



# THE STATE BAR OF CALIFORNIA

FINANCE

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TEL (415) 538-2200

## MEMORANDUM

**DATE:** June 25, 2009  
**TO:** Board of Governors  
**FROM:** Peggy Van Horn, Chief Financial Officer  
**SUBJECT:** 1st Quarter 2009 Financial Statements – Financial Highlights

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Attached for your review are the 2009 first quarter 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 quarter ended March 31, 2009, the Bar's total assets are \$185.3 million, liabilities are \$16.7 million and net assets are \$168.6 million. The General Fund, the Bar's largest operating fund, has assets of \$59.7 million, liabilities of \$9.6 million and net assets of \$50 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 (deficiency) of revenues over expenses and changes in net assets. For the quarter ended March 31, 2009, the Bar's total

revenues (operating and non-operating) are \$92 million, and expenses are \$28.7 million, resulting in a surplus of \$63.3 million.

The General Fund's total revenues recognized for the first quarter in 2009 are \$39 million higher than the \$17.1 million recognized for the same reporting period in 2008. This is simply a change in presentation for the State Bar's internal reporting for 2009. For many years, the Bar's membership fee revenue was recognized and reported internally using a "smoothing" approach in which member revenue was recognized using an amortized methodology that reflected member revenue as being earned throughout the year rather than when actually received. Staff believes that recognizing membership fee revenue when received is more meaningful than the methodology used in 2008 and previous years.

### **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 an unfavorable variance of \$0.2 million. As discussed above, this large variance in year-to-date membership fee revenue for 2009 over 2008 is due to a change in the Bar's internal method of recognizing earned membership revenue as stated above. Staff believes that reporting revenue when received is more meaningful than the presentation used in 2008 and prior year.

Total General Fund Budget to Actual expenses through the first quarter show a favorable variance of \$0.4 million, which reflects a decrease of expenses primarily in discipline functional area.

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 March 31, 2009**

**Attachment 1**

	<b>General Fund</b>	<b>Restricted Funds</b>	<b>Fixed Asset Fund</b>	<b>YTD Total All Funds March-09</b>	<b>YTD Total All Funds March-08</b>	<b>Change</b>
<b>ASSETS</b>						
Cash	29,505,903	50	-	29,505,953	26,049,367	3,456,586
Accounts Receivable (net of allowances)	131,302	3,827,375	-	3,958,677	10,694,706	(6,736,029)
Interfund Receivable/Payable	(80,203,380)	80,203,380	-	-	-	-
Capital Assets (net of depreciation)	-	14,773,247	19,699,836	34,473,083	36,102,073	(1,628,990)
Investments	109,446,663	6,874,212	-	116,320,875	105,150,258	11,170,617
Other Assets	762,859	277,819	-	1,040,678	1,011,338	29,340
<b>TOTAL ASSETS</b>	<b>59,643,347</b>	<b>105,956,083</b>	<b>19,699,836</b>	<b>185,299,266</b>	<b>179,007,742</b>	<b>6,291,524</b>
<b>LIABILITIES AND NET ASSETS</b>						
Accounts Payable and Accrued Liabilities	8,645,251	7,102,181	-	15,747,432	10,925,194	4,822,238
Unearned Fees Collected in Advance	587,479	-	-	587,479	43,428,860	(42,841,381)
Grants Payable	-	6,660	-	6,660	6,747	(87)
Accrued Postretirement Benefits	408,053	-	-	408,053	9,532,185	(9,124,132)
Obligations under Debt Agreements	-	-	-	-	216,667	(216,667)
<b>TOTAL LIABILITIES</b>	<b>9,640,783</b>	<b>7,108,841</b>	<b>-</b>	<b>16,749,624</b>	<b>64,109,651</b>	<b>(47,360,029)</b>
<b>NET ASSETS</b>						
Net Assets at Beginning of Year	9,009,533	76,209,335	20,015,030	105,233,898	86,188,532	19,045,366
Current Operating Excess (Deficit)	40,993,031	22,644,417	(321,704)	63,315,744	28,709,559	34,606,185
Transfer of Fixed Assets to Fixed Assets Fund	-	(6,510)	6,510	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>50,002,564</b>	<b>98,847,242</b>	<b>19,699,836</b>	<b>168,549,642</b>	<b>114,898,091</b>	<b>53,651,551</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>59,643,347</b>	<b>105,956,083</b>	<b>19,699,836</b>	<b>185,299,266</b>	<b>179,007,742</b>	<b>6,291,524</b>

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - General Fund**  
**As of March 31, 2009**

**Attachment 2**

	<u>Year to Date Total March-09</u>	<u>Year to Date Total March-08</u>	<u>Change</u>
<b>ASSETS</b>			
Cash	29,505,903	26,049,317	3,456,586
Accounts Receivable (net of allowances)	131,302	4,901,041	(4,769,739)
Interfund Receivable/Payable	(80,203,380)	(67,636,782)	(12,566,598)
Capital Assets (net of depreciation)	-	1,351	(1,351)
Investments	109,446,663	105,150,259	4,296,404
Other Assets	762,859	734,429	28,430
<b>TOTAL ASSETS</b>	<u><u>59,643,347</u></u>	<u><u>69,199,615</u></u>	<u><u>(9,556,268)</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
Accounts Payable and Accrued Liabilities	8,645,251	3,740,187	4,905,064
Unearned Fees Collected in Advance	587,479	43,400,037	(42,812,558)
Accrued Postretirement Benefits	408,053	9,532,185	(9,124,132)
Obligations under Debt Agreements	-	-	-
<b>TOTAL LIABILITIES</b>	<u><u>9,640,783</u></u>	<u><u>56,672,409</u></u>	<u><u>(47,031,626)</u></u>
<b>NET ASSETS</b>			
Net Assets at Beginning of Year	9,009,533	9,852,083	(842,550)
Current Operating Excess (Deficit)	40,993,031	2,675,123	38,317,908
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-
<b>TOTAL NET ASSETS</b>	<u><u>50,002,564</u></u>	<u><u>12,527,206</u></u>	<u><u>37,475,358</u></u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>59,643,347</u></u>	<u><u>69,199,615</u></u>	<u><u>(9,556,268)</u></u>

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - Restricted Funds**  
**As of March 31, 2009**

	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)	520	-	-	-	-	-	-	-	-	-	2,611,269	56,526	-	2,668,315
Interfund Receivable/Payable	8,270,616	303,279	1,754,464	886,079	1,895,162	3,987,578	15,341,312	1,139,577	(170,891)	1,534,756	128,196	48,056	2,114,703	37,232,887
Capital Assets (net of depreciation)	-	-	-	14,773,247	-	-	-	-	-	-	-	-	-	14,773,247
Investments	-	-	6,874,212	-	-	-	-	-	-	-	-	-	-	6,874,212
Other Assets	104,072	-	-	44,258	-	-	-	-	-	-	-	-	-	148,330
<b>TOTAL ASSETS</b>	<b>8,375,258</b>	<b>303,279</b>	<b>8,628,676</b>	<b>15,703,584</b>	<b>1,895,162</b>	<b>3,987,578</b>	<b>15,341,312</b>	<b>1,139,577</b>	<b>(170,891)</b>	<b>1,534,756</b>	<b>2,739,465</b>	<b>104,582</b>	<b>2,114,703</b>	<b>61,697,041</b>
<b>LIABILITIES AND NET ASSETS</b>														
Accounts Payable and Accrued Liabilities	301,863	19,350	-	67,512	-	46,154	5,648,741	-	-	14,623	-	-	-	6,098,243
Unearned Fees Collected in Advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>301,863</b>	<b>19,350</b>	<b>-</b>	<b>67,512</b>	<b>-</b>	<b>46,154</b>	<b>5,648,741</b>	<b>-</b>	<b>-</b>	<b>14,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,098,243</b>
<b>NET ASSETS</b>														
Net Assets at Beginning of Year	3,000,864	326,659	8,626,213	15,711,077	-	3,630,392	4,304,519	1,137,977	-	947,813	3,736,125	79,875	558,378	42,059,892
Current Operating Excess/(Deficit) of Revenue	5,072,531	(42,730)	2,463	(68,495)	1,895,162	311,032	5,388,052	1,600	(170,891)	572,320	(996,660)	24,707	1,556,325	13,545,416
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	(6,510)	-	-	-	-	-	-	-	-	-	(6,510)
<b>TOTAL NET ASSETS</b>	<b>8,073,395</b>	<b>283,929</b>	<b>8,628,676</b>	<b>15,636,072</b>	<b>1,895,162</b>	<b>3,941,424</b>	<b>9,692,571</b>	<b>1,139,577</b>	<b>(170,891)</b>	<b>1,520,133</b>	<b>2,739,465</b>	<b>104,582</b>	<b>2,114,703</b>	<b>55,598,798</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>8,375,258</b>	<b>303,279</b>	<b>8,628,676</b>	<b>15,703,584</b>	<b>1,895,162</b>	<b>3,987,578</b>	<b>15,341,312</b>	<b>1,139,577</b>	<b>(170,891)</b>	<b>1,534,756</b>	<b>2,739,465</b>	<b>104,582</b>	<b>2,114,703</b>	<b>61,697,041</b>

**The State Bar of California**  
**Statement of Assets, Liabilities and Net Assets - Restricted Funds**  
**As of March 31, 2009**

	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)	-	-	60	1,159,000	-	-	-	-	-	-	1,159,060	2,668,315	3,827,375
Interfund Receivable/Payable	1,821,567	2,590,833	927,076	15,409,803	2,479,231	1,476,771	6,359,363	10,511,453	1,463,776	(69,380)	42,970,492	37,232,887	80,203,380
Capital Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-	-	14,773,247	14,773,247
Investments	-	-	-	-	-	-	-	-	-	-	-	6,874,212	6,874,212
Other Assets	-	-	22,843	-	-	-	-	-	106,648	-	129,490	148,330	277,819
<b>TOTAL ASSETS</b>	<b>1,821,567</b>	<b>2,590,833</b>	<b>949,979</b>	<b>16,568,803</b>	<b>2,479,231</b>	<b>1,476,771</b>	<b>6,359,363</b>	<b>10,511,453</b>	<b>1,570,424</b>	<b>(69,380)</b>	<b>44,259,042</b>	<b>61,697,041</b>	<b>105,956,083</b>
<b>LIABILITIES AND NET ASSETS</b>													
Accounts Payable and Accrued Liabilities	100	46,857	-	54,150	6,609	28,452	-	111,887	755,883	-	1,003,938	6,098,243	7,102,181
Unearned Fees Collected in Advance	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants Payable	-	-	-	6,660	-	-	-	-	-	-	6,660	-	6,660
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>100</b>	<b>46,857</b>	<b>-</b>	<b>60,810</b>	<b>6,609</b>	<b>28,452</b>	<b>-</b>	<b>111,887</b>	<b>755,883</b>	<b>-</b>	<b>1,010,598</b>	<b>6,098,243</b>	<b>7,108,841</b>
<b>NET ASSETS</b>													
Net Assets at Beginning of Year	1,307,895	1,362,435	1,090,197	14,740,488	1,838,109	897,105	6,350,437	6,369,850	-	192,927	34,149,443	42,059,892	76,209,335
Current Operating Excess (Deficit)	513,571	1,181,540	(140,218)	1,767,505	634,513	551,214	8,926	4,029,716	814,541	(262,307)	9,099,001	13,545,416	22,644,417
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	(6,510)	(6,510)
<b>TOTAL NET ASSETS</b>	<b>1,821,467</b>	<b>2,543,976</b>	<b>949,979</b>	<b>16,507,993</b>	<b>2,472,622</b>	<b>1,448,319</b>	<b>6,359,363</b>	<b>10,399,566</b>	<b>814,541</b>	<b>(69,380)</b>	<b>43,248,444</b>	<b>55,598,798</b>	<b>98,847,242</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>1,821,567</b>	<b>2,590,833</b>	<b>949,979</b>	<b>16,568,803</b>	<b>2,479,231</b>	<b>1,476,771</b>	<b>6,359,363</b>	<b>10,511,453</b>	<b>1,570,424</b>	<b>(69,380)</b>	<b>44,259,042</b>	<b>61,697,041</b>	<b>105,956,083</b>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - All Funds**  
**For the Three Months Ending March 31, 2009**

Attachment 4

	General Fund	Restricted Funds	Fixed Asset Fund	Total All Funds Year to Date Mar-09	Total All Funds Year to Date Mar-08	Change	Percentage Change
<b>OPERATING REVENUES:</b>							
Membership Fees, Voluntary Contributions	55,280,865	13,757,634	-	69,038,499	27,042,254	41,996,245	155.30%
Convention Income	-	82,159	-	82,159	67,584	14,575	21.57%
Law Corporation Registration Fees	-	401,047	-	401,047	318,765	82,283	25.81%
Continuing Legal Education Fees	283,780	96,350	-	380,130	307,932	72,198	23.45%
Law Practices Sections Fees	-	4,600,435	-	4,600,435	4,502,192	98,243	2.18%
Grants	-	2,387,270	-	2,387,270	4,854,697	(2,467,427)	-50.83%
Trust Account Revenue	-	2,040,052	-	2,040,052	4,674,904	(2,634,852)	-56.36%
EAF AB145 Filing Fee Revenue	-	1,049,453	-	1,049,453	1,181,836	(132,383)	-11.20%
Examination Application Fees	-	9,266,418	-	9,266,418	9,675,607	(409,189)	-4.23%
Legal Specialization Fees	-	824,759	-	824,759	789,558	35,201	4.46%
Seminar/Workshop Revenue	-	336,408	-	336,408	438,306	(101,898)	-23.25%
Advertising Revenue	217,529	-	-	217,529	234,718	(17,189)	-7.32%
Other Revenue	171,022	681,582	-	852,604	960,271	(107,667)	-11.21%
Interfund Transaction-Revenue	30,690	3,645	-	34,335	-	34,335	100.00%
<b>Total Operating Revenue</b>	<b>55,983,886</b>	<b>35,527,212</b>	<b>-</b>	<b>91,511,098</b>	<b>55,048,621</b>	<b>36,462,476</b>	<b>66.24%</b>
<b>OPERATING EXPENSES:</b>							
Discipline and Adjudication	11,972,011	-	-	11,972,011	11,932,086	39,925	0.33%
Grants Expenses	-	4,337,536	-	4,337,536	5,072,734	(735,198)	-14.49%
Administration of Justice	224,209	-	-	224,209	201,114	23,095	11.48%
Governance	1,044,538	-	-	1,044,538	770,130	274,408	35.63%
Administration of the Profession	833,667	254,733	-	1,088,400	866,893	221,507	25.55%
Program Development	347,888	-	-	347,888	407,286	(59,398)	-14.58%
Communications	680,825	-	-	680,825	663,706	17,119	2.58%
Examination Costs and Administration	-	4,324,405	-	4,324,405	3,621,107	703,298	19.42%
Law Practices (Sections)	-	989,923	-	989,923	955,558	34,365	3.60%
Claims (net of reimbursements)	-	754,236	-	754,236	1,075,914	(321,678)	-29.90%
General and Administrative costs	-	2,626,222	321,704	2,947,926	2,704,326	243,600	9.01%
Payroll Saving	(59,827)	-	-	(59,827)	(106,037)	46,210	-43.58%
Interfund Transaction-Expense	23,185	11,150	-	34,335	-	34,335	100.00%
<b>Total Operating Expenses</b>	<b>15,066,496</b>	<b>13,298,205</b>	<b>321,704</b>	<b>28,686,405</b>	<b>28,164,817</b>	<b>521,588</b>	<b>1.85%</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>40,917,390</b>	<b>22,229,007</b>	<b>(321,704)</b>	<b>62,824,693</b>	<b>26,883,804</b>	<b>35,940,888</b>	<b>133.69%</b>
<b>NON-OPERATING REVENUE:</b>							
Investment Income	75,641	116,077	-	191,718	1,525,797	(1,334,079)	-87.43%
Rental Income	-	299,333	-	299,333	299,956	(623)	-0.21%
<b>Total Non-Operating Revenue</b>	<b>75,641</b>	<b>415,410</b>	<b>-</b>	<b>491,051</b>	<b>1,825,753</b>	<b>(1,334,702)</b>	<b>-73.10%</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>							
	40,993,031	22,644,417	(321,704)	63,315,744	28,709,559	34,606,185	120.54%
<b>CHANGES IN NET ASSETS:</b>							
Net Assets at beginning of year	9,009,533	76,209,335	20,015,030	105,233,898	86,188,532	19,045,366	22.10%
Transfers of Fixed Assets to Fixed Asset Fund	-	(6,510)	6,510	-	-	-	0.00%
<b>NET ASSETS AS OF MARCH 31, 2009</b>	<b>50,002,564</b>	<b>98,847,242</b>	<b>19,699,836</b>	<b>168,549,642</b>	<b>114,898,091</b>	<b>53,651,551</b>	<b>46.69%</b>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - General Fund**  
**For the Three Months Ending March 31, 2009**

**Attachment 5**

	<u>Year to Date March-09</u>	<u>Year to Date March-08</u>	<u>Change</u>
<b>OPERATING REVENUES</b>			
Membership Fee, Voluntary Contributions and Attorney Applications	55,280,865	15,463,049	39,817,816
Continuing Legal Education Fees	283,780	260,897	22,883
Seminar/Workshop Revenue	-	1,106	(1,106)
CalBar Journal Revenue	217,529	234,718	(17,189)
Other	171,022	151,455	19,567
Interfund Transaction-Revenue	30,690	-	30,690
<b>Total Operating Revenue</b>	<u>55,983,886</u>	<u>16,111,224</u>	<u>39,872,662</u>
<b>OPERATING EXPENSES:</b>			
Discipline & Adjudication	11,972,011	11,932,086	39,925
Administration of Justice	224,209	201,114	23,095
Governance	1,044,538	770,130	274,408
Administration of the Profession	833,667	501,753	331,914
Program Development	347,888	407,286	(59,398)
Communications	680,825	663,706	17,119
Payroll Saving	(59,827)	(106,037)	46,210
Interfund Transaction-Expense	23,185	-	23,185
<b>Total Operating Expenses</b>	<u>15,066,496</u>	<u>14,370,038</u>	<u>696,458</u>
<b>OPERATING INCOME/(LOSS)</b>	40,917,390	1,741,186	39,176,204
<b>NON-OPERATING REVENUE</b>			
Investment Income	75,641	933,937	(858,296)
Total Non-Operating Revenue	<u>75,641</u>	<u>933,937</u>	<u>(858,296)</u>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>40,993,031</u>	<u>2,675,123</u>	<u>38,317,908</u>
<b>NET ASSETS</b>			
Net Assets at beginning of year	9,009,533	9,852,083	(842,550)
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-
<b>NET ASSETS AS OF MARCH 31, 2009</b>	<u><u>50,002,564</u></u>	<u><u>12,527,206</u></u>	<u><u>37,475,358</u></u>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds**  
**For the Three Months Ending March 31, 2009**

**Attachment 6**  
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	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	-	-	-	2,640	1,892,705	-	6,559,438	-	-	746,670	-	-	1,553,519	10,754,972
Investment Income	8,549	489	2,463	1,309	2,457	5,278	21,291	1,600	(69)	2,176	2,174	-	2,806	50,523
Convention Income	-	50,216	-	-	-	-	-	-	23,943	-	-	-	-	74,159
Law Corporation Registration Fees	-	-	-	-	-	401,047	-	-	-	-	-	-	-	401,047
Continuing Legal Education Fees	-	-	-	-	-	84,325	-	-	-	-	-	-	-	84,325
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	299,333	-	-	-	-	-	-	-	-	-	299,333
Grant Revenue	-	-	-	-	-	-	-	-	-	-	2,361,270	26,000	-	2,387,270
Trust Account Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	1,049,453	-	-	1,049,453
Application Fees	9,266,418	-	-	-	-	-	-	-	-	-	-	-	-	9,266,418
Legal Specialization Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seminar/Workshop Revenue	-	-	-	-	-	-	-	-	290,552	-	-	-	-	290,552
Other	121,969	22,023	-	-	-	75,265	-	-	72,487	-	-	-	-	291,744
Interfund Transaction-Revenue	-	-	-	-	-	-	-	-	1,845	-	-	-	-	1,845
<b>TOTAL REVENUE</b>	<b>9,396,936</b>	<b>72,728</b>	<b>2,463</b>	<b>303,282</b>	<b>1,895,162</b>	<b>565,915</b>	<b>6,580,729</b>	<b>1,600</b>	<b>388,758</b>	<b>748,846</b>	<b>3,412,897</b>	<b>26,000</b>	<b>1,556,325</b>	<b>24,951,641</b>
<b>EXPENSES</b>														
Grant Expenses	-	-	-	-	-	-	-	-	-	-	4,321,272	-	-	4,321,272
Administration of the Profession	-	-	-	-	-	254,733	-	-	-	-	-	-	-	254,733
Examination Costs and Administration	4,324,405	-	-	-	-	-	-	-	-	-	-	-	-	4,324,405
Claims (net of reimbursement)	-	-	-	-	-	-	754,236	-	-	-	-	-	-	754,236
General and Administrative	-	115,458	-	371,777	-	-	438,441	-	559,649	176,526	88,285	1,293	-	1,751,429
Interfund Transaction-Expense	-	-	-	-	-	150	-	-	-	-	-	-	-	150
<b>TOTAL EXPENSES</b>	<b>4,324,405</b>	<b>115,458</b>	<b>-</b>	<b>371,777</b>	<b>-</b>	<b>254,883</b>	<b>1,192,677</b>	<b>-</b>	<b>559,649</b>	<b>176,526</b>	<b>4,409,557</b>	<b>1,293</b>	<b>-</b>	<b>11,406,225</b>
<b>EXCESS/(DEFICIT) OF REVENUES OVER EXPENSES</b>														
	<b>5,072,531</b>	<b>(42,730)</b>	<b>2,463</b>	<b>(68,495)</b>	<b>1,895,162</b>	<b>311,032</b>	<b>5,388,052</b>	<b>1,600</b>	<b>(170,891)</b>	<b>572,320</b>	<b>(996,660)</b>	<b>24,707</b>	<b>1,556,325</b>	<b>13,545,416</b>
<b>CHANGES IN NET ASSETS</b>														
Net Assets at beginning of year	3,000,864	326,659	8,626,213	15,711,077	-	3,630,392	4,304,519	1,137,977	-	947,813	3,736,125	79,875	558,378	42,059,892
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	(6,510)	-	-	-	-	-	-	-	-	-	(6,510)
<b>NET ASSETS AS OF MARCH 31, 2009</b>	<b>8,073,395</b>	<b>283,929</b>	<b>8,628,676</b>	<b>15,636,072</b>	<b>1,895,162</b>	<b>3,941,424</b>	<b>9,692,571</b>	<b>1,139,577</b>	<b>(170,891)</b>	<b>1,520,133</b>	<b>2,739,465</b>	<b>104,582</b>	<b>2,114,703</b>	<b>55,598,798</b>

**The State Bar of California**  
**Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds**  
**For the Three Months Ending March 31, 2009**

**Attachment 6**  
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	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	Totals Restricted Funds
<b>REVENUE</b>													
Membership Fees & Voluntary Dues	511,077	1,753,331	-	-	-	734,770	-	-	3,484	-	3,002,662	10,754,972	13,757,634
Investment Income	2,494	3,774	1,515	26,650	3,495	2,140	8,926	14,989	1,433	138	65,554	50,523	116,077
Convention Income	-	-	-	-	-	-	-	8,000	-	-	8,000	74,159	82,159
Law Corporation Registration Fees	-	-	-	-	-	-	-	-	-	-	-	401,047	401,047
Continuing Legal Education Revenue	-	-	-	-	12,025	-	-	-	-	-	12,025	84,325	96,350
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	4,600,435	-	-	4,600,435	-	4,600,435
Rental Income	-	-	-	-	-	-	-	-	-	-	-	299,333	299,333
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	2,387,270	2,387,270
Trust Account Revenue	-	-	-	2,040,052	-	-	-	-	-	-	2,040,052	-	2,040,052
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	1,049,453	1,049,453
Application Fees	-	-	-	-	-	-	-	-	-	-	-	9,266,418	9,266,418
Legal Specialization Fees	-	-	-	-	824,759	-	-	-	-	-	824,759	-	824,759
Seminar/Workshop Revenue	-	-	-	-	-	-	-	45,856	-	-	45,856	290,552	336,408
Other	-	2,941	25,860	-	553	-	-	360,484	-	-	389,838	291,744	681,582
Interfund Transaction-Revenue	-	-	-	-	1,800	-	-	-	-	-	1,800	1,845	3,645
<b>TOTAL REVENUE</b>	<b>513,571</b>	<b>1,760,046</b>	<b>27,375</b>	<b>2,066,702</b>	<b>842,632</b>	<b>736,910</b>	<b>8,926</b>	<b>5,029,764</b>	<b>4,917</b>	<b>138</b>	<b>10,990,981</b>	<b>24,951,641</b>	<b>35,942,622</b>
<b>EXPENSES</b>													
Grants Express	-	-	-	16,264	-	-	-	-	-	-	16,264	4,321,272	4,337,536
Administration of the Profession	-	-	-	-	-	-	-	-	-	-	-	254,733	254,733
Examination costs and Administration	-	-	-	-	-	-	-	-	-	-	-	4,324,405	4,324,405
Claims (net of reimbursement)	-	-	-	-	-	-	-	-	-	-	-	754,236	754,236
Law Practices (Sections)	-	-	-	-	-	-	-	989,923	-	-	989,923	-	989,923
General and Administrative	-	578,506	167,593	282,933	208,119	185,696	-	-	(810,499)	262,445	874,793	1,751,429	2,626,222
Interfund Transaction-Expense	-	-	-	-	-	-	-	10,125	875	-	11,000	150	11,150
<b>TOTAL EXPENSES</b>	<b>-</b>	<b>578,506</b>	<b>167,593</b>	<b>299,197</b>	<b>208,119</b>	<b>185,696</b>	<b>-</b>	<b>1,000,048</b>	<b>(809,624)</b>	<b>262,445</b>	<b>1,891,980</b>	<b>11,406,225</b>	<b>13,298,205</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>513,571</b>	<b>1,181,540</b>	<b>(140,218)</b>	<b>1,767,505</b>	<b>634,513</b>	<b>551,214</b>	<b>8,926</b>	<b>4,029,716</b>	<b>814,541</b>	<b>(262,307)</b>	<b>9,099,001</b>	<b>13,545,416</b>	<b>22,644,417</b>
<b>CHANGES IN NET ASSETS</b>													
Net Assets at beginning of year	1,307,895	1,362,435	1,090,197	14,740,488	1,838,109	897,105	6,350,437	6,369,850	-	192,927	34,149,443	42,059,892	76,209,335
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	(6,510)	(6,510)
<b>NET ASSETS AS OF MARCH 31, 2009</b>	<b>1,821,467</b>	<b>2,543,976</b>	<b>949,979</b>	<b>16,507,993</b>	<b>2,472,622</b>	<b>1,448,319</b>	<b>6,359,363</b>	<b>10,399,566</b>	<b>814,541</b>	<b>(69,380)</b>	<b>43,248,444</b>	<b>55,598,798</b>	<b>98,847,242</b>

**The State Bar of California**  
**Budget to Actual Comparison-General Fund**  
**For the Three Months Ending March 31, 2009**

**Attachment 7**

	<b>Current Quarter Actual</b>	<b>Current Quarter Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Mar-09 Year to Date Actual</b>	<b>Mar-09 Year to Date Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Mar-08 Prior Year to Date Actual</b>	<b>Inc./((Dec.) From Prior Year</b>	<b>2009 Annual Budget</b>
<b>REVENUE</b>									
Membership Fees	55,280,865	55,212,750	68,115	55,280,865	55,212,750	68,115	15,463,049	39,817,816	56,920,360
Investment Income	75,641	375,000	(299,359)	75,641	375,000	(299,359)	933,937	(858,296)	1,500,000
CalBar Journal Revenue	217,529	296,562	(79,033)	217,529	296,562	(79,033)	234,718	(17,189)	1,186,268
Continuing Legal Education	283,780	166,254	117,526	283,780	166,254	117,526	260,897	22,883	665,044
Seminar/Workshop Revenue	-	1,998	(1,998)	-	1,998	(1,998)	1,106	(1,106)	8,000
Other	171,022	183,420	(12,398)	171,022	183,420	(12,398)	151,455	19,567	733,788
Interfund Transaction-Revenue	30,690	-	30,690	30,690	-	30,690	-	30,690	-
<b>TOTAL REVENUE</b>	<b>56,059,527</b>	<b>56,235,984</b>	<b>(176,457)</b>	<b>56,059,527</b>	<b>56,235,984</b>	<b>(176,457)</b>	<b>17,045,161</b>	<b>39,014,366</b>	<b>61,013,460</b>
<b>EXPENSES</b>									
Discipline	11,972,011	12,748,626	776,615	11,972,011	12,748,626	776,615	11,932,086	39,925	54,631,944
Administration of Justice	224,209	222,905	(1,304)	224,209	222,905	(1,304)	201,114	23,095	933,386
Governance	1,044,538	1,034,461	(10,077)	1,044,538	1,034,461	(10,077)	770,130	274,408	4,120,892
Administration of the Profession	833,667	909,447	75,780	833,667	909,447	75,780	501,753	331,914	3,006,518
Program Development	347,888	505,906	158,018	347,888	505,906	158,018	407,286	(59,398)	2,170,270
Communications	680,825	729,565	48,740	680,825	729,565	48,740	663,706	17,119	3,012,700
Payroll Saving	(59,827)	(653,652)	(593,825)	(59,827)	(653,652)	(593,825)	(106,037)	46,210	(2,614,592)
Interfund Transaction-Expense	23,185	-	(23,185)	23,185	-	(23,185)	-	23,185	-
<b>TOTAL EXPENSES</b>	<b>15,066,496</b>	<b>15,497,258</b>	<b>430,762</b>	<b>15,066,496</b>	<b>15,497,258</b>	<b>430,762</b>	<b>14,370,038</b>	<b>696,458</b>	<b>65,261,118</b>
<b>NET OPERATING SUPLUS/DEFICIT</b>	<b>40,993,031</b>	<b>40,738,726</b>	<b>254,305</b>	<b>40,993,031</b>	<b>40,738,726</b>	<b>254,305</b>	<b>2,675,123</b>	<b>38,317,908</b>	<b>(4,247,658)</b>

**The State Bar of California**  
**Budget to Actual Comparison - General Fund**  
**Expenses by Function**  
**For the Three Months Ending March 31, 2009**

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Mar-09 Year to Date Actual	Mar-09 Year to Date Budget	Variance Favorable (Unfavorable)	Mar-08 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2009 Annual Budget
<b>EXPENSES BY FUNCTION</b>									
<b>Enforcement</b>									
Trial Counsel - Administration	556,767	243,997	(312,770)	556,767	243,997	(312,770)	2,804,186	(2,247,419)	1,070,725
Trial Unit - San Francisco	1,755,451	1,902,150	146,699	1,755,451	1,902,150	146,699	1,253,914	501,537	8,157,049
Trial Unit - Los Angeles	3,683,781	4,030,069	346,288	3,683,781	4,030,069	346,288	2,977,005	706,776	17,285,358
Intake	1,106,478	1,068,852	(37,626)	1,106,478	1,068,852	(37,626)	813,212	293,266	4,583,989
Central Administration Unit	1,457,126	1,813,215	356,089	1,457,126	1,813,215	356,089	945,542	511,584	7,759,724
Abandoned Cases/UPL	306,981	342,934	35,953	306,981	342,934	35,953	-	306,981	1,492,176
Probation Unit	208,108	220,659	12,551	208,108	220,659	12,551	211,571	(3,463)	940,807
<b>Total Enforcement</b>	<b>9,074,692</b>	<b>9,621,876</b>	<b>547,184</b>	<b>9,074,692</b>	<b>9,621,876</b>	<b>547,184</b>	<b>9,005,430</b>	<b>69,262</b>	<b>41,289,828</b>
<b>State Bar Court</b>									
Presiding & Review Judges	168,255	169,173	918	168,255	169,173	918	148,726	19,529	720,734
Hearing Judges	344,918	343,896	(1,022)	344,918	343,896	(1,022)	309,668	35,250	1,456,840
Judicial Transitions	1	4,998	4,997	1	4,998	4,997	17	(16)	20,000
SBC Executive Committee	4	-	(4)	4	-	(4)	-	4	-
SBC - Sr. Executive	319,072	307,840	(11,232)	319,072	307,840	(11,232)	766,173	(447,101)	1,274,412
SBC - Sr. Executive Projects	344	16,563	16,219	344	16,563	16,219	-	344	66,267
Hearing/Administration - San Francisco	319,972	365,261	45,289	319,972	365,261	45,289	213,860	106,112	1,576,893
Hearing Counsel - LA/SF	364,148	366,478	2,330	364,148	366,478	2,330	280,678	83,470	1,572,974
Review Counsel/Clerk	301,735	287,851	(13,884)	301,735	287,851	(13,884)	197,998	103,737	1,243,554
SBC Reporter	2,447	15,030	12,583	2,447	15,030	12,583	1,093	1,354	60,175
Hearing/Effectuation/Administration	451,301	458,929	7,628	451,301	458,929	7,628	264,387	186,914	1,966,508
<b>Total State Bar Court</b>	<b>2,272,197</b>	<b>2,336,019</b>	<b>63,822</b>	<b>2,272,197</b>	<b>2,336,019</b>	<b>63,822</b>	<b>2,182,600</b>	<b>89,597</b>	<b>9,958,357</b>
<b>Mandatory Fee Arbitration</b>									
Mandatory Fee Arbitration	154,057	181,912	27,855	154,057	181,912	27,855	183,373	(29,316)	788,553
Mandatory Fee Arbitration Committee	2,481	7,119	4,638	2,481	7,119	4,638	2,786	(305)	28,495
Agreement with Local Bar Associations	12,240	17,499	5,259	12,240	17,499	5,259	12,096	144	70,000
<b>Total Mandatory Fee Arbitration</b>	<b>168,778</b>	<b>206,530</b>	<b>37,752</b>	<b>168,778</b>	<b>206,530</b>	<b>37,752</b>	<b>198,255</b>	<b>(29,477)</b>	<b>887,048</b>
<b>Professional Competence</b>									
Disc. Cost Recovery	6,385	37,512	31,127	6,385	37,512	31,127	19,038	(12,653)	150,107
Lawyers' Personal Assistance	-	-	-	-	-	-	57,172	(57,172)	-
Publication 250	1,337	4,803	3,466	1,337	4,803	3,466	1,402	(65)	19,256
Professional Responsibility and Conduct	417,760	498,821	81,061	417,760	498,821	81,061	450,126	(32,366)	2,154,916
COPRAC - Publications	7,513	12,237	4,724	7,513	12,237	4,724	6,924	589	49,008
Committee on Professional Responsibility	394	3,897	3,503	394	3,897	3,503	2,756	(2,362)	15,624
Rules Revision Committee	22,955	26,931	3,976	22,955	26,931	3,976	8,384	14,571	107,800
<b>Total Professional Competence</b>	<b>456,344</b>	<b>584,201</b>	<b>127,857</b>	<b>456,344</b>	<b>584,201</b>	<b>127,857</b>	<b>545,802</b>	<b>(89,458)</b>	<b>2,496,711</b>
<b>TOTAL DISCIPLINE</b>	<b>11,972,011</b>	<b>12,748,626</b>	<b>776,615</b>	<b>11,972,011</b>	<b>12,748,626</b>	<b>776,615</b>	<b>11,932,086</b>	<b>39,926</b>	<b>54,631,944</b>

**The State Bar of California**  
**Budget to Actual Comparison - General Fund**  
**Expenses by Function**  
**For the Three Months Ending March 31, 2009**

	<b>Current Quarter Actual</b>	<b>Current Quarter Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Mar-09 Year to Date Actual</b>	<b>Mar-09 Year to Date Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Mar-08 Prior Year to Date Actual</b>	<b>Inc./(Dec.) From Prior Year</b>	<b>2009 Annual Budget</b>
<b>EXPENSES BY FUNCTION</b>									
<b>Administration of Justice</b>									
Commission on Judicial Nomination Evaluations	224,209	222,044	(2,165)	224,209	222,044	(2,165)	200,972	23,237	929,919
Attorney Civility Task Force	-	861	861	-	861	861	142	(142)	3,467
<b>Total Administration of Justice</b>	<b>224,209</b>	<b>222,905</b>	<b>(1,304)</b>	<b>224,209</b>	<b>222,905</b>	<b>(1,304)</b>	<b>201,114</b>	<b>23,095</b>	<b>933,386</b>
<b>Governance</b>									
Executive Director	96,167	84,015	(12,152)	96,167	84,015	(12,152)	39,615	56,552	355,532
Deputy Executive Director	130,760	119,592	(11,168)	130,760	119,592	(11,168)	66,586	64,174	515,088
Board of Governors	790,929	793,789	2,860	790,929	793,789	2,860	666,519	124,410	3,095,158
Elections	12,368	13,674	1,306	12,368	13,674	1,306	(2,023)	14,391	56,139
Appointments Administration	14,314	23,391	9,077	14,314	23,391	9,077	(567)	14,881	98,975
<b>Total Governance</b>	<b>1,044,538</b>	<b>1,034,461</b>	<b>(10,077)</b>	<b>1,044,538</b>	<b>1,034,461</b>	<b>(10,077)</b>	<b>770,130</b>	<b>274,408</b>	<b>4,120,892</b>
<b>Administration of the Profession</b>									
Member Records & Certification	834	-	(834)	834	-	(834)	117,468	(116,634)	-
Senior Executive-Member Services	92,115	88,266	(3,849)	92,115	88,266	(3,849)	92,647	(532)	383,149
Member Services Center	711,739	770,779	59,040	711,739	770,779	59,040	262,756	448,983	2,407,116
Child and Family Support	2,405	4,670	2,265	2,405	4,670	2,265	73	2,332	20,020
Multijurisdictional Practice	26,574	45,732	19,158	26,574	45,732	19,158	28,809	(2,235)	196,233
<b>Total Administration of the Profession</b>	<b>833,667</b>	<b>909,447</b>	<b>75,780</b>	<b>833,667</b>	<b>909,447</b>	<b>75,780</b>	<b>501,753</b>	<b>331,914</b>	<b>3,006,518</b>
<b>Program Development</b>									
Program Development	173,124	290,385	117,261	173,124	290,385	117,261	299,245	(126,121)	1,254,127
California Young Lawyers Association	36,002	41,420	5,418	36,002	41,420	5,418	12,631	23,371	177,409
Program Development Project	55	21,978	21,923	55	21,978	21,923	3,894	(3,839)	87,996
Access to Justice	134,953	146,264	11,311	134,953	146,264	11,311	89,066	45,887	627,259
Committee on Delivery of Legal Services	3,754	5,859	2,105	3,754	5,859	2,105	2,450	1,304	23,479
<b>Total Program Development</b>	<b>347,888</b>	<b>505,906</b>	<b>158,018</b>	<b>347,888</b>	<b>505,906</b>	<b>158,018</b>	<b>407,286</b>	<b>(59,398)</b>	<b>2,170,270</b>
<b>COMMUNICATIONS</b>									
Media & Information Services	207,524	257,569	50,045	207,524	257,569	50,045	217,375	(9,851)	1,089,462
Bar Journal	473,301	471,996	(1,305)	473,301	471,996	(1,305)	446,331	26,970	1,923,238
<b>Total Communications</b>	<b>680,825</b>	<b>729,565</b>	<b>48,740</b>	<b>680,825</b>	<b>729,565</b>	<b>48,740</b>	<b>663,706</b>	<b>17,119</b>	<b>3,012,700</b>
<b>PAYROLL SAVING</b>	<b>(59,827)</b>	<b>(653,652)</b>	<b>(593,825)</b>	<b>(59,827)</b>	<b>(653,652)</b>	<b>(593,825)</b>	<b>(106,037)</b>	<b>46,210</b>	<b>(2,614,592)</b>
<b>INTERFUND TRANSACTION - EXPENSE</b>	<b>23,185</b>	<b>-</b>	<b>(23,185)</b>	<b>23,185</b>	<b>-</b>	<b>(23,185)</b>	<b>-</b>	<b>23,185</b>	<b>-</b>
<b>SUBTOTAL THIS PAGE</b>	<b>3,094,485</b>	<b>2,748,632</b>	<b>(345,853)</b>	<b>3,094,485</b>	<b>2,748,632</b>	<b>(345,853)</b>	<b>2,437,952</b>	<b>656,533</b>	<b>10,629,174</b>
<b>TOTAL DISCIPLINE FROM PAGE 1</b>	<b>11,972,011</b>	<b>12,748,626</b>	<b>776,615</b>	<b>11,972,011</b>	<b>12,748,626</b>	<b>776,615</b>	<b>11,932,086</b>	<b>39,925</b>	<b>54,631,944</b>
<b>TOTAL GENERAL FUND EXPENSE BY FUNCTION</b>	<b>15,066,496</b>	<b>15,497,258</b>	<b>430,762</b>	<b>15,066,496</b>	<b>15,497,258</b>	<b>430,762</b>	<b>14,370,038</b>	<b>696,458</b>	<b>65,261,118</b>