



# THE STATE BAR OF CALIFORNIA

FINANCE

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## MEMORANDUM

**DATE:** February 22, 2008  
**TO:** Board of Governors  
**FROM:** Peggy Van Horn, Chief Financial Officer  
**SUBJECT:** 2008 Year-End Unaudited Financial Statements–Financial Highlights

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Attached for your review are the 2008 year-end unaudited financial statements for the State Bar of California. The financial Highlights are as follows:

- 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 year ended December 31, 2008, the Bar's total assets are \$139.6 million, liabilities are \$34.4 million and net assets are \$105.2 million. The General Fund, the Bar's largest operating fund, has assets of \$25.8 million, liabilities of \$16.8 million and net assets of \$9 million. Individual statements for the General Fund and the restricted funds are included for your reference.

### **Statement of Revenue, Expenses and Changes in Net Assets**

This statement reports the Bar's revenues, expenses, excess (deficit) of revenues over expenses and changes in net assets. For the year ended December 31, 2008, the Bar's total revenues

(operating and non-operating) are \$148.9 million, and expenses are \$139 million, resulting in a surplus of \$9.9 million.

The General Fund's total revenues through the end of year are \$61.5 million, which represents a \$0.1 million increase from the total revenues of \$61.4 million for the year ended 2007. The increase is attributable to a \$1 million increase in membership fees, offset by a \$0.9 million decrease in investment income due primarily to the decrease in interest rates in 2008.

### **Budget to Actual Comparison – 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 anticipated (budgeted) results. The report includes a quarterly budget comparison as well as year to date and prior year comparison.

Year to date, the General Fund's total revenues reflect a favorable variance of \$0.5 million, which represents 0.9% of the annual budget. The variance is due to a \$0.3 million increase in membership fees, a \$0.5 million increase in continuing legal education, partially offset by a \$0.3 million decrease in CalBar Journal revenue.

Total General Fund expenses through the year end show a favorable variance of \$2.9 million, which reflects the cost saving in Discipline, Governance, Program Development, Communications, and other general and administrative functional areas.

The General Fund Budget to Actual Comparison Expenses by Function report reflects the expense variance by functional area, and variances at the total program level are insignificant.

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - All Funds**  
**As of December 31, 2008**

**Attachment 1**

	General Fund	Restricted Funds	Fixed Asset Fund	YTD Total All Funds December-08	YTD Total All Funds December-07	Change
<b>ASSETS</b>						
Cash	9,939,567	50	-	9,939,617	17,946,492	(8,006,875)
Accounts Receivable (net of allowances)	385,717	3,896,000	-	4,281,717	2,479,911	1,801,806
Interfund Receivable/Payable	(67,760,790)	67,760,790	-	-	-	-
Capital Assets (net of depreciation)	-	14,912,769	20,015,030	34,927,799	36,525,826	(1,598,027)
Investments	82,520,597	-	-	82,520,597	78,516,289	4,004,308
Other Assets	708,564	7,294,956	-	8,003,520	1,431,942	6,571,578
<b>TOTAL ASSETS</b>	<b>25,793,655</b>	<b>93,864,565</b>	<b>20,015,030</b>	<b>139,673,250</b>	<b>136,900,460</b>	<b>2,772,790</b>
<b>LIABILITIES AND NET ASSETS</b>						
Accounts Payable and Accrued Liabilities	5,112,603	6,408,042	-	11,520,645	18,481,981	(6,961,336)
Unearned Fees Collected in Advance	11,671,519	7,281,070	-	18,952,589	19,209,221	(256,632)
Grants Payable	-	3,966,118	-	3,966,118	3,481,727	484,391
Accrued Postretirement Benefits	-	-	-	-	9,147,256	(9,147,256)
Obligations under Debt Agreements	-	-	-	-	391,743	(391,743)
<b>TOTAL LIABILITIES</b>	<b>16,784,122</b>	<b>17,655,230</b>	<b>-</b>	<b>34,439,352</b>	<b>50,711,928</b>	<b>(16,272,576)</b>
<b>NET ASSETS</b>						
Net Assets at Beginning of Year	9,852,083	55,293,141	21,043,308	86,188,532	74,852,886	11,335,646
OPEB Liabilities	-	9,147,256	-	9,147,256	-	9,147,256
Current Operating Excess/(Deficit) of Revenue	(842,550)	12,058,775	(1,318,114)	9,898,111	11,335,646	(1,437,536)
Transfer of Fixed Assets to Fixed Assets Fund	-	(289,836)	289,836	-	-	-
<b>TOTAL NET ASSETS</b>	<b>9,009,533</b>	<b>76,209,335</b>	<b>20,015,030</b>	<b>105,233,898</b>	<b>86,188,532</b>	<b>19,045,366</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>25,793,655</b>	<b>93,864,565</b>	<b>20,015,030</b>	<b>139,673,250</b>	<b>136,900,460</b>	<b>2,772,790</b>

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - General Fund**  
**As of December 31, 2008**

**Attachment 2**

	<u>Year to Date Total December-08</u>	<u>Year to Date Total December-07</u>	<u>Change</u>
<b>ASSETS</b>			
Cash	9,939,567	17,946,442	(8,006,875)
Accounts Receivable (net of allowances)	385,717	156,131	229,586
Interfund Receivable/Payable	(67,760,790)	(54,507,871)	(13,252,919)
Capital Assets (net of depreciation)	-	10,129	(10,129)
Investments	82,520,597	78,516,289	4,004,308
Other Assets	708,564	990,290	(281,726)
<b>TOTAL ASSETS</b>	<u><u>25,793,655</u></u>	<u><u>43,111,410</u></u>	<u><u>(17,317,755)</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
Accounts Payable and Accrued Liabilities	5,112,603	12,068,772	(6,956,169)
Unearned Fees Collected in Advance	11,671,519	12,030,723	(359,204)
Accrued Postretirement Benefits	-	9,147,256	(9,147,256)
Obligations under Debt Agreements	-	12,576	(12,576)
<b>TOTAL LIABILITIES</b>	<u><u>16,784,122</u></u>	<u><u>33,259,327</u></u>	<u><u>(16,475,205)</u></u>
<b>NET ASSETS</b>			
Net Assets at Beginning of Year	9,852,083	6,563,422	3,288,661
Current Operating Excess/(Deficit) of Revenue	(842,550)	3,288,661	(4,131,211)
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-
<b>TOTAL NET ASSETS</b>	<u><u>9,009,533</u></u>	<u><u>9,852,083</u></u>	<u><u>(842,550)</u></u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>25,793,655</u></u>	<u><u>43,111,410</u></u>	<u><u>(17,317,755)</u></u>

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - Restricted Funds**  
**As of December 31, 2008**

	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	Totals A-I
<b>ASSETS</b>														
Cash	50	-	-	-	-	-	-	-	-	-	-	-	-	50
Accounts Receivable (net of allowances)	-	-	-	-	-	-	-	-	-	-	2,680,472	56,526	-	2,736,998
Interfund Receivable/Payable	6,387,325	385,620	1,752,000	767,756	420,828	3,672,333	10,579,890	1,137,977	(974,238)	1,157,396	1,055,653	23,349	873,155	27,239,044
Capital Assets (net of depreciation)	-	-	-	14,912,769	-	-	-	-	-	-	-	-	-	14,912,769
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEB Asset	-	-	6,874,213	-	-	-	-	-	-	-	-	-	-	6,874,213
Other Assets	80,000	-	-	98,064	-	-	-	-	-	-	-	-	-	178,064
<b>TOTAL ASSETS</b>	<b>6,467,375</b>	<b>385,620</b>	<b>8,626,213</b>	<b>15,778,589</b>	<b>420,828</b>	<b>3,672,333</b>	<b>10,579,890</b>	<b>1,137,977</b>	<b>(974,238)</b>	<b>1,157,396</b>	<b>3,736,125</b>	<b>79,875</b>	<b>873,155</b>	<b>51,941,138</b>
<b>LIABILITIES AND NET ASSETS</b>														
Accounts Payable and Accrued Liabilities	298,872	58,961	-	67,512	-	41,941	4,910,749	-	41,750	16,893	-	-	-	5,436,678
Unearned Fees Collected in Advance	3,167,639	-	-	-	420,828	-	1,364,622	-	-	192,690	-	-	314,777	5,460,556
Grants Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>3,466,511</b>	<b>58,961</b>	<b>-</b>	<b>67,512</b>	<b>420,828</b>	<b>41,941</b>	<b>6,275,371</b>	<b>-</b>	<b>41,750</b>	<b>209,583</b>	<b>-</b>	<b>-</b>	<b>314,777</b>	<b>10,897,234</b>
<b>NET ASSETS</b>														
Net Assets at Beginning of Year	3,852,695	438,307	-	15,711,077	-	3,114,377	2,990,888	1,153,924	-	904,826	1,358,129	88,024	(7)	29,612,240
OPEB Liabilities	-	-	9,147,256	-	-	-	-	-	-	-	-	-	-	9,147,256
Current Operating Excess/(Deficit) of Revenue	(837,797)	(111,648)	(521,043)	-	-	516,015	1,313,631	(15,947)	(1,015,988)	42,987	2,377,996	(8,149)	558,385	2,298,442
Transfer of Fixed Assets to Fixed Assets Fund	(14,034)	-	-	-	-	-	-	-	-	-	-	-	-	(14,034)
<b>TOTAL NET ASSETS</b>	<b>3,000,864</b>	<b>326,659</b>	<b>8,626,213</b>	<b>15,711,077</b>	<b>-</b>	<b>3,630,392</b>	<b>4,304,519</b>	<b>1,137,977</b>	<b>(1,015,988)</b>	<b>947,813</b>	<b>3,736,125</b>	<b>79,875</b>	<b>558,378</b>	<b>41,043,904</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>6,467,375</b>	<b>385,620</b>	<b>8,626,213</b>	<b>15,778,589</b>	<b>420,828</b>	<b>3,672,333</b>	<b>10,579,890</b>	<b>1,137,977</b>	<b>(974,238)</b>	<b>1,157,396</b>	<b>3,736,125</b>	<b>79,875</b>	<b>873,155</b>	<b>51,941,138</b>

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - Restricted Funds**  
**As of December 31, 2008**

	Justice Gap	Lawyers Assistance Program	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Total page J-T	Total page A-I	All Restricted Funds
<b>ASSETS</b>													
Cash	-	-	-	-	-	-	-	-	-	-	-	50	50
Accounts Receivable (net of allowances)	-	-	-	1,159,000	-	-	-	2	-	-	1,159,002	2,736,998	3,896,000
Interfund Receivable/Payable	1,307,995	1,777,336	1,055,650	17,605,871	2,091,727	1,122,324	6,350,437	8,513,304	504,175	192,927	40,521,746	27,239,044	67,760,790
Capital Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-	-	-	14,912,769
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEB Asset	-	-	-	-	-	-	-	-	-	-	-	-	6,874,213
Other Assets	-	-	36,585	-	-	-	-	819	205,275	-	242,679	178,064	420,743
<b>TOTAL ASSETS</b>	<b>1,307,995</b>	<b>1,777,336</b>	<b>1,092,235</b>	<b>18,764,871</b>	<b>2,091,727</b>	<b>1,122,324</b>	<b>6,350,437</b>	<b>8,514,125</b>	<b>709,450</b>	<b>192,927</b>	<b>41,923,427</b>	<b>51,941,138</b>	<b>93,864,565</b>
<b>LIABILITIES AND NET ASSETS</b>													
Accounts Payable and Accrued Liabilities	-	44,663	2,038	58,265	5,903	34,064	-	116,981	709,450	-	971,364	5,436,678	6,408,042
Unearned Fees Collected in Advance	100	370,238	-	-	247,715	191,155	-	1,011,306	-	-	1,820,514	5,460,556	7,281,070
Grants Payable	-	-	-	3,966,118	-	-	-	-	-	-	3,966,118	-	3,966,118
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>100</b>	<b>414,901</b>	<b>2,038</b>	<b>4,024,383</b>	<b>253,618</b>	<b>225,219</b>	<b>-</b>	<b>1,128,287</b>	<b>709,450</b>	<b>-</b>	<b>6,757,996</b>	<b>10,897,234</b>	<b>17,655,230</b>
<b>NET ASSETS</b>													
Net Assets at Beginning of Year	349,816	686,276	904,248	8,655,248	1,875,859	728,055	6,118,391	6,003,388	150,043	209,577	25,680,901	29,612,240	55,293,141
OPEB Liabilities	-	-	-	-	-	-	-	-	-	-	-	9,147,256	9,147,256
Current Operating Excess/(Deficit) of Revenue	958,079	676,159	185,949	6,085,240	(37,750)	169,050	232,046	1,382,450	15,194	93,915	9,760,332	2,298,442	12,058,775
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	(165,237)	(110,565)	(275,802)	(14,034)	(289,836)
<b>TOTAL NET ASSETS</b>	<b>1,307,895</b>	<b>1,362,435</b>	<b>1,090,197</b>	<b>14,740,488</b>	<b>1,838,109</b>	<b>897,105</b>	<b>6,350,437</b>	<b>7,385,838</b>	<b>-</b>	<b>192,927</b>	<b>35,165,431</b>	<b>41,043,904</b>	<b>76,209,335</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>1,307,995</b>	<b>1,777,336</b>	<b>1,092,235</b>	<b>18,764,871</b>	<b>2,091,727</b>	<b>1,122,324</b>	<b>6,350,437</b>	<b>8,514,125</b>	<b>709,450</b>	<b>192,927</b>	<b>41,923,427</b>	<b>51,941,138</b>	<b>93,864,565</b>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - All Funds**  
**For the Twelve Months Ending December 31, 2008**

**Attachment 4**

	General Fund	Restricted Funds	Fixed Asset Fund	Total All Funds Year to Date Dec-08	Total All Funds Year to Date Dec-07	Change	Percentage Change
<b>OPERATING REVENUES:</b>							
Membership Fees, Voluntary Contributions	57,327,636	12,622,790	-	69,950,426	68,363,453	1,586,973	2.32%
Convention Income	450	1,008,178	-	1,008,628	1,027,994	(19,366)	-1.88%
Law Corporation Registration Fees	-	700,717	-	700,717	669,096	31,621	4.73%
Continuing Legal Education Fees	873,131	732,320	-	1,605,451	1,614,589	(9,138)	-0.57%
Law Practices Sections Fees	-	4,694,303	-	4,694,303	4,538,799	155,504	3.43%
Grants Received	-	12,715,039	-	12,715,039	11,477,237	1,237,802	10.78%
Trust Account Revenue	-	22,270,622	-	22,270,622	18,055,095	4,215,527	23.35%
EAF AB145 Filing Fee Revenue	-	6,104,395	-	6,104,395	4,939,050	1,165,345	23.59%
Other Revenue	654,772	4,268,105	-	4,922,877	4,190,434	732,443	17.48%
Examination Application Fees	-	16,223,463	-	16,223,463	16,167,195	56,268	0.35%
Legal Specialization Fees	-	909,600	-	909,600	1,075,512	(165,912)	-15.43%
Seminar/Workshop Revenue	61,591	1,448,150	-	1,509,741	1,200,482	309,259	25.76%
CalBar Journal Revenue	945,838	-	-	945,838	1,144,022	(198,184)	-17.32%
<b>Total Operating Revenue</b>	<b>59,863,418</b>	<b>83,697,682</b>	<b>-</b>	<b>143,561,100</b>	<b>134,462,958</b>	<b>9,098,141</b>	<b>6.77%</b>
<b>OPERATING EXPENSES:</b>							
Discipline and Adjudication	51,805,356	-	-	51,805,356	47,207,419	4,597,937	9.74%
Grant Expenses	-	31,702,133	-	31,702,133	28,381,311	3,320,822	11.70%
Administration of Justice	901,095	-	-	901,095	841,053	60,042	7.14%
Governance	2,445,397	-	-	2,445,397	3,421,441	(976,044)	-28.53%
Administration of the Profession	2,679,521	1,303,742	-	3,983,263	3,418,551	564,712	16.52%
Program Development	1,789,107	-	-	1,789,107	1,637,140	151,967	9.28%
Communications	2,902,571	-	-	2,902,571	2,659,034	243,537	9.16%
Examination costs and administration	-	17,752,880	-	17,752,880	16,785,842	967,038	5.76%
Law Practices (Sections)	-	4,262,758	-	4,262,758	4,054,910	207,848	5.13%
Claims (net of reimbursements)	-	4,089,346	-	4,089,346	4,768,802	(679,456)	-14.25%
General and Administrative costs	-	15,736,779	1,318,114	17,054,893	16,394,855	660,038	4.03%
OPEB Benefit Expense	-	521,043	-	521,043	-	521,043	100.00%
Other	(174,604)	-	-	(174,604)	173,132	(347,736)	-200.85%
<b>Total Operating Expenses</b>	<b>62,348,443</b>	<b>75,368,681</b>	<b>1,318,114</b>	<b>139,035,238</b>	<b>129,743,490</b>	<b>9,291,748</b>	<b>7.16%</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(2,485,025)</b>	<b>8,329,001</b>	<b>(1,318,114)</b>	<b>4,525,862</b>	<b>4,719,468</b>	<b>(193,607)</b>	<b>-4.10%</b>
<b>NON-OPERATING REVENUE:</b>							
Investment Income	1,642,475	2,548,068	-	4,190,543	5,514,607	(1,324,064)	-24.01%
Rental Income	-	1,181,705	-	1,181,705	1,101,571	80,134	7.27%
<b>Total Non-Operating Revenue</b>	<b>1,642,475</b>	<b>3,729,773</b>	<b>-</b>	<b>5,372,248</b>	<b>6,616,178</b>	<b>(1,243,930)</b>	<b>-18.80%</b>
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>(842,550)</b>	<b>12,058,775</b>	<b>(1,318,114)</b>	<b>9,898,110</b>	<b>11,335,646</b>	<b>(1,437,537)</b>	<b>-12.68%</b>
<b>CHANGES IN NET ASSETS:</b>							
Net Assets at beginning of year	9,852,083	55,293,141	21,043,308	86,188,532	74,852,886	11,335,646	15.14%
Transfers of Fixed Assets to Fixed Asset Fund	-	(289,836)	289,836	-	-	-	-
<b>NET ASSETS AS OF December 31, 2008</b>	<b>9,009,533</b>	<b>76,209,335</b>	<b>20,015,030</b>	<b>96,086,642</b>	<b>86,188,532</b>	<b>9,898,110</b>	<b>11.48%</b>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - General Fund**  
**For the Twelve Months Ending December 31, 2008**

**Attachment 5**

	<u>Year to Date December-08</u>	<u>Year to Date December-07</u>	<u>Change</u>
<b>OPERATING REVENUES</b>			
Membership Fee, Voluntary Contributions and Attorney Applications	57,327,636	56,227,815	1,099,821
Convention Income	450	-	450
Continuing Legal Education Fees	873,131	855,539	17,592
Grants	-	7,000	(7,000)
Other	654,772	592,129	62,643
Seminar/Workshop Revenue	61,591	7,967	53,624
CalBar Journal Revenue	945,838	1,094,022	(148,184)
<b>Total Operating Revenue</b>	<u>59,863,418</u>	<u>58,784,472</u>	<u>1,078,946</u>
<b>OPERATING EXPENSES:</b>			
Discipline & Adjudication	51,805,356	47,207,419	4,597,937
Administration of Justice	901,095	841,053	60,042
Governance	2,445,397	3,421,441	(976,044)
Administration of the Profession	2,679,521	2,135,190	544,331
Program Development	1,789,107	1,637,140	151,967
Communications	2,902,571	2,659,034	243,537
Other	(174,604)	178,566	(353,170)
<b>Total Operating Expenses</b>	<u>62,348,443</u>	<u>58,079,843</u>	<u>4,268,601</u>
<b>OPERATING INCOME/(LOSS)</b>	(2,485,025)	704,629	(3,189,655)
<b>NON-OPERATING REVENUE</b>			
Investment Income	1,642,475	2,584,032	(941,557)
Total Non-Operating Revenue	<u>1,642,475</u>	<u>2,584,032</u>	<u>(941,557)</u>
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>	<u>(842,550)</u>	<u>3,288,661</u>	<u>(4,131,211)</u>
<b>NET ASSETS</b>			
Net Assets at beginning of year	9,852,083	6,563,422	3,288,661
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-
<b>NET ASSETS AS OF December 31, 2008</b>	<u>9,009,533</u>	<u>9,852,083</u>	<u>(842,550)</u>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds**  
**For the Twelve Months Ending December 31, 2008**

**Attachment 6**  
**Page 1 of 2**

	Admissions	Annual Meeting	Benefit Reserve	Building	Building Special Assessment	Certification Activities	Client Security	Discipline	Education Foundation	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Totals A-I
<b>REVENUE</b>														
Membership Fees & voluntary dues	-	-	-	10,997	-	-	6,715,339	-	-	799,125	-	-	1,582,645	9,108,106
Investment Income	281,013	21,730	-	6,627	-	121,728	422,005	41,829	(5,013)	43,710	80,673	-	51,804	1,066,106
Convention Income	-	743,800	-	-	-	-	-	-	234,454	-	-	-	-	978,254
Law Corporation Registration Fees	-	-	-	-	-	700,717	-	-	-	-	-	-	-	700,717
Continuing Legal Education Fees	-	-	-	-	-	725,270	-	-	-	-	-	-	-	725,270
Rental Income	-	-	-	1,154,061	-	-	-	-	-	-	-	-	-	1,154,061
Grant Received	-	-	-	-	-	-	-	-	-	7,300	12,215,898	491,841	-	12,715,039
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	6,104,395	-	-	6,104,395
Other	410,607	142,373	-	-	-	271,742	-	-	213,449	-	530,257	-	-	1,568,428
Application Fees	16,223,463	-	-	-	-	-	-	-	-	-	-	-	-	16,223,463
Seminar/Workshop Revenue	-	-	-	-	-	-	-	-	1,400,101	-	-	-	-	1,400,101
Interfund Transaction-Revenue	-	17,500	-	-	-	300	-	-	-	-	-	-	-	17,800
<b>TOTAL REVENUE</b>	<b>16,915,083</b>	<b>925,403</b>	<b>-</b>	<b>1,171,685</b>	<b>-</b>	<b>1,819,757</b>	<b>7,137,344</b>	<b>41,829</b>	<b>1,842,991</b>	<b>850,135</b>	<b>18,931,223</b>	<b>491,841</b>	<b>1,634,449</b>	<b>51,761,740</b>
<b>EXPENSES</b>														
Grant Expenses	-	-	-	-	-	-	-	-	-	-	16,158,761	-	-	16,158,761
Administration of the Profession	-	-	-	-	-	1,303,742	-	-	-	-	-	-	-	1,303,742
Examination Costs and Administration	17,752,880	-	-	-	-	-	-	-	-	-	-	-	-	17,752,880
Claims (net of reimbursement)	-	-	-	-	-	-	4,089,346	-	-	-	-	-	-	4,089,346
General and Administrative	-	1,037,051	-	1,171,685	-	-	1,734,367	57,776	2,858,979	795,749	394,466	499,990	-	8,550,063
OPEB Benefit Expense	-	-	521,043	-	-	-	-	-	-	-	-	-	-	521,043
Interfund Transaction-Expense	-	-	-	-	-	-	-	-	-	11,399	-	-	1,076,064	1,087,463
<b>TOTAL EXPENSES</b>	<b>17,752,880</b>	<b>1,037,051</b>	<b>521,043</b>	<b>1,171,685</b>	<b>-</b>	<b>1,303,742</b>	<b>5,823,713</b>	<b>57,776</b>	<b>2,858,979</b>	<b>807,148</b>	<b>16,553,227</b>	<b>499,990</b>	<b>1,076,064</b>	<b>49,463,298</b>
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>														
	<b>(837,797)</b>	<b>(111,648)</b>	<b>(521,043)</b>	<b>-</b>	<b>-</b>	<b>516,015</b>	<b>1,313,631</b>	<b>(15,947)</b>	<b>(1,015,988)</b>	<b>42,987</b>	<b>2,377,996</b>	<b>(8,149)</b>	<b>558,385</b>	<b>2,298,442</b>
<b>CHANGES IN NET ASSETS</b>														
Net Assets at beginning of year	3,852,695	438,307	-	15,711,077	-	3,114,377	2,990,888	1,153,924	-	904,826	1,358,129	88,024	(7)	29,612,240
OPEB Liabilities	-	-	9,147,256	-	-	-	-	-	-	-	-	-	-	9,147,256
Transfers of Fixed Assets to Fixed Assets Fund	(14,034)	-	-	-	-	-	-	-	-	-	-	-	-	(14,034)
<b>NET ASSETS AS OF DECEMBER 31, 2008</b>	<b>3,000,864</b>	<b>326,659</b>	<b>8,626,213</b>	<b>15,711,077</b>	<b>-</b>	<b>3,630,392</b>	<b>4,304,519</b>	<b>1,137,977</b>	<b>(1,015,988)</b>	<b>947,813</b>	<b>3,736,125</b>	<b>79,875</b>	<b>558,378</b>	<b>41,043,904</b>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds**  
**For the Twelve Months Ending December 31, 2008**

	Justice Gap	Lawyer Assistance	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Totals J-T	Totals A-I	Interfund Transaction Elimination	Totals Restricted Funds
<b>REVENUE</b>														
Membership Fees & voluntary dues	923,140	1,794,119	-	-	-	787,425	-	-	10,000	-	3,514,684	9,108,106	-	12,622,790
Investment Income	35,045	60,688	36,724	599,229	76,503	40,107	232,046	317,714	90,878	(6,972)	1,481,962	1,066,106	-	2,548,068
Convention Income	-	-	-	-	-	-	-	29,924	-	-	29,924	978,254	-	1,008,178
Law Corporation Registration Fees	-	-	-	-	-	-	-	-	-	-	-	700,717	-	700,717
Continuing Legal Education Revenue	-	-	-	-	7,050	-	-	-	-	-	7,050	725,270	-	732,320
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	4,694,303	-	-	4,694,303	-	-	4,694,303
Rental Income	-	-	-	-	-	27,644	-	-	-	-	27,644	1,154,061	-	1,181,705
Grant Received	-	-	-	-	-	-	-	-	-	-	-	12,715,039	-	12,715,039
Trust Account Revenue	-	-	-	22,270,622	-	-	-	-	-	-	22,270,622	-	-	22,270,622
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	6,104,395	-	6,104,395
Other	-	1,145,031	932,770	4,356	3,465	-	-	614,055	-	-	2,699,677	1,568,428	-	4,268,105
Application Fees	-	-	-	-	-	-	-	-	-	-	-	16,223,463	-	16,223,463
Legal Specialization Fees	-	-	-	-	909,600	-	-	-	-	-	909,600	-	-	909,600
Seminar/Workshop Revenue	-	-	-	-	-	-	-	48,049	-	-	48,049	1,400,101	-	1,448,150
Interfund Transaction-Revenue	-	-	-	-	-	-	-	-	-	1,139,899	1,139,899	17,800	(1,157,699)	-
<b>TOTAL REVENUE</b>	<b>958,185</b>	<b>2,999,838</b>	<b>969,494</b>	<b>22,874,207</b>	<b>996,618</b>	<b>855,176</b>	<b>232,046</b>	<b>5,704,045</b>	<b>100,878</b>	<b>1,132,927</b>	<b>36,823,414</b>	<b>51,761,740</b>	<b>(1,157,699)</b>	<b>87,427,455</b>
<b>EXPENSES</b>														
Grant Expenses	-	-	-	15,543,372	-	-	-	-	-	-	15,543,372	16,158,761	-	31,702,133
Administration of the Profession	-	-	-	-	-	-	-	-	-	-	-	1,303,742	-	1,303,742
Examination costs and Administration	-	-	-	-	-	-	-	-	-	-	-	17,752,880	-	17,752,880
Claims (net of reimbursement)	-	-	-	-	-	-	-	-	-	-	-	4,089,346	-	4,089,346
Law Practices (Sections)	-	-	-	-	-	-	-	4,262,758	-	-	4,262,758	-	-	4,262,758
General and Administrative	106	2,323,679	783,545	1,245,595	1,034,368	674,727	-	-	85,684	1,039,012	7,186,716	8,550,063	-	15,736,779
OPEB Benefit Expense	-	-	-	-	-	-	-	-	-	-	-	521,043	-	521,043
Interfund Transaction-Expense	-	-	-	-	-	11,399	-	58,837	-	-	70,236	1,087,463	(1,157,699)	-
<b>TOTAL EXPENSES</b>	<b>106</b>	<b>2,323,679</b>	<b>783,545</b>	<b>16,788,967</b>	<b>1,034,368</b>	<b>686,126</b>	<b>-</b>	<b>4,321,595</b>	<b>85,684</b>	<b>1,039,012</b>	<b>27,063,082</b>	<b>49,463,298</b>	<b>(1,157,699)</b>	<b>75,368,681</b>
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>														
	<b>958,079</b>	<b>676,159</b>	<b>185,949</b>	<b>6,085,240</b>	<b>(37,750)</b>	<b>169,050</b>	<b>232,046</b>	<b>1,382,450</b>	<b>15,194</b>	<b>93,915</b>	<b>9,760,332</b>	<b>2,298,442</b>	<b>-</b>	<b>12,058,775</b>
<b>CHANGES IN NET ASSETS</b>														
Net Assets at beginning of year	349,816	686,276	904,248	8,655,248	1,875,859	728,055	6,118,391	6,003,388	150,043	209,577	25,680,901	29,612,240	-	55,293,141
OPEB Liabilities	-	-	-	-	-	-	-	-	-	-	-	9,147,256	-	9,147,256
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	(165,237)	(110,565)	(275,802)	(14,034)	-	(289,836)
<b>NET ASSETS AS OF DECEMBER 31, 2008</b>	<b>1,307,895</b>	<b>1,362,435</b>	<b>1,090,197</b>	<b>14,740,488</b>	<b>1,838,109</b>	<b>897,105</b>	<b>6,350,437</b>	<b>7,385,838</b>	<b>-</b>	<b>192,927</b>	<b>35,165,431</b>	<b>41,043,904</b>	<b>-</b>	<b>76,209,335</b>

**The State Bar of California**  
**Budget to Actual Comparison-General Fund**  
**For the Twelve Months Ending December 31, 2008**

**Attachment 7**

	<b>Current Quarter Actual</b>	<b>Current Quarter Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Dec-08 Year to Date Actual</b>	<b>Dec-08 Year to Date Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Dec-07 Prior Year to Date Actual</b>	<b>Inc./ (Dec.) From Prior Year</b>	<b>2008 Annual Budget</b>
<b>REVENUE</b>									
Membership Fees	12,289,971	14,245,560	(1,955,589)	57,327,636	56,982,249	345,387	56,227,815	1,099,821	56,982,249
Investment Income	379,265	424,997	(45,732)	1,642,475	1,700,000	(57,525)	2,584,032	(941,557)	1,700,000
Convention Income	-	-	-	450	-	450	-	450	-
CalBar Journal Revenue	262,428	332,749	(70,321)	945,838	1,330,993	(385,155)	1,094,022	(148,184)	1,330,993
Grants Received	-	-	-	-	-	-	7,000	(7,000)	-
Continuing Legal Education	81,882	100,618	(18,736)	873,131	402,487	470,644	855,539	17,592	402,487
Seminar/Workshop Revenue	-	1,800	(1,800)	61,591	7,200	54,391	7,967	53,624	7,200
Other	129,617	139,438	(9,821)	654,772	557,758	97,014	592,129	62,643	557,758
<b>TOTAL REVENUE</b>	<b>13,143,163</b>	<b>15,245,162</b>	<b>(2,101,999)</b>	<b>61,505,893</b>	<b>60,980,688</b>	<b>525,205</b>	<b>61,368,504</b>	<b>137,389</b>	<b>60,980,688</b>
<b>EXPENSES</b>									
Discipline	13,454,565	14,476,362	1,021,797	51,805,356	52,834,306	1,028,952	47,207,419	4,597,935	52,834,306
Administration of Justice	221,370	239,806	18,436	901,095	899,549	(1,546)	841,053	60,042	899,549
Governance	101,468	1,086,474	985,006	2,445,397	3,977,557	1,532,160	3,421,441	(976,044)	3,977,557
Administration of the Profession	963,425	634,057	(329,368)	2,679,521	2,329,866	(349,655)	2,135,190	544,331	2,329,866
Program Development	367,691	533,340	165,649	1,789,107	1,946,057	156,950	1,637,140	151,967	1,946,057
Communications	640,572	803,492	162,920	2,902,571	3,059,686	157,115	2,659,034	243,537	3,059,686
Other	(16,431)	45,104	61,535	(174,604)	180,419	355,023	178,566	(353,169)	180,419
<b>TOTAL EXPENSES</b>	<b>15,732,660</b>	<b>17,818,635</b>	<b>2,085,975</b>	<b>62,348,443</b>	<b>65,227,440</b>	<b>2,878,997</b>	<b>58,079,843</b>	<b>4,268,599</b>	<b>65,227,440</b>
<b>NET OPERATING SUPLUS/(DEFICIT)</b>	<b>(2,589,497)</b>	<b>(2,573,473)</b>	<b>(16,024)</b>	<b>(842,550)</b>	<b>(4,246,751)</b>	<b>3,404,201</b>	<b>3,288,661</b>	<b>(4,131,210)</b>	<b>(4,246,751)</b>

**The State Bar of California**  
**Budget to Actual Comparison - General Fund**  
**Expenses by Function**  
**For the Twelve Months Ending December 31, 2008**

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Dec-08 Year to Date Actual	Dec-08 Year to Date Budget	Variance Favorable (Unfavorable)	Dec-07 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2008 Annual Budget
<b>EXPENSES BY FUNCTION</b>									
<b>Enforcement</b>									
Trial Counsel - Administration	2,504,175	3,329,130	824,955	11,321,607	11,927,574	605,967	10,088,585	1,233,022	11,927,574
Trial Unit - San Francisco	1,523,067	1,457,370	(65,697)	5,571,812	5,354,221	(217,591)	5,206,858	364,954	5,354,221
Trial Unit - Los Angeles	3,559,135	3,580,850	21,715	13,214,511	13,132,305	(82,206)	12,195,773	1,018,738	13,132,305
Intake	978,937	960,413	(18,524)	3,564,873	3,506,611	(58,262)	3,387,270	177,603	3,506,611
Central Administration Unit	1,298,786	1,366,870	68,084	4,559,770	5,012,915	453,145	4,171,877	387,893	5,012,915
Quality Assurance	-	-	-	-	-	-	69	(69)	-
Abandoned Cases/UPL	597	-	(597)	597	-	(597)	-	597	-
Probation Unit	202,743	225,118	22,375	831,146	824,226	(6,920)	812,530	18,616	824,226
<b>Total Enforcement</b>	<b>10,067,440</b>	<b>10,919,751</b>	<b>852,311</b>	<b>39,064,316</b>	<b>39,757,852</b>	<b>693,536</b>	<b>35,862,962</b>	<b>3,201,354</b>	<b>39,757,852</b>
<b>State Bar Court</b>									
Presiding & Review Judges	149,052	119,641	(29,411)	616,111	440,791	(175,320)	591,572	24,539	440,791
Hearing Judges	341,578	258,092	(83,486)	1,290,351	969,296	(321,055)	1,063,779	226,572	969,296
Judicial Transitions	1,025	8,928	7,903	36,576	35,730	(846)	3,104	33,472	35,730
SBC Executive Committee	9	28	19	10	100	90	91	(81)	100
SBC - Sr. Executive	874,249	894,959	20,710	3,291,018	3,237,754	(53,264)	2,786,934	504,084	3,237,754
SBC - Sr. Executive Projects	9,923	16,158	6,235	15,332	64,650	49,318	-	15,332	64,650
Hearing/Administration - San Francisco	233,300	252,646	19,346	859,990	918,055	58,065	745,179	114,811	918,055
Hearing Counsel - LA/SF	344,167	321,722	(22,445)	1,217,024	1,205,145	(11,879)	1,073,263	143,761	1,205,145
Review Counsel/Clerk	266,065	227,712	(38,353)	954,321	837,351	(116,970)	798,666	155,655	837,351
SBC Reporter	2,475	14,189	11,714	10,855	56,786	45,931	15,609	(4,754)	56,786
Hearing/Effectuation/Administration	387,104	394,130	7,026	1,299,921	1,442,115	142,194	1,197,371	102,550	1,442,115
<b>Total State Bar Court</b>	<b>2,608,947</b>	<b>2,508,205</b>	<b>(100,742)</b>	<b>9,591,509</b>	<b>9,207,773</b>	<b>(383,736)</b>	<b>8,275,568</b>	<b>1,315,941</b>	<b>9,207,773</b>
<b>Mandatory Fee Arbitration</b>									
Mandatory Fee Arbitration	131,085	248,360	117,275	712,672	898,208	185,536	696,016	16,656	898,208
Agreement with Local Bar Associations	18,324	9,429	(8,895)	62,316	37,725	(24,591)	52,341	9,975	37,725
<b>Total Mandatory Fee Arbitration</b>	<b>149,409</b>	<b>257,789</b>	<b>108,380</b>	<b>774,988</b>	<b>935,933</b>	<b>160,945</b>	<b>748,357</b>	<b>26,631</b>	<b>935,933</b>
<b>Professional Competence</b>									
Disc. Cost Recovery	20,413	60,399	39,986	75,165	233,124	157,959	65,597	9,568	233,124
Lawyers' Personal Assistance	38,969	104,910	65,941	204,816	419,676	214,860	353,097	(148,281)	419,676
Publication 250	14,226	301	(13,925)	18,602	1,174	(17,428)	30,628	(12,026)	1,174
Professional Responsibility and Conduct	477,810	590,830	113,020	1,887,526	2,142,015	254,489	1,730,389	157,137	2,142,015
COPRAC - Publications	19,877	11,213	(8,664)	52,367	44,900	(7,467)	45,312	7,055	44,900
Committee on Professional Responsibility	12,231	986	(11,245)	15,081	3,938	(11,143)	19,176	(4,095)	3,938
Rules Revision Committee	45,243	21,978	(23,265)	120,984	87,921	(33,063)	76,333	44,651	87,921
<b>Total Professional Competence</b>	<b>628,769</b>	<b>790,617</b>	<b>161,848</b>	<b>2,374,541</b>	<b>2,932,748</b>	<b>558,207</b>	<b>2,320,532</b>	<b>54,009</b>	<b>2,932,748</b>
<b>TOTAL DISCIPLINE</b>	<b>13,454,565</b>	<b>14,476,362</b>	<b>1,021,797</b>	<b>51,805,356</b>	<b>52,834,306</b>	<b>1,028,952</b>	<b>47,207,419</b>	<b>4,597,935</b>	<b>52,834,306</b>

**The State Bar of California**  
**Budget to Actual Comparison - General Fund**  
**Expenses by Function**  
**For the Twelve Months Ending December 31, 2008**

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Dec-08 Year to Date Actual	Dec-08 Year to Date Budget	Variance Favorable (Unfavorable)	Dec-07 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2008 Annual Budget
<b>EXPENSES BY FUNCTION</b>									
<b>Administration of Justice</b>									
Commission on Judicial Nomination Evaluations	221,086	238,961	17,875	900,371	896,166	(4,205)	824,875	75,496	896,166
Attorney Civility Task Force	284	845	561	426	3,383	2,957	16,178	(15,752)	3,383
Sustainability Task Force	-	-	-	298	-	(298)	-	298	-
<b>Total Administration of Justice</b>	<b>221,370</b>	<b>239,806</b>	<b>18,436</b>	<b>901,095</b>	<b>899,549</b>	<b>(1,546)</b>	<b>841,053</b>	<b>60,042</b>	<b>899,549</b>
<b>Governance</b>									
Executive Director	336,271	109,165	(227,106)	462,026	409,249	(52,777)	330,080	131,946	409,249
Deputy Executive Director	242,191	129,181	(113,010)	444,528	482,617	38,089	467,905	(23,377)	482,617
Board of Governors	(565,510)	810,778	1,376,288	1,430,040	2,939,289	1,509,249	2,487,279	(1,057,239)	2,939,289
Elections	16,644	13,382	(3,262)	32,153	53,933	21,780	56,370	(24,217)	53,933
Appointments Administration	71,872	23,968	(47,904)	76,650	92,469	15,819	79,807	(3,157)	92,469
<b>Total Governance</b>	<b>101,468</b>	<b>1,086,474</b>	<b>985,006</b>	<b>2,445,397</b>	<b>3,977,557</b>	<b>1,532,160</b>	<b>3,421,441</b>	<b>(976,044)</b>	<b>3,977,557</b>
<b>Administration of the Profession</b>									
Member Records & Certification	105,347	8,184	(97,163)	466,149	28,848	(437,301)	807,033	(340,884)	28,848
Call Center	-	-	-	-	-	-	14,534	(14,534)	-
Senior Executive-Member Services	102,402	108,900	6,498	387,779	395,858	8,079	370,000	17,779	395,858
Member Services Center	734,019	472,355	(261,664)	1,711,175	1,728,355	17,180	835,277	875,898	1,728,355
Child and Family Support	20	681	661	280	15,690	15,410	2,555	(2,275)	15,690
Multijurisdictional Practice	21,637	43,937	22,300	114,138	161,115	46,977	105,791	8,347	161,115
<b>Total Administration of the Profession</b>	<b>963,425</b>	<b>634,057</b>	<b>(329,368)</b>	<b>2,679,521</b>	<b>2,329,866</b>	<b>(349,655)</b>	<b>2,135,190</b>	<b>544,331</b>	<b>2,329,866</b>
<b>Program Development</b>									
Program Development	220,938	367,160	146,222	1,150,644	1,332,335	181,691	955,125	195,519	1,332,335
California Young Lawyers Association	25,905	23,542	(2,363)	66,419	87,372	20,953	111,661	(45,242)	87,372
Program Development Project	35	21,461	21,426	134,294	85,847	(48,447)	1,666	132,628	85,847
Access to Justice	108,895	115,453	6,558	414,876	417,598	2,722	542,368	(127,492)	417,598
Access / Fairness Program	-	-	-	-	-	-	12	(12)	-
Committee on Delivery of Legal Services	11,918	5,724	(6,194)	22,874	22,905	31	26,308	(3,434)	22,905
<b>Total Program Development</b>	<b>367,691</b>	<b>533,340</b>	<b>165,649</b>	<b>1,789,107</b>	<b>1,946,057</b>	<b>156,950</b>	<b>1,637,140</b>	<b>151,967</b>	<b>1,946,057</b>
<b>COMMUNICATIONS</b>									
Media & Information Services	185,332	316,724	131,392	1,077,871	1,168,504	90,633	844,921	232,950	1,168,504
Bar Journal	455,240	486,768	31,528	1,824,700	1,891,182	66,482	1,814,113	10,587	1,891,182
<b>Total Communications</b>	<b>640,572</b>	<b>803,492</b>	<b>162,920</b>	<b>2,902,571</b>	<b>3,059,686</b>	<b>157,115</b>	<b>2,659,034</b>	<b>243,537</b>	<b>3,059,686</b>
<b>OTHER</b>									
	(16,431)	45,104	61,535	(174,604)	180,419	355,023	178,566	(353,170)	180,419
<b>SUBTOTAL THIS PAGE</b>	<b>2,278,095</b>	<b>3,342,273</b>	<b>1,064,178</b>	<b>10,543,087</b>	<b>12,393,134</b>	<b>1,850,045</b>	<b>10,872,424</b>	<b>(329,337)</b>	<b>12,393,134</b>
<b>TOTAL DISCIPLINE FROM PAGE 1</b>	<b>13,454,565</b>	<b>14,476,362</b>	<b>1,021,797</b>	<b>51,805,356</b>	<b>52,834,306</b>	<b>1,028,952</b>	<b>47,207,419</b>	<b>4,597,935</b>	<b>52,834,306</b>
<b>TOTAL GENERAL FUND EXPENSE BY FUNCTION</b>	<b>15,732,660</b>	<b>17,818,635</b>	<b>2,085,975</b>	<b>62,348,441</b>	<b>65,227,440</b>	<b>2,878,997</b>	<b>58,079,843</b>	<b>4,268,598</b>	<b>65,227,440</b>