



THE STATE BAR OF CALIFORNIA

OFFICE OF FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: April 27, 2016
TO: Members, Planning and Budget Committee
Members, Board of Trustees
FROM: Christine Wong, Finance Director
SUBJECT: Financial Statements for the First Quarter Ended March 31, 2016

Attached for your review are the 2016 first 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 – Consolidated General Fund, Special Revenue Funds & Restricted Funds
- Attachment 3 – Revenue, Expenses and Changes in Net Assets – All Funds
- Attachment 4 – Revenue, Expenses and Changes in Net Assets – Consolidated General Fund, Special Revenue Funds and Restricted Funds
- Attachment 5 – Budget to Actual Comparison – Unconsolidated General Fund Revenue
- Attachment 6 – Budget To Actual Comparison – Unconsolidated General Fund Expenses by Function

Financial Highlights:

Statement of Assets, Liabilities & Net Assets – All Funds:

For the quarter ended March 31, 2016, the Bar's total assets are \$316.7 million, liabilities are \$90.1 million, and net assets are \$226.6 million.

Assets – As of March 31, 2016, the State Bar’s total assets were \$316.7 million, up by \$76.7 million or 31.9% compared to \$239.9 million last year. The increase is due to a combination of 1) a \$13.7 million increase in deferred outflows of resources due to implementation of GASB 68; 2) a \$63.2 million increase in cash and investment; 3) a \$3.3 million increase in the Other Postemployment Benefits Obligation (“OPEB”) Plan asset from 2015 contributions; 4) a \$0.8 million net increase in other prepayments and grant receivable; partially offset by 5) a \$4.3 million decrease in capital assets due to normal depreciation and amortization of tenant improvement costs.

Cash and investments consisted of balances in demand deposit accounts, money market accounts, the State Bar’s share of California’s Local Agency Investment Fund, and investment securities. For the quarter ended March 31, 2016, the combined cash and investment balance was \$189.0 million, up by \$63.2 million or 50.3% compared to \$125.8 million last year. The higher cash balance in 2016 is due to a combination of 1) a \$44.7 million settlement fund awarded to the Legal Service Trust Fund (LSTF) Program; 2) a \$6.1 million IOLTA settlement grant received from Bank of America and CitiGroup; 3) a \$10.0 million loan obtained for tenant improvement projects; and 4) other \$2.4 million increase in various incomes and revenues.

The \$44.7 million LSTF settlement fund is a result of a settlement between the U.S. Department of Justice and Bank of America. Bank of America awarded the LSTF Program for administration of grants to legal services organizations to provide foreclosure prevention legal assistance and community redevelopment legal assistance.

Slightly over \$7 million of Bar of the State Bar’s total assets are being used to secure two capital loans; \$4.6 million is funding the Los Angeles building debt service reserve fund, and \$2.5 million a new debt service reserve established for a \$10 million tenant improvement loan for the Howard Street location. The latter loan is expected to be paid off in less than six years. Once fully leased, the improved space should generate an additional \$2.5 to \$3 million in new revenue annually.

Capital assets consisted of land, buildings, building and leasehold improvements, tenant improvement, office equipment, and furniture and fixtures, net of accumulated depreciation. Net capital assets balance as of March 31, 2016, was \$96.2 million, a \$4.2 million decrease compared to \$100.5 million last year. The decrease is due to normal depreciation and amortization of tenant improvement costs.

Liabilities – The State Bar’s total liabilities consisted of accounts payable to vendor accounts, unearned fees collected in advance, grants payable, net pension liabilities, the deferred inflows of resources due to implementation of GASB 68, loans payable, and employee vacation and sick leave accruals. As of March 31, 2016, State Bar’s total liabilities were \$90.1 million, up by \$20.8 million or 30.0% compared to \$69.2 million last year. The increase is a result of a \$11.6 million net increase in pension liabilities and changes in deferred inflows of resources from GASB 68 adjustments, a \$8.6 million increase in loan payable and a net \$0.6 million net increase in other accrued liabilities and unearned income.

Net Position – The net position as of March 31, 2016, was \$226.5 million, up by \$55.8 million or 32.73% compared to \$170.6 million in 2015. The increase represents the excess of revenues over expenditures from various programs in 2015, as well as GASB adjustments.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for fiscal years beginning after June 15, 2014. In the 2015 year-end financial statements, staff has implemented this new accounting standard and recognized a net pension liability of \$31.2 million as of 12/31/2015. The net position for 2014 was also restated to reflect the GASB 68 implementation adjustment. In addition, staff also restated the deferred inflows and outflows of resources based on the GASB 68 valuation reports provided by CalPERS as of 6/30/2014 and 6/30/2015. Based on advice from the State Bar's external auditors, staff determined that the net pension liability and deferred inflows/outflows of resources should be classified as long-term assets/liabilities. As a result, the GASB 68 implementation will not affect the calculation of working capital and reserve level for budget purposes in future years.

Statement of Revenue, Expenses and Changes in Net Assets – All Funds

This statement reports the Bar's revenues, expenses, excess/(deficit) of revenues over expenses and changes in net assets. For the first quarter ended March 31, 2016, the Bar's total revenues (operating and non-operating) are \$153.3 million, and expenses are \$37.9 million, and the excess of revenues over expenditures for the reported quarter is \$115.3 million. Total operating revenues for all programs for the quarter ended are \$152.6 million, up by \$45.4 million compared to \$107.2 million in 2015. The increase is due to largely to the LSTF settlement fund received in 2016 as mentioned above. Revenues collected as of March 31, 2016 were at a similar level to prior year.

The Bar's total operating expenses for all programs are \$37.9 million, down by \$1.4 million or 3.5% compared to \$39.3 million in 2015.

Budget to Actual Comparison – Unconsolidated General Fund

In this report, a budget to actual comparison for the Unconsolidated General Fund is prepared. This statement is designed to provide the Board with information about how the actual performance of the Unconsolidated 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 Unconsolidated General Fund's total operating revenues for the first quarter ended March 31, 2016 are \$63.9 million, up by \$0.9 million, or 1.45% compared to \$63.0 million in 2015. The increase is due to increase in membership dues revenue from normal membership growth. Compared to the budget, the Unconsolidated General Fund's total revenues for the quarter ended March 31, 2016 are \$63.9 million, in line with the budget, with an insignificant favorable variance of \$0.7 million or 1.0% compared to the year-to-date budget of \$63.2 million. Staff expected that the General Fund revenues will be in line with the budget towards the end of the fiscal year.

The Unconsolidated General Fund's total operating expenses for the quarter ended are \$15.6 million, down by \$1.0 million or 5.9% compared to \$16.6 million in 2015. Compared to the year-to-date budget of \$16.6 million, it reflected a \$1.0 million favorable variance.

The State Bar of California
Statement of Assets, Liabilities and Net Assets - All Funds
As of March 31, 2016

Attachment 1

	Consolidated General Fund	Special Revenue Fund Group	Restrict Fund Group	Interfund Elimination	YTD Total All Fund March 2016	YTD Total All Fund March 2015	Change
ASSETS							
Cash	140,017,584	50	-	-	140,017,634	86,764,647	53,252,987
Investments	49,024,803	-	-	-	49,024,803	38,955,556	10,069,247
Accounts Receivable (net of allowances)	-	-	4,822,551	-	4,822,551	3,737,883	1,084,668
Interfund Receivable	25,508,008	26,606,327	78,299,465	130,413,800	-	-	-
Capital Assets (net of depreciation)	96,229,923	-	-	-	96,229,923	100,528,963	(4,299,040)
OPEB Investment	10,042,270	-	-	-	10,042,270	6,778,727	3,263,543
Other Assets	687,899	184,804	-	-	872,703	1,144,692	(271,989)
GASB 68 - Deferred Outflows of Resources	15,671,481	-	-	-	15,671,481	2,060,055	13,611,426
TOTAL ASSETS	337,181,968	26,791,181	83,122,016	130,413,800	316,681,365	239,970,523	76,710,842
LIABILITIES AND NET ASSETS							
Accounts Payable and Accrued Liabilities	5,458,773	434,430	3,789,432	-	9,682,635	8,838,307	844,328
Interfund Payable	129,768,434	645,366	-	(130,413,800)	-	-	-
Unearned Income	80,702	-	-	-	80,702	241,931	(161,229)
Grants Payable	-	-	16,753	-	16,753	16,753	-
Obligations under Debt Agreements	31,010,641	-	-	-	31,010,641	22,385,281	8,625,360
GASB 68 - Net Pension Liabilities	31,156,962	-	-	-	31,156,962	18,880,140	12,276,822
GASB 68 - Deferred Inflows of Resources	18,176,995	-	-	-	18,176,995	18,917,265	(740,270)
TOTAL LIABILITIES	215,652,507	1,079,796	3,806,185	(130,413,800)	90,124,688	69,279,677	20,845,011
NET ASSETS							
Net Assets at Beginning of Year	72,918,196	12,875,186	25,404,387	-	111,197,769	102,310,840	8,886,929
Current Operating Excess/(Deficit)	48,611,265	12,836,199	53,911,444	-	115,358,908	68,380,006	46,978,902
TOTAL NET ASSETS	121,529,461	25,711,385	79,315,831	-	226,556,677	170,690,846	55,865,831
TOTAL LIABILITIES & NET ASSETS	337,181,968	26,791,181	83,122,016	-	316,681,365	239,970,523	76,710,842

The State Bar of California
Statement of Assets, Liabilities and Net Assets - General Funds
As of March 31, 2016

Attachment 2
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Consolidated General Fund											
	General Fund	Building	Legal Education & Development	LA Facility	** Public Protection	Support & Administration	Technology improvement	Fixed Asset	Benefit Reserve	*** SF Tenant Improvement	Total GF
ASSETS											
Cash	133,972,972	73,733	-	-	4,610,000	579,843	-	-	781,036	-	140,017,584
Accounts Receivable (net of allowances)	-	-	-	-	-	-	-	-	-	-	-
Interfund Receivable	-	3,904,573	5,910,660	-	1,893,392	458,901	3,433,852	-	-	9,906,630	25,508,008
Investments	49,024,803	-	-	-	-	-	-	-	-	-	49,024,803
Capital Assets (net of depreciation)	-	1,873,899	-	70,158,217	-	-	-	24,104,437	-	93,370	96,229,923
OPEB Assets	-	-	-	-	-	-	-	-	10,042,270	-	10,042,270
Other Assets	62,804	-	-	-	-	625,095	-	-	-	-	687,899
GASB 68 - Deferred Outflows of Resources	15,671,481	-	-	-	-	-	-	-	-	-	15,671,481
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	198,732,060	5,852,205	5,910,660	70,158,217	6,503,392	1,663,839	3,433,852	24,104,437	10,823,306	10,000,000	337,181,968
LIABILITIES AND NET ASSETS											
Accounts Payable and Accrued Liabilities	3,985,815	371,824	2,814	205,459	-	892,861	-	-	-	-	5,458,773
Interfund Payable	125,180,908	-	-	3,648,191	-	-	-	-	939,335	-	129,768,434
Unearned Income	-	80,702	-	-	-	-	-	-	-	-	80,702
Grants Payable	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	21,010,641	-	-	-	-	-	10,000,000	31,010,641
GASB 68 - Net Pension Liabilities	31,156,962	-	-	-	-	-	-	-	-	-	31,156,962
GASB 68 - Deferred Inflows of Resources	18,176,995	-	-	-	-	-	-	-	-	-	18,176,995
TOTAL LIAB. & DEFERRED INFLOWS OF RESOURCES	178,500,680	452,526	2,814	24,864,291	-	892,861	-	-	939,335	10,000,000	215,652,507
NET ASSETS											
Net Assets at Beginning of Year	(28,057,291)	5,078,406	5,942,563	45,444,716	6,501,295	-	3,642,366	24,481,406	9,884,735	-	72,918,196
Restatement due to GASB 68 Implementation	-	-	-	-	-	-	-	-	-	-	-
Current Operating Excess/(Deficit)	48,288,671	321,273	(34,717)	(150,790)	2,097	770,978	(208,514)	(376,969)	(764)	-	48,611,265
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS/(DEFICITS)	20,231,380	5,399,679	5,907,846	45,293,926	6,503,392	770,978	3,433,852	24,104,437	9,883,971	-	121,529,461
TOTAL LIABILITIES & NET ASSETS	198,732,060	5,852,205	5,910,660	70,158,217	6,503,392	1,663,839	3,433,852	24,104,437	10,823,306	10,000,000	337,181,968

** The State Bar's loan agreement contains certain covenants that include the maintenance of a \$4,610,000 deposit with Bank of America as a debt service reserve fund, which is classified as restricted cash for the LA loan.

*** In April 2016, an additional covenant was added which includes the maintenance of a \$2,495,000 deposit with Bank of America as a debt service reserve fund, which will be classified as restricted cash in Q2 for SF Tenant Improvement.

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Special Revenue Funds
As of March 31, 2016

	Special Revenue Fund Group				
	Admissions	Annual Meeting	Grants	Sections	Total Special Revenue Fund
ASSETS					
Cash	50	-	-	-	50
Accounts Receivable (net of allowances)	-	-	-	-	-
Interfund Receivable	11,629,615	-	418,609	14,558,103	26,606,327
Other Assets	182,315	-	-	2,489	184,804
TOTAL ASSETS	11,811,980	-	418,609	14,560,592	26,791,181
LIABILITIES AND NET ASSETS					
Accounts Payable and Accrued Liabilities	267,013	24,946	-	142,471	434,430
Interfund Payable	-	108,978	-	536,388	645,366
Unearned Income	-	-	-	-	-
Grants Payable	-	-	-	-	-
Pension Liability	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-
TOTAL LIABILITIES	267,013	133,924	-	678,859	1,079,796
NET ASSETS					
Net Assets at Beginning of Year	3,977,413	(69,918)	374,532	8,593,159	12,875,186
Current Operating Excess/(Deficit)	7,567,554	(64,006)	44,077	5,288,574	12,836,199
TOTAL NET ASSETS/(DEFICITS)	11,544,967	(133,924)	418,609	13,881,733	25,711,385
TOTAL LIABILITIES & NET ASSETS	11,811,980	-	418,609	14,560,592	26,791,181

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of March 31, 2016

	Restricted Fund Group										Total Restricted Fund
	Client Security	Elimination of Bias	Equal Access	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Legislative Activities	Legal Services Trust	Legal Specialization	Bank Settlement	
ASSETS											
Cash	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable (net of allowances)	-	-	4,251,035	-	-	-	-	571,516	-	-	4,822,551
Interfund Receivable	7,006,752	1,139,830	394,735	1,212,536	1,030,854	3,871,121	1,292,957	10,688,427	6,933,594	44,728,659	78,299,465
TOTAL ASSETS	7,006,752	1,139,830	4,645,770	1,212,536	1,030,854	3,871,121	1,292,957	11,259,943	6,933,594	44,728,659	83,122,016
LIABILITIES AND NET ASSETS											
Accounts Payable and Accrued Liabilities	103,686	41,284	3,443,137	-	-	56,388	43,735	61,649	39,553	-	3,789,432
Interfund Payable	-	-	-	-	-	-	-	-	-	-	-
Unearned Income	-	-	-	-	-	-	-	-	-	-	-
Grants Payable	-	-	-	-	-	-	-	16,753	-	-	16,753
Pension Liability	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	103,686	41,284	3,443,137	-	-	56,388	43,735	78,402	39,553	-	3,806,185
NET ASSETS											
Net Assets at Beginning of Year	2,200,440	598,573	160,933	1,211,193	512,501	2,233,020	714,349	12,359,725	5,413,653	-	25,404,387
Current Operating Excess/(Deficit)	4,702,626	499,973	1,041,700	1,343	518,353	1,581,713	534,873	(1,178,184)	1,480,388	44,728,659	53,911,444
TOTAL NET ASSETS/(DEFICITS)	6,903,066	1,098,546	1,202,633	1,212,536	1,030,854	3,814,733	1,249,222	11,181,541	6,894,041	44,728,659	79,315,831
TOTAL LIABILITIES & NET ASSETS	7,006,752	1,139,830	4,645,770	1,212,536	1,030,854	3,871,121	1,292,957	11,259,943	6,933,594	44,728,659	83,122,016

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Three Months Ending March 31, 2016

Attachment 3

	Consolidated General Fund	Special Revenue Fund Group	Restricted Fund Group	Interfund Elimination	Total All Funds Year to Date March 2016	Total All Funds Year to Date March 2015	Change	Percentage Change
OPERATING REVENUES								
Membership Fees, Voluntary Contributions	62,465,617	40,095	17,331,331	-	79,837,043	79,113,362	723,681	0.91%
MJP Fees	493,385	-	-	-	493,385	458,390	34,995	7.63%
Examination Application Fees	-	12,120,448	-	-	12,120,448	12,166,467	(46,019)	-0.38%
Trust Account Revenue	-	-	1,513,274	-	1,513,274	1,336,385	176,889	13.24%
Law Practices Sections Fees	-	5,830,397	-	-	5,830,397	5,600,350	230,047	4.11%
Seminar/Workshop Revenue	4,660	261,764	-	-	266,424	431,464	(165,040)	-38.25%
Advertising Revenue	31,495	11,675	-	-	43,170	37,620	5,550	14.75%
Convention Income	-	196,527	-	-	196,527	158,825	37,702	23.74%
Legal Specialization Fees	-	-	1,743,775	-	1,743,775	1,724,515	19,260	1.12%
Law Corporation Registration Fees	505,041	-	-	-	505,041	405,286	99,755	24.61%
Continuing Legal Education Fees	215,955	62,610	5,705	-	284,270	302,945	(18,675)	-6.16%
Grant Revenue	-	56,550	3,377,400	-	3,433,950	3,430,100	3,850	0.11%
EAF AB 145 Filing Fee Revenue	-	-	855,000	-	855,000	1,016,381	(161,381)	-15.88%
Settlement Grants	-	-	44,728,659	-	44,728,659	-	44,728,659	100.00%
Affinity Insurance Revenue	65,384	-	-	-	65,384	415,605	(350,221)	-84.27%
Other Revenue	145,161	582,063	3,765	-	730,989	643,138	87,851	13.66%
Total Operating Revenue	63,926,698	19,162,129	69,558,909	-	152,647,736	107,240,833	45,406,903	42.34%
OPERATING EXPENSES								
Discipline and Adjudication	8,730,558	-	-	-	8,730,558	13,312,260	(4,581,702)	-34.42%
Examination costs and administration	-	3,627,266	-	-	3,627,266	4,519,755	(892,489)	-19.75%
Grant Expenses	-	-	11,578,336	-	11,578,336	11,386,457	191,879	1.69%
Law Practices (Sections)	-	1,106,263	-	-	1,106,263	1,337,186	(230,923)	-17.27%
CSF application payments	-	-	2,146,010	-	2,146,010	839,499	1,306,511	155.63%
Communications	180,034	-	-	-	180,034	428,285	(248,251)	-57.96%
Administration of Justice	148,676	-	-	-	148,676	184,390	(35,714)	-19.37%
Governance	625,451	-	-	-	625,451	532,071	93,380	17.55%
Administration of the Profession	709,431	-	-	-	709,431	926,504	(217,073)	-23.43%
Program Development	326,203	-	-	-	326,203	565,230	(239,027)	-42.29%
General and Administrative costs	27,488	1,614,638	1,968,021	-	3,610,147	4,373,646	(763,499)	-17.46%
Interest Expense on Loan	227,520	-	-	-	227,520	242,004	(14,484)	-5.99%
Indirect Costs - Non Departmental	4,935,269	-	-	-	4,935,269	698,399	4,236,870	606.65%
Total Operating Expenses	15,910,630	6,348,167	15,692,367	-	37,951,164	39,345,686	(1,394,522)	-3.54%
OPERATING INCOME/(LOSS)	48,016,068	12,813,962	53,866,542	-	114,696,572	67,895,147	46,801,425	68.93%
NON-OPERATING REVENUE								
Investment Income	102,227	22,627	41,562	-	166,416	59,161	107,255	181.29%
Rental Income	495,920	-	-	-	495,920	425,698	70,222	16.50%
Total Non-Operating Revenue	598,147	22,627	41,562	-	662,336	484,859	177,477	36.60%
INCOME/(LOSS) BEFORE TRANSFERS	48,614,215	12,836,589	53,908,104	-	115,358,908	68,380,006	46,978,902	68.70%
Interfund Transaction - Revenue	36,125	1,150	5,750	43,025	-	-	-	0.00%
Interfund Transaction - Expense	(39,075)	(1,540)	(2,410)	(43,025)	-	-	-	0.00%
Change in Net Position	48,611,265	12,836,199	53,911,444	-	115,358,908	68,380,006	46,978,902	68.70%
CHANGES IN NET ASSETS								
Net Assets at beginning of year	72,918,196	12,875,186	25,404,387	-	111,197,769	102,310,840	8,886,929	8.69%
NET ASSETS AS OF MARCH 31, 2016	121,529,461	25,711,385	79,315,831	-	226,556,677	170,690,846	55,865,831	32.73%

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - General Funds
For the Three Months Ending March 31, 2016

Consolidated General Fund											
	General Fund	Building	Legal Education & Development	LA Facility	Public Protection*	Support & Administration	Technology Improvement	Fixed Asset Funds	Benefit Reserve	SF Tenant Improvement	Total General Fund
REVENUE											
Membership Fees & Voluntary Dues	62,463,487	1,645	-	-	-	-	485	-	-	-	62,465,617
Investment Income	90,331	4,244	6,632	(3,987)	2,097	(299)	3,973	-	(764)	-	102,227
Continuing Legal Education Fees	215,955	-	-	-	-	-	-	-	-	-	215,955
Law Corporation Registration Fees	505,041	-	-	-	-	-	-	-	-	-	505,041
Rental Income	-	358,336	-	137,584	-	-	-	-	-	-	495,920
MJP Fees	493,385	-	-	-	-	-	-	-	-	-	493,385
Seminar/Workshop Revenue	4,660	-	-	-	-	-	-	-	-	-	4,660
Advertising Revenue	31,495	-	-	-	-	-	-	-	-	-	31,495
Affinity Insurance Revenue	-	-	65,384	-	-	-	-	-	-	-	65,384
Other Revenue	137,579	-	-	-	-	7,582	-	-	-	-	145,161
TOTAL REVENUE	63,941,933	364,225	72,016	133,597	2,097	7,283	4,458	-	(764)	-	64,524,845
EXPENSES											
Discipline and Adjudication	8,730,558	-	-	-	-	-	-	-	-	-	8,730,558
Administration of Justice	148,676	-	-	-	-	-	-	-	-	-	148,676
Governance	625,451	-	-	-	-	-	-	-	-	-	625,451
Administration of the Profession	709,431	-	-	-	-	-	-	-	-	-	709,431
Program Development	326,203	-	-	-	-	-	-	-	-	-	326,203
Communications	180,034	-	-	-	-	-	-	-	-	-	180,034
Interest Expense on Loan	-	-	-	227,520	-	-	-	-	-	-	227,520
General and Administrative	-	42,952	105,983	56,867	-	(768,255)	212,972	376,969	-	-	27,488
Indirect Costs - Non Departmental	4,935,269	-	-	-	-	-	-	-	-	-	4,935,269
TOTAL EXPENSES	15,655,622	42,952	105,983	284,387	-	(768,255)	212,972	376,969	-	-	15,910,630
INCOME/(LOSS) BEFORE TRANSFERS	48,286,311	321,273	(33,967)	(150,790)	2,097	775,538	(208,514)	(376,969)	(764)	-	48,614,215
Interfund Transaction - Revenue	36,125	-	-	-	-	-	-	-	-	-	36,125
Interfund Transaction - Expense	(33,765)	-	(750)	-	-	(4,560)	-	-	-	-	(39,075)
Change in Net Position	48,288,671	321,273	(34,717)	(150,790)	2,097	770,978	(208,514)	(376,969)	(764)	-	48,611,265
CHANGES IN NET ASSETS											
Net Assets at beginning of year	(28,057,291)	5,078,406	5,942,563	45,444,716	6,501,295	-	3,642,366	24,481,406	9,884,735	-	72,918,196
NET ASSETS AS OF MARCH 31, 2016	20,231,380	5,399,679	5,907,846	45,293,926	6,503,392	770,978	3,433,852	24,104,437	9,883,971	-	121,529,461

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Special Revenue Funds
For the Three Months Ending March 31, 2016

	Special Revenue Fund Group				
	Admissions	Annual Meeting	Grants	Sections	Total Special Revenue Fund
REVENUE					
Membership Fees & Voluntary Dues	40,095	-	-	-	40,095
Investment Income	9,627	(69)	-	13,069	22,627
Convention Income	-	10,950	-	185,577	196,527
Continuing Legal Education Fees	62,610	-	-	-	62,610
Law Practices (Sections) Revenue	-	-	-	5,830,397	5,830,397
Grant Revenue	-	-	46,550	10,000	56,550
Exam Application & Moral Character Fees	12,120,448	-	-	-	12,120,448
Seminar/Workshop Revenue	-	-	-	261,764	261,764
Advertising Revenue	-	-	-	11,675	11,675
Other Revenue	135,754	-	-	446,309	582,063
TOTAL REVENUE	12,368,534	10,881	46,550	6,758,791	19,184,756
EXPENSES					
Examination Costs and Administration	3,627,266	-	-	-	3,627,266
Law Practices (Sections)	-	-	-	1,106,263	1,106,263
General and Administrative	1,172,574	74,887	2,473	364,704	1,614,638
TOTAL EXPENSES	4,799,840	74,887	2,473	1,470,967	6,348,167
INCOME/(LOSS) BEFORE TRANSFERS	7,568,694	(64,006)	44,077	5,287,824	12,836,589
Interfund Transaction - Revenue	-	-	-	1,150	1,150
Interfund Transaction - Expense	(1,140)	-	-	(400)	(1,540)
Change in Net Position	7,567,554	(64,006)	44,077	5,288,574	12,836,199
CHANGES IN NET ASSETS					
Net Assets at beginning of year	3,977,413	(69,918)	374,532	8,593,159	12,875,186
NET ASSETS AS OF MARCH 31, 2016	11,544,967	(133,924)	418,609	13,881,733	25,711,385

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Three Months Ending March 31, 2016

Attachment 4
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Restricted Fund Group

	Client Security	Elimination of Bias	Equal Access	Info Tech Special Assess	Justice Gap	Lawyers Assistance Program	Legislative Activities	Legal Services Trust	Legal Specialization	Bank Settlement	Total Restricted Fund
REVENUE											
Membership Fees & Voluntary Dues	7,409,940	727,575	-	-	517,552	1,945,480	707,960	6,022,824	-	-	17,331,331
Investment Income	6,334	1,119	2,603	1,343	801	3,631	1,254	17,392	7,085	-	41,562
Continuing Legal Education Revenue	-	-	-	-	-	-	-	-	5,705	-	5,705
Grant Revenue	-	-	3,377,400	-	-	-	-	-	-	-	3,377,400
LSTF Trust Account Revenue	-	-	-	-	-	-	-	1,513,274	-	-	1,513,274
EAF AB145 Filing Fee Revenue	-	-	855,000	-	-	-	-	-	-	-	855,000
Exam Application & Moral Character Fees	-	-	-	-	-	-	-	-	-	-	-
Legal Specialization Fees	-	-	-	-	-	-	-	-	1,743,775	-	1,743,775
Settlement Grants	-	-	-	-	-	-	-	-	-	44,728,659	44,728,659
Affinity Insurance Revenue	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	2,050	-	-	-	-	-	-	-	1,715	-	3,765
TOTAL REVENUE	7,418,324	728,694	4,235,003	1,343	518,353	1,949,111	709,214	7,553,490	1,758,280	44,728,659	69,600,471
EXPENSES											
Grants	-	-	3,193,250	-	-	-	-	8,385,086	-	-	11,578,336
CSF application payments	2,146,010	-	-	-	-	-	-	-	-	-	2,146,010
General and Administrative	572,783	228,616	53	-	-	368,508	173,661	346,588	277,812	-	1,968,021
TOTAL EXPENSES	2,718,793	228,616	3,193,303	-	-	368,508	173,661	8,731,674	277,812	-	15,692,367
INCOME/(LOSS) BEFORE TRANSFERS	4,699,531	500,078	1,041,700	1,343	518,353	1,580,603	535,553	(1,178,184)	1,480,468	44,728,659	53,908,104
Interfund Transaction - Revenue	4,340	-	-	-	-	1,110	-	-	300	-	5,750
Interfund Transaction - Expense	(1,245)	(105)	-	-	-	-	(680)	-	(380)	-	(2,410)
Change in Net Position	4,702,626	499,973	1,041,700	1,343	518,353	1,581,713	534,873	(1,178,184)	1,480,388	44,728,659	53,911,444
CHANGES IN NET ASSETS											
Net Assets at beginning of year	2,200,440	598,573	160,933	1,211,193	512,501	2,233,020	714,349	12,359,725	5,413,653	-	25,404,387
NET ASSETS AS OF MARCH 31, 2016	6,903,066	1,098,546	1,202,633	1,212,536	1,030,854	3,814,733	1,249,222	11,181,541	6,894,041	44,728,659	79,315,831

The State Bar of California
Budget to Actual Comparison - Unconsolidated General Fund
For the Three Months Ending March 31, 2016

Attachment 5

	March 2016 Year to Date Actual	March 2016 Year to Date Budget	Variance Favorable (Unfavorable)	March 2015 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2016 Annual Budget
REVENUE						
Membership Fees	62,463,487	62,424,299	39,188	61,728,086	735,401	66,605,996
Investment Income	90,331	26,301	64,030	29,918	60,413	105,204
Law Corp Registration Fees	505,041	360,750	144,291	405,286	99,755	1,443,000
CalBar Journal Revenue	31,495	29,226	2,269	29,188	2,307	116,904
Continuing Legal Education	215,955	148,353	67,602	236,045	(20,090)	593,412
Seminar/Workshop Revenue	4,660	5,199	(539)	1,550	3,110	20,796
MJP Fees	493,385	127,500	365,885	458,390	34,995	510,000
Grant Revenue	-	-	-	15,000	(15,000)	-
Other Revenue	137,579	108,099	29,480	121,482	16,097	432,396
TOTAL REVENUE	63,941,933	63,229,727	712,206	63,024,945	916,988	69,827,708
EXPENSES						
Discipline	8,730,558	9,528,456	797,898	13,312,259	(4,581,701)	41,111,720
Administration of Justice	148,676	161,073	12,397	184,390	(35,714)	678,714
Governance	625,451	613,692	(11,759)	532,071	93,380	2,612,548
Administration of the Profession	709,431	600,054	(109,377)	926,504	(217,073)	2,546,476
Program Development	326,203	333,147	6,944	565,230	(239,027)	1,428,092
Communications	180,034	287,301	107,267	428,285	(248,251)	1,217,728
Indirect Costs - Non Departmental	4,935,269	4,966,623	31,354	698,399	4,236,870	19,866,492
TOTAL EXPENSES	15,655,622	16,490,346	834,724	16,647,138	(991,516)	69,461,770
INCOME/(LOSS) BEFORE TRANSFERS	48,286,311	46,739,381	1,546,930	46,377,807	1,908,504	365,938
Interfund Transaction - Revenue	36,125	-	36,125	34,380	1,745	-
Interfund Transaction - Expense	(33,765)	-	(33,765)	(34,150)	385	-
NET OPERATING SURPLUS/(DEFICIT)	48,288,671	46,739,381	1,549,290	46,378,037	1,910,634	365,938

The State Bar of California
Budget To Actual Comparison - Unconsolidated General Fund
Expenses by Function
For the Three Months Ending March 31, 2016

Attachment 6

	March 2016 Year to Date Actual	March 2016 Year to Date Budget	Variance Favorable (Unfavorable)	March 2015 Prior Year to Date Actual	Inc./ (Dec.) From Prior Year	2016 Annual Budget
EXPENSES BY FUNCTION						
Enforcement	6,268,839	6,958,374	689,535	9,406,658	(3,137,819)	30,063,132
Probation	216,771	217,695	924	333,284	(116,513)	939,880
State Bar Court	1,717,239	1,759,056	41,817	2,805,111	(1,087,872)	7,571,902
Mandatory Fee Arbitration	139,088	158,907	19,819	201,913	(62,825)	679,382
Professional Competence	388,621	434,424	45,803	565,293	(176,672)	1,857,424
TOTAL DISCIPLINE	8,730,558	9,528,456	797,898	13,312,259	(4,581,701)	41,111,720
Administration of Justice	148,676	161,073	12,397	184,390	(35,714)	678,714
Governance	625,451	613,692	(11,759)	532,071	93,380	2,612,548
Administration of the Profession	709,431	600,054	(109,377)	926,504	(217,073)	2,546,476
Program Development	326,203	333,147	6,944	565,230	(239,027)	1,428,092
Communications	180,034	287,301	107,267	428,285	(248,251)	1,217,728
Indirect Costs - Non Departmental	4,935,269	4,966,623	31,354	698,399	4,236,870	19,866,492
TOTAL NON DISCIPLINE	6,925,064	6,961,890	36,826	3,334,879	3,590,185	28,350,050
Interfund Transaction - Expense	33,765	-	(33,765)	34,150	(385)	-
TOTAL INTERFUND TRANSFERS	33,765	-	(33,765)	34,150	(385)	-
TOTAL GENERAL FUND EXPENSE BY FUNCTION	15,689,387	16,490,346	800,959	16,681,288	(991,901)	69,461,770