

AGENDA ITEM

701 JANUARY

DATE: January 22, 2015

TO: Members, Board of Trustees

FROM: Robert A. Hawley, Acting Executive Director

SUBJECT: Budget Augmentation: Los Angeles Facilities Funding Planning

EXECUTIVE SUMMARY

This agenda item recommends reversals of previous Board Resolutions relating to interfund transfers and loans made to purchase and renovate the 845 S. Figueroa offices in Los Angeles.

BACKGROUND

From 2012 to 2014, there were excessive interfund transfers included in the Bar's financial statements. Some of the transfers involved restricted funds and a majority of these fund transfers were used to finance the building acquisition in Los Angeles. As a result of these fund transfers, it is difficult to see the net impact and the true financial position of each individual fund.

ISSUE

Whether to reverse the following resolutions and related interfund transfers:

- a. Board Committee Operations Resolution on October 9, 2012:
 - \$1,500,000 transfer from Admissions Fund to Los Angeles Facility Fund
- b. Budget & Planning Committee Resolution on April 26, 2013:
 - \$ 2,480,000 Interfund Loan from Legal Specialization Fund to 180 Howard Building Fund
 - \$4,331,068 Interfund Loan from Administration of Justice Fund to LA Facility Fund
- c. Budget & Planning Committee Resolution November 14, 2013:
 - Policy on Unanticipated General Fund Saving and Revenue (1/3 to Information Technology and 2/3 to 180 Howard Building Fund)

CONCLUSION

It is appropriate to reverse the interfund transfers itemized above.

DISCUSSION

FISCAL / PERSONNEL IMPACT

There is no fiscal impact, other than adjusted fund balances. There is no personnel impact.

RULE AMENDMENTS:

None

BOARD POLICY BOOK IMPACT:

None

RECOMMENDATION

It is recommended that the proposed revisions to previous board resolutions and the associated interfund transfers be executed.

PROPOSED BOARD OF TRUSTEES RESOLUTION:

Should the Board of Trustees concur with the recommendation, the following resolution is in order:

RESOLVED, that the Board of Trustees of the State Bar of California hereby adopts the proposed revisions regarding the reversal of interfund transfers that were made for the acquisition and renovation of the State Bar offices in Los Angeles.

ATTACHMENTS

None