-	-	-	10,978,821	-	-	10,978,821
Administration of the Profession	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Examination Costs and Administration	13,390,954	-	-	-	-	-	-	-	-	-	-	-	-	13,390,954
Claims (net of reimbursement)	-	-	-	-	-	-	10,150,268	-	-	-	-	-	-	10,150,268
Law Practices (Sections)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General and Administrative	-	632,149	-	-	38,154	-	1,321,918	-	1,435,730	642,039	288,546	-	31,128	4,389,664
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transaction-Expense	1,450	-	-	-	-	-	1,275	-	-	655	-	-	-	3,380
TOTAL EXPENSES	13,392,404	632,149	-	-	38,154	-	11,473,461	-	1,435,730	642,694	11,267,367	-	31,128	38,913,087
EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES	3,660,580	82,787	2,496	3,508,402	2,034,720	2,678	-4,307,890	2,555	-137,531	192,494	-1,675,949	75,500	1,658,955	5,099,797
CHANGES IN NET ASSETS														
Net Assets at beginning of year	3,668,582	403,798	8,878,260	17,239,742	4,007,593	1,207,346	2,322,314	1,151,967	-	1,214,059	3,423,367	154,923	3,396,349	47,068,300
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS AS OF SEPTEMBER 30, 2011	7,329,162	486,585	8,880,756	20,748,144	6,042,313	1,210,024	-1,985,576	1,154,522	-137,531	1,406,553	1,747,418	230,423	5,055,304	52,168,097

The State Bar of California
Statement of Revenue, Expenses and Changes in net Assets - Restricted Funds
For the Nine Months Ending September 30, 2011

Attachment 6
Page 2 of 2

	Justice Gap	Lawyer Assistance	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Total J-T	Total A-I	Total Restricted Funds
REVENUE													
Membership Fees & Voluntary Dues	577,121	1,871,316	-	1,675,640	-	792,665	-	-	-	-	4,916,742	11,656,531	16,573,273
Investment Income	3,414	6,069	3,578	11,116	5,283	4,408	14,302	23,401	2,067	-956	72,682	110,513	183,195
Convention Income	-	-	-	-	-	-	-	1,250	-	-	1,250	977,110	978,360
Law Corporation Registration Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Continuing Legal Education Revenue	-	-	-	-	6,075	-	-	-	-	-	6,075	146,885	152,960
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	4,743,888	-	-	4,743,888	-	4,743,888
Rental Income	-	-	-	-	-	-	-	-	-	-	-	705,127	705,127
Grant Revenue	-	-	-	-	-	-	-	25,000	-	-	25,000	5,816,895	5,841,895
LSTF Trust Account Revenue	-	-	-	4,846,013	-	-	-	-	-	-	4,846,013	-	4,846,013
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	3,635,121	3,635,121
Application Fees	-	-	-	-	-	-	-	-	-	-	-	16,195,981	16,195,981
MJP Fees	-	-	-	-	-	-	-	-	-	-	-	244,630	244,630
Legal Specialization Fees	-	-	-	-	1,718,759	-	-	-	-	-	1,718,759	-	1,718,759
Seminar/Workshop Revenue	-	-	-	-	-	-	-	2,428	-	-	2,428	802,887	805,315
Advertising Revenue	7,750	-	-	-	-	-	-	-	-	-	7,750	20,265	28,015
Other Revenue	-	-	1,096,593	7,115	2,466	-	-	773,562	13,994	-	1,893,730	880,849	2,774,579
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	2,790,000	2,790,000
Interfund Transaction-Revenue	-	-	-	105	990	390	-	-	3,900	-	5,385	30,090	35,475
TOTAL REVENUE	588,285	1,877,385	1,100,171	6,539,989	1,733,573	797,463	14,302	5,569,529	19,961	-956	18,239,702	44,012,884	62,252,586
EXPENSES													
Grants	-	-	-	10,685,784	-	-	-	-	-	-	10,685,784	10,978,821	21,664,605
Administration of the Profession	-	-	-	-	-	-	-	-	-	-	-	-	-
Examination costs and Administration	-	-	-	-	-	-	-	-	-	-	-	13,390,954	13,390,954
Claims (net of reimbursement)	-	-	-	-	-	-	-	-	-	-	-	10,150,268	10,150,268
Law Practices (Sections)	-	-	-	-	-	-	-	3,099,419	-	-	3,099,419	-	3,099,419
General and Administrative	10,726	1,552,658	373,313	954,215	889,890	385,390	-	-	-77,327	256,715	4,345,580	4,389,664	8,735,244
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund Transaction-Expense	-	1,400	12,000	540	1,990	435	-	2,965	5,720	-	25,050	3,380	28,430
TOTAL EXPENSES	10,726	1,554,058	385,313	11,640,539	891,880	385,825	-	3,102,384	-71,607	256,715	18,155,833	38,913,087	57,068,920
EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES	577,559	323,327	714,858	-5,100,550	841,693	411,638	14,302	2,467,145	91,568	-257,671	83,869	5,099,797	5,183,666
CHANGES IN NET ASSETS													
Net Assets at beginning of year	1,083,287	1,691,844	1,503,858	2,186,483	1,553,408	1,402,141	6,448,730	6,962,789	15,795	106,035	22,954,370	47,068,300	70,022,670
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-91,568	-641,927	-733,495	-	-733,495
NET ASSETS AS OF SEPTEMBER 30, 2011	1,660,846	2,015,171	2,218,716	-2,914,067	2,395,101	1,813,779	6,463,032	9,429,934	15,795	-793,563	22,304,744	52,168,097	74,472,841

The State Bar of California
Projection to Actual Comparison - General Fund
For the Nine Months Ending September 30, 2011

Attachment 7

	Sep-11 Year to Date Actual	Sep-10 Prior Year to Date Actual	Inc./ (Dec.) From Prior Year	2011 Projection
REVENUE				
Membership Fees	56,541,791	57,499,666	-957,875	56,600,000
Penalties and Prior Years Membership Fees	2,022,566	1,277,527	745,039	2,025,000
Investment Income	109,229	149,700	-40,471	110,000
Law Corp Registration Fees	705,221	678,759	26,462	710,000
CalBar Journal Revenue	42,601	132,042	-89,441	43,000
Continuing Legal Education	1,137,129	939,617	197,512	1,140,000
Seminar/Workshop Revenue	9,635	4,800	4,835	10,000
MJP Fees	173,191	381,633	-208,442	175,000
Grant Revenue	14,000	10,000	4,000	14,000
Other Revenue	409,061	455,602	-46,541	450,000
Transfer In From Other Funds	-	500,000	-500,000	-
Interfund Transaction-Revenue	60,713	54,778	5,935	65,000
TOTAL REVENUE	61,225,137	62,084,124	-858,987	61,342,000
EXPENSES				
Discipline	38,606,273	37,112,961	1,493,312	52,550,000
Probation	705,424	745,172	-39,748	940,000
Administration of Justice	344,943	550,784	-205,841	450,000
Governance	1,033,932	1,402,714	-368,782	1,400,000
Administration of the Profession	1,940,599	2,328,004	-387,405	2,600,000
Program Development	1,116,932	1,155,683	-38,751	1,300,000
Communications	785,531	970,952	-185,421	1,200,000
Non Departmental	1,027,326	795,826	231,500	1,700,000
Interfund Transfer out to Bldg. Fund	2,790,000	1,230,000	1,560,000	2,790,000
Interfund Transaction-Expense	67,758	68,808	-1,050	70,000
TOTAL EXPENSES	48,418,718	46,360,904	2,057,814	65,000,000
NET OPERATING SURPLUS/(DEFICIT)	12,806,419	15,723,220	-2,916,801	-3,658,000

The State Bar of California
Projection to Actual Comparison - General Fund
Expenses by Function
For the Nine Months Ending September 30, 2011

Attachment 8

	Sep-11 Year to Date Actual	Sep-10 Prior Year to Date Actual	Inc./(Dec.) from Prior Year	2011 Projection
EXPENSES BY FUNCTION				
Enforcement	28,701,309	27,561,635	1,139,674	39,460,000
Probation	705,424	745,172	-39,748	940,000
State Bar Court	7,769,274	7,234,631	534,643	10,000,000
Mandatory Fee Arbitration	548,489	594,354	-45,865	800,000
Professional Competence	1,587,201	1,722,341	-135,140	2,290,000
TOTAL DISCIPLINE	39,311,697	37,858,133	1,453,564	53,490,000
Administration of Justice	344,943	550,784	-205,841	450,000
Governance	1,033,932	1,402,714	-368,782	1,400,000
Administration of the Profession	1,940,599	2,328,004	-387,405	2,600,000
Program Development	1,116,932	1,155,683	-38,751	1,300,000
Communications	785,531	970,952	-185,421	1,200,000
Non Departmental	1,027,326	795,826	231,500	1,700,000
Interfund Transfer - Out to Building Fund	2,790,000	1,230,000	1,560,000	2,790,000
Interfund Transaction - Expense	67,758	68,808	-1,050	70,000
TOTAL NON DISCIPLINE	9,107,021	8,502,771	604,250	11,510,000
TOTAL GENERAL FUND EXPENSE BY FUNCTION	48,418,718	46,360,904	2,057,814	65,000,000