

**State Bar of Texas General Fund
Financial Highlights
For the Nine Months Ended February 28, 2021**

Total General Fund YTD results – As of February 28, 2021, the General Fund had a net excess of revenues over expenditures and transfers of \$5,747,289 compared to a budgeted net increase of \$527,670. This resulted in a positive overall variance of \$5,219,619.

| | Actual | Budget | Variance | % Variance |
|----------------------------------|--------------------|------------------|--------------------|-------------------|
| Total Revenues | \$31,821,025 | \$34,133,023 | (\$2,311,998) | (7%) |
| Total Expenditures and Transfers | 26,072,913 | 33,605,353 | 7,532,440 | 22% |
| Net Excess | \$5,748,112 | \$527,670 | \$5,220,442 | |

Revenues

For the period ending February 28, 2021, total revenues did not meet the budgeted revenues by (\$2,311,998) or (7%), thereby producing a negative actual to budget variance. An analysis of the revenues shows that the following departments had a negative revenue variance in excess of (\$100,000) or (\$10,000) and (10%) for the period ending February 28, 2021.

- Member Dues – Total Negative Revenue Variance: (\$314,545) or (2%) - This negative variance results primarily from a delay in members' payment of dues compared to the budgeted timing of collection.
- Texas Bar Journal – Total Negative Revenue Variance: (\$73,442) or (16%) - This negative variance results primarily from a decrease in advertising revenue compared to budgeted advertising revenue.
- Investments – Total Negative Revenue Variance: (\$202,799) or (67%) - This negative variance is due the drop in investment return rates on fixed income securities as a result of the pandemic.
- Minority Affairs – Total Negative Revenue Variance: (\$302,845) or (81%) – This negative variance is due to a reduction in fees and contributions due to holding the Texas Minority Counsel Program virtually. This decrease will be offset with savings in expenditures.
- Purchasing & Facilities– Total Negative Revenue Variance: (\$22,414) or (91%) - This negative variance is due to a decrease in supply orders and copies needed.
- Advertising Review – Total Negative Revenue Variance: (\$47,151) or (18%) – This negative revenue variance is due to lower than anticipated advertising review submissions.

- Miscellaneous Revenue – Total Negative Revenue Variance: (\$50,081) or (86%) - This negative variance is due to a decrease in the hotel occupancy tax refunds received.

An analysis of the revenues shows that the following departments had positive revenue variances in excess of \$10,000 and 10% for the period ending February 28, 2021.

- Chief Disciplinary Counsel – Total Positive Revenue Variance: \$48,652 or 13% - This positive variance is primarily due to an increase in Austin and San Antonio attorney fees.
- Legal Access Division – Total Positive Revenue Variance: \$49,400 or 412% - This positive variance is due to an increase in the number of legal aid providers who attended the Poverty Law conference.
- TYLA – Total Positive Revenue Variance: \$19,254 or 22% - This positive variance is due to higher than anticipated fees collected for the National Trial Competition.

Expenditures

For the period ending February 28, 2021, total expenditures were under the allocated budget by \$7,532,440 or 22%, which resulted in a positive actual to budget variance.

An analysis of the expenditures shows that six departments, Center for Legal History (Archives), Governmental Relations, Texas Lawyers Assistance Program, Research & Analysis, Information Technology, Printing and Graphics had large positive expenditure variances in excess of \$10,000 and 10% in salaries and benefits due to open positions or staff turnover.

An analysis of the expenditures shows that the following departments had positive expense variances in excess of \$10,000 and 10% for the period ending February 28, 2021 primarily resulting from cancellation of, and/or change to, virtual meetings and associated travel to prevent the spread of COVID-19 and other descriptions provided below:

- Office of Executive Director – Total Positive Expenditure Variance: \$65,185 or 13% - Positive variances are in benefits and travel. The positive variances are partially off-set by a large negative variance in insurance expense.
- Deputy Executive Director/External Affairs – Total Positive Expenditure Variance: \$19,411 or 10% - Variances are in benefits and travel.
- Officers & Directors – Total Positive Expenditure Variance: \$350,784 or 49% - Variances are in travel, meetings & conferences, professional services, postage and printing. These are partially off-set by a large negative variance in insurance expense.
- Training & Tuition – Total Positive Expenditure Variance: \$29,215 or 75% - Variances are in education and training.
- Law Related Education – Total Positive Expenditure Variance: \$99,910 or 23% - Variances are in travel and meetings & conferences.

- TYLA– Total Positive Expenditure Variance: \$385,741 or 57% - Variances are primarily in travel and meetings & conferences.
- SBOT Leadership Academy– Total Positive Expenditure Variance: \$60,063 or 93% - Variances are primarily in travel and meetings & conferences.
- Local Bars – Total Positive Expenditure Variance: \$218,434 or 59% - Variances are primarily in salaries, benefits, travel and meetings & conferences.
- Special Events – Total Positive Expenditure Variance: \$54,780 or 100% - Variances are primarily in travel and meetings & conferences.
- Law Student Department – Total Positive Expenditure Variance: \$13,122 or 83% - Variances are primarily in travel, meetings & conferences, training and supplies.
- SBOT Volunteer Committees – Total Positive Expenditure Variance: \$194,667 or 83% - Variances are primarily travel and meetings & conferences.
- Legal Access Division – Total Positive Expenditure Variance: \$219,336 or 18% - Variances are primarily in salaries, benefits, travel and meetings & conferences.
- Access to Justice Commission – Total Positive Expenditure Variance: \$168,276 or 32% - Variances are primarily in salaries, benefits, travel and meetings & conferences.
- Member Benefits – Total Positive Expenditure Variance: \$24,640 or 47% - Variance is primarily due to an accounting change to advertising expense.
- Minority Affairs – Total Positive Expenditure Variance: \$210,602 or 48% - Variances are primarily in travel and meetings & conferences.
- Office of Communications Division Director – Total Positive Expenditure Variance: \$34,690 or 17% - Variances are primarily in travel and publicity advertising unspent due to the cancellation of in-person events.
- Public Information – Total Positive Expenditure Variance: \$22,949 or 18% - Variance is primarily in printing due to a decrease in requests for educational pamphlets due to COVID-19.
- Website – Total Positive Expenditure Variance: \$62,519 or 21% - Variances are primarily in travel, meetings & conferences and professional services.
- Grievance Oversight Committee – Total Positive Expenditure Variance: \$28,711 or 79% - Variances are primarily in travel and meetings & conferences.
- Unauthorized Practice of Law – Total Positive Expenditure Variance: \$85,479 or 67% - Variances are primarily in travel, meetings & conferences and professional services.
- Board of Disciplinary Appeals – Total Positive Expenditure Variance: \$133,953 or 28% - Variances are primarily in salaries, benefits, travel and meetings & travel.

TexasBarCLE (TBCLE)

For the period ending February 28, 2021, TexasBarCLE's net revenues over expenditures amount exceeded its budget target by \$2,488,179, thereby producing a negative actual to budget variance.

| | Actual | Budget | Variance | % Variance |
|-------------------------|--------------------|--------------------|--------------------|-------------------|
| TBCLE Revenues | \$10,474,189 | \$11,710,714 | (\$1,236,525) | (11%) |
| TBCLE Expenditures | 4,147,561 | 7,872,265 | 3,724,704 | 47% |
| Net TBCLE Income | \$6,326,628 | \$3,838,449 | \$2,488,179 | 65% |

Due to the pandemic, all originally scheduled live courses beginning in mid-March 2020 were held as a webcast through the rest of calendar year 2020 and remain webcasts during calendar year 2021. These changes have affected TBCLE's live course revenue, which is the main reason for the (11%) reduction in budget to actual revenue. Live courses are budgeted to receive \$6,197,183 in revenue and \$6,221,233 in expenses. Of the budgeted live course expenses, \$4 million is budgeted for travel, meetings and conferences, rentals and other expenses. It is expected that the decrease in expenditures, specifically in the travel, meetings and conferences, and rental categories, due to the cancellation of live courses during FY2021 will completely offset the decrease in revenues for live courses.

In comparing TBCLE's performance to previous years, it is appropriate to make two comparisons: (1) compare the current fiscal year 20-21 to the previous fiscal year 19-20; and (2) compare the current fiscal year 20-21 to fiscal year 18-19. Fiscal years ending in odd numbers are considered to be "non-legislative years", in other words, they do not follow a legislative session. Fiscal years ending in even numbers are considered to be "legislative years" because they do follow a legislative session and TBCLE generally sees a surge in revenues following a legislative year (even numbered fiscal years). The surge in revenue generally results from legal issues arising during the legislative process; thereby creating a need for new or revised CLE programs. Fiscal year 20-21 is a "non-legislative" year.

In comparing actual revenues and expenditure amounts for the period ending February 28, 2021 to the prior period ending February 28, 2020, we see a decrease in revenues of (\$1,516,689) or (13%), and a decrease in expenditures of \$3,241,051 or 44% for an overall increase in net revenues of \$1,724,362 or 37%. This is showing the difference between financial performances based on a comparison of a "non-legislative year" to a "legislative year".

In comparing actual revenues and expenditure amounts for the current period ending February 28, 2021, to the period ending February 28, 2019, we see a decrease in revenue of (\$1,283,270) or (11%) and a decrease in expenditures of \$3,262,738 or 44% for an overall increase in net revenues of \$1,979,468 or 46%. This is showing the difference between financial performances based on a comparison of two "non-legislative years."

Salaries and Benefits

For FY 2020-2021, the salaries and benefits budget totals \$25,220,012 or 56.8% of the overall \$44,391,552 General Fund budget before budgeted board commitments. The \$25,220,012 includes a 4% vacancy rate. The actual vacancy factor for the period ending February 28, 2021 was 6.6%. The actual salary and benefit expenditures had a \$854,793 positive variance to budget at the end of February 2021.

| | |
|----------|-------------------|
| Budget | \$ 18,821,835 |
| Actual | <u>17,967,042</u> |
| Variance | <u>\$ 854,793</u> |

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ending February 28, 2021

| | <u>Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actual</u> | <u>YTD Variance \$ Fav/(Unfav)</u> | <u>YTD Variance % Fav/(Unfav)</u> | <u>YTD Budget Prior Year</u> | <u>YTD Actual Prior Year</u> | <u>YTD Prior Year Variance \$ Fav/(Unfav)</u> | <u>YTD Prior Year Variance % Fav/(Unfav)</u> |
|--|----------------------|-------------------|-------------------|------------------------------------|-----------------------------------|------------------------------|------------------------------|---|--|
| REVENUES: | | | | | | | | | |
| Membership Dues | \$21,348,853 | \$15,654,728 | \$15,340,183 | (\$314,545) | (2%) | \$15,238,288 | \$15,494,632 | \$256,344 | 2% |
| Accounting/Management Fees | 658,255 | 493,693 | 483,013 | (10,680) | (2%) | 488,013 | 488,013 | | |
| Texas Bar Journal | 632,545 | 451,185 | 377,743 | (73,442) | (16%) | 444,518 | 473,314 | 28,796 | 6% |
| Leadership SBOT | 5,000 | 5,000 | | (5,000) | (100%) | 7,497 | 7,000 | (497) | (7%) |
| MCLE Fees | 3,460,950 | 2,636,872 | 2,391,712 | (245,160) | (9%) | 2,361,457 | 2,726,370 | 364,913 | 15% |
| TexasBar CLE | 14,251,844 | 11,710,714 | 10,474,189 | (1,236,525) | (11%) | 11,522,815 | 11,990,900 | 468,085 | 4% |
| Investment Income | 400,000 | 303,000 | 100,201 | (202,799) | (67%) | 350,000 | 715,853 | 365,853 | 105% |
| Lawyer Referral | 180,000 | 152,000 | 147,661 | (4,339) | (3%) | 130,000 | 124,985 | (5,015) | (4%) |
| Member Benefits | 911,309 | 675,411 | 719,279 | 43,868 | 6% | 661,611 | 629,103 | (32,508) | (5%) |
| CDC Disciplinary Fees | 564,853 | 374,597 | 423,249 | 48,652 | 13% | 401,084 | 444,623 | 43,539 | 11% |
| Membership | 10,900 | 8,179 | 14,948 | 6,769 | 83% | 10,800 | 12,155 | 1,355 | 13% |
| Local Bars | 12,600 | 12,600 | 6,200 | (6,400) | (51%) | 12,600 | 6,700 | (5,900) | (47%) |
| Minority Affairs | 381,815 | 375,595 | 72,750 | (302,845) | (81%) | 344,000 | 482,558 | 138,558 | 40% |
| Information Technology Dept. | 1,200 | 900 | 800 | (100) | (11%) | 900 | 900 | | |
| Website | 445,000 | 361,750 | 384,785 | 23,035 | 6% | 379,750 | 479,299 | 99,549 | 26% |
| Legal Access Division | 12,000 | 12,000 | 61,400 | 49,400 | 412% | 23,000 | 17,275 | (5,725) | (25%) |
| Law Related Education | 9,256 | 9,256 | 1,450 | (7,806) | (84%) | 9,256 | 9,550 | 294 | 3% |
| TYLA | 65,000 | 86,000 | 105,254 | 19,254 | 22% | 57,000 | 101,290 | 44,290 | 78% |
| Law Student Division | 6,000 | 5,100 | 6,990 | 1,890 | 37% | 5,100 | 5,610 | 510 | 10% |
| Purchasing & Facilities | 46,500 | 24,640 | 2,226 | (22,414) | (91%) | 33,895 | 28,746 | (5,149) | (15%) |
| Advertising Review | 368,000 | 259,301 | 212,150 | (47,151) | (18%) | 282,301 | 258,900 | (23,401) | (8%) |
| Miscellaneous, Sales Tax Discounts, Etc. | 82,000 | 58,500 | 8,419 | (50,081) | (86%) | 52,747 | 54,705 | 1,958 | 4% |
| Credit Card Processing Fees | 365,000 | 332,500 | 362,335 | 29,835 | 9% | 330,000 | 347,295 | 17,295 | 5% |
| Rent | 172,673 | 129,502 | 124,088 | (5,414) | (4%) | 129,505 | 129,505 | | |
| TOTAL REVENUES | <u>44,391,553</u> | <u>34,133,023</u> | <u>31,821,025</u> | <u>(2,311,998)</u> | <u>(7%)</u> | <u>33,276,137</u> | <u>35,029,281</u> | <u>1,753,144</u> | <u>5%</u> |
| EXPENDITURES | | | | | | | | | |
| Executive Division | | | | | | | | | |
| Executive Director | 684,300 | 507,001 | 441,816 | 65,185 | 13% | 506,757 | 484,155 | 22,602 | 4% |
| Associate Executive Director/Legal Counsel | 700,889 | 519,867 | 479,630 | 40,237 | 8% | 466,792 | 441,197 | 25,595 | 5% |
| Deputy Executive Director | 236,649 | 178,118 | 162,301 | 15,817 | 9% | 170,506 | 160,127 | 10,379 | 6% |
| Deputy Executive Director/External Affairs | 265,280 | 198,838 | 179,427 | 19,411 | 10% | 196,391 | 186,597 | 9,794 | 5% |
| Special Financial Advisor | | | | | | 132,178 | 129,502 | 2,676 | 2% |
| Officers & Directors | 970,817 | 714,417 | 363,633 | 350,784 | 49% | 572,617 | 565,387 | 7,230 | 1% |
| Human Resources | 308,161 | 232,336 | 222,186 | 10,150 | 4% | 221,530 | 215,448 | 6,082 | 3% |
| Training/Tuition | 71,133 | 39,000 | 9,785 | 29,215 | 75% | 41,000 | 41,370 | (370) | (1%) |
| Total Executive Division | <u>3,237,229</u> | <u>2,389,577</u> | <u>1,858,778</u> | <u>530,799</u> | <u>22%</u> | <u>2,307,771</u> | <u>2,223,783</u> | <u>83,988</u> | <u>4%</u> |

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ending February 28, 2021

| | <u>Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actual</u> | <u>YTD Variance \$ Fav/(Unfav)</u> | <u>YTD Variance % Fav/(Unfav)</u> | <u>YTD Budget Prior Year</u> | <u>YTD Actual Prior Year</u> | <u>YTD Prior Year Variance \$ Fav/(Unfav)</u> | <u>YTD Prior Year Variance % Fav/(Unfav)</u> |
|---|--------------------------|-----------------------|-----------------------|--|---|--------------------------------------|--------------------------------------|---|--|
| Member & Public Services Division | | | | | | | | | |
| Center for Legal History | 160,623 | 121,965 | 65,078 | 56,887 | 47% | 116,504 | 118,781 | (2,277) | (2%) |
| Law Related Education | 523,895 | 428,434 | 328,524 | 99,910 | 23% | 413,651 | 407,441 | 6,210 | 2% |
| Governmental Relations | 311,496 | 229,338 | 130,489 | 98,849 | 43% | 133,444 | 123,696 | 9,748 | 7% |
| Texas Young Lawyers Association | 1,022,902 | 682,327 | 296,586 | 385,741 | 57% | 630,832 | 612,076 | 18,756 | 3% |
| LeadershipSBOT | 98,672 | 64,381 | 4,318 | 60,063 | 93% | 61,305 | 58,925 | 2,380 | 4% |
| Sections | 343,782 | 258,200 | 239,949 | 18,251 | 7% | 252,109 | 237,181 | 14,928 | 6% |
| Local Bars | 459,225 | 372,969 | 154,535 | 218,434 | 59% | 370,790 | 323,135 | 47,655 | 13% |
| Special Events | 73,604 | 54,825 | 45 | 54,780 | 100% | 52,825 | 56,689 | (3,864) | (7%) |
| Law Student Department | 20,266 | 15,891 | 2,769 | 13,122 | 83% | 15,376 | 7,139 | 8,237 | 54% |
| SBOT Volunteer Committees | 317,812 | 234,328 | 39,661 | 194,667 | 83% | 205,051 | 224,523 | (19,472) | (9%) |
| Total Member & Public Services Division | <u>3,332,277</u> | <u>2,462,658</u> | <u>1,261,954</u> | <u>1,200,704</u> | <u>49%</u> | <u>2,251,887</u> | <u>2,169,586</u> | <u>82,301</u> | <u>4%</u> |
| Legal & Attorney Services Division | | | | | | | | | |
| Legal & Attorney Services Division Director | 237,184 | 177,088 | 168,254 | 8,834 | 5% | 172,519 | 168,040 | 4,479 | 3% |
| Texas Lawyers Assistance Program | 496,731 | 372,146 | 304,838 | 67,308 | 18% | 299,212 | 290,796 | 8,416 | 3% |
| Legal Access Division | 1,539,040 | 1,247,119 | 1,027,783 | 219,336 | 18% | 1,049,416 | 995,422 | 53,994 | 5% |
| Total Legal & Attorney Services Division | <u>2,272,955</u> | <u>1,796,353</u> | <u>1,500,875</u> | <u>295,478</u> | <u>16%</u> | <u>1,521,147</u> | <u>1,454,258</u> | <u>66,889</u> | <u>4%</u> |
| Access to Justice Commission | <u>752,981</u> | <u>532,549</u> | <u>364,273</u> | <u>168,276</u> | <u>32%</u> | <u>574,717</u> | <u>468,410</u> | <u>106,307</u> | <u>18%</u> |
| Member Benefits | 172,585 | 52,335 | 27,695 | 24,640 | 47% | 26,497 | 27,327 | (830) | (3%) |
| Research & Analysis | 239,952 | 169,736 | 125,042 | 44,694 | 26% | 124,547 | 132,475 | (7,928) | (6%) |
| Law Practice Management | 182,184 | 135,079 | 123,885 | 11,194 | 8% | | | | |
| Professional Development Division | | | | | | | | | |
| Texas Bar CLE | 10,101,605 | 7,872,265 | 4,147,561 | 3,724,704 | 47% | 7,804,146 | 7,388,613 | 415,533 | 5% |
| Minority Affairs | 523,115 | 442,948 | 232,346 | 210,602 | 48% | 431,567 | 539,060 | (107,493) | (25%) |
| Total Professional Development | <u>10,624,720</u> | <u>8,315,213</u> | <u>4,379,907</u> | <u>3,935,306</u> | <u>47%</u> | <u>8,235,713</u> | <u>7,927,673</u> | <u>308,040</u> | <u>4%</u> |
| Attorney Compliance Division | | | | | | | | | |
| Office of Attorney Compliance Director | 190,181 | 143,146 | 134,234 | 8,912 | 6% | 136,787 | 137,129 | (342) | (0%) |
| Advertising Review | 151,275 | 113,690 | 107,224 | 6,466 | 6% | 137,578 | 107,715 | 29,863 | 22% |
| Client Attorney Assistance Program | 545,713 | 408,403 | 411,215 | (2,812) | (1%) | 408,495 | 407,691 | 804 | 0% |
| Lawyer Referral | 376,086 | 277,088 | 285,186 | (8,098) | (3%) | 266,394 | 290,993 | (24,599) | (9%) |
| MCLE | 628,338 | 460,239 | 428,818 | 31,421 | 7% | 457,845 | 479,427 | (21,582) | (5%) |
| Total Attorney Compliance Division | <u>1,891,593</u> | <u>1,402,566</u> | <u>1,366,677</u> | <u>35,889</u> | <u>3%</u> | <u>1,407,099</u> | <u>1,422,955</u> | <u>(15,856)</u> | <u>(1%)</u> |
| Operations/Security Division | | | | | | | | | |
| Purchasing & Facilities | 1,294,796 | 951,517 | 914,643 | 36,874 | 4% | 924,732 | 957,193 | (32,461) | (4%) |
| Total Operations/Security Division | <u>1,294,796</u> | <u>951,517</u> | <u>914,643</u> | <u>36,874</u> | <u>4%</u> | <u>924,732</u> | <u>957,193</u> | <u>(32,461)</u> | <u>(4%)</u> |

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ending February 28, 2021

| | <u>Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actual</u> | <u>YTD Variance \$ Fav/(Unfav)</u> | <u>YTD Variance % Fav/(Unfav)</u> | <u>YTD Budget Prior Year</u> | <u>YTD Actual Prior Year</u> | <u>YTD Prior Year Variance \$ Fav/(Unfav)</u> | <u>YTD Prior Year Variance % Fav/(Unfav)</u> |
|---|----------------------|-------------------|-------------------|------------------------------------|-----------------------------------|------------------------------|------------------------------|---|--|
| Finance Division | | | | | | | | | |
| Accounting | 1,049,448 | 788,975 | 734,861 | 54,114 | 7% | 713,154 | 740,238 | (27,084) | (4%) |
| Membership | 612,834 | 407,610 | 420,374 | (12,764) | (3%) | 417,672 | 402,033 | 15,639 | 4% |
| Other Administrative | 2,042,188 | 1,506,554 | 1,560,826 | (54,272) | (4%) | 1,348,128 | 1,442,111 | (93,983) | (7%) |
| Total Finance Division | <u>3,704,470</u> | <u>2,703,139</u> | <u>2,716,061</u> | <u>(12,922)</u> | <u>(0%)</u> | <u>2,478,954</u> | <u>2,584,382</u> | <u>(105,428)</u> | <u>(4%)</u> |
| Information Technology Division | | | | | | | | | |
| Information Technology | 1,252,657 | 897,114 | 753,666 | 143,448 | 16% | 908,685 | 795,675 | 113,010 | 12% |
| Customer Service | 404,132 | 273,903 | 265,233 | 8,670 | 3% | 277,180 | 291,050 | (13,870) | (5%) |
| Total Information Technology Division | <u>1,656,789</u> | <u>1,171,017</u> | <u>1,018,899</u> | <u>152,118</u> | <u>13%</u> | <u>1,185,865</u> | <u>1,086,725</u> | <u>99,140</u> | <u>8%</u> |
| Communications Division | | | | | | | | | |
| Office of Communications Director | 265,364 | 201,117 | 166,427 | 34,690 | 17% | 194,781 | 190,685 | 4,096 | 2% |
| Bar Journal | 1,298,114 | 960,120 | 950,197 | 9,923 | 1% | 964,490 | 971,688 | (7,198) | (1%) |
| Printing | 119,072 | 89,608 | 77,209 | 12,399 | 14% | 103,026 | 86,943 | 16,083 | 16% |
| Graphics | 227,649 | 169,674 | 129,821 | 39,853 | 23% | 119,820 | 126,989 | (7,169) | (6%) |
| Public Information | 171,568 | 128,241 | 105,292 | 22,949 | 18% | 118,392 | 116,182 | 2,210 | 2% |
| Web Management | 421,753 | 296,490 | 233,971 | 62,519 | 21% | 287,213 | 300,489 | (13,276) | (5%) |
| Total Communications Division | <u>2,503,520</u> | <u>1,845,250</u> | <u>1,662,917</u> | <u>182,333</u> | <u>10%</u> | <u>1,787,722</u> | <u>1,792,976</u> | <u>(5,254)</u> | <u>(0%)</u> |
| Public Protection Division | | | | | | | | | |
| Chief Disciplinary Counsel | 10,076,552 | 7,475,185 | 6,803,750 | 671,435 | 9% | 7,363,001 | 7,472,482 | (109,481) | (1%) |
| Ombudsman | 87,932 | 66,429 | 64,252 | 2,177 | 3% | 60,764 | 63,011 | (2,247) | (4%) |
| Cmte on Disc Rules/Referendum | 9,000 | 6,750 | 1,880 | 4,870 | 72% | | | | |
| Grievance Oversight Committee | 48,800 | 36,245 | 7,534 | 28,711 | 79% | 36,245 | 41,555 | (5,310) | (15%) |
| Unauthorized Practice of Law | 170,000 | 127,595 | 42,116 | 85,479 | 67% | 93,980 | 86,833 | 7,147 | 8% |
| Professional Ethics Commission | 12,000 | 4,198 | 3,766 | 432 | 10% | 4,198 | 8,943 | (4,745) | (113%) |
| Board of Disciplinary Appeals | 632,418 | 473,162 | 339,209 | 133,953 | 28% | 465,983 | 472,560 | (6,577) | (1%) |
| Total Public Protection Division | <u>11,036,702</u> | <u>8,189,564</u> | <u>7,262,507</u> | <u>927,057</u> | <u>11%</u> | <u>8,024,171</u> | <u>8,145,384</u> | <u>(121,213)</u> | <u>(2%)</u> |
| TOTAL EXPENDITURES | <u>42,902,753</u> | <u>32,116,553</u> | <u>24,584,113</u> | <u>7,532,440</u> | <u>23%</u> | <u>30,850,822</u> | <u>30,393,127</u> | <u>457,695</u> | <u>1%</u> |
| Transfers to: | | | | | | | | | |
| Bldg & Equip Fund | 288,800 | 288,800 | 288,800 | | | 288,800 | 288,800 | | |
| Technology Fund | 500,000 | 500,000 | 500,000 | | | 500,000 | 500,000 | | |
| Client Security Fund | 700,000 | 700,000 | 700,000 | | | 700,000 | 700,000 | | |
| TOTAL TRANSFERS | <u>1,488,800</u> | <u>1,488,800</u> | <u>1,488,800</u> | | | <u>1,488,800</u> | <u>1,488,800</u> | | |
| TOTAL EXPENDITURES & TRANSFERS | <u>44,391,553</u> | <u>33,605,353</u> | <u>26,072,913</u> | <u>7,532,440</u> | <u>22%</u> | <u>32,339,622</u> | <u>31,881,927</u> | <u>457,695</u> | <u>1%</u> |

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ending February 28, 2021

| | <u>Annual Budget</u> | <u>YTD Budget</u> | <u>YTD Actual</u> | <u>YTD Variance \$ Fav/(Unfav)</u> | <u>YTD Variance % Fav/(Unfav)</u> | <u>YTD Budget Prior Year</u> | <u>YTD Actual Prior Year</u> | <u>YTD Prior Year Variance \$ Fav/(Unfav)</u> | <u>YTD Prior Year Variance % Fav/(Unfav)</u> |
|--|--------------------------|-----------------------|-----------------------|--|---|--------------------------------------|--------------------------------------|---|--|
| Excess (Deficit) of Revenues Over Expenditures & Transfers | | 527,670 | 5,748,112 | 5,220,442 | 989% | 936,515 | 3,147,354 | 2,210,839 | 236% |
| BOARD COMMITMENTS | | | | | | | | | |
| Board Commitment - SLRAP | 515,000 | 515,000 | 515,000 | | | 515,000 | 515,000 | | |
| Board Commitment - Sheeran-Crowley Memorial Trust | 225,000 | 225,000 | 225,000 | | | | | | |
| Board Commitment - Client Security Fund | 333,333 | 333,333 | 333,333 | | | | | | |
| Board Commitment - Technology Fund | 1,240,000 | 1,240,000 | 1,240,000 | | | 150,000 | 150,000 | | |
| Board Commitment - Texas Opportunity & Justice Incubator Program | 489,141 | 67,927 | 67,927 | | | 97,940 | 97,940 | | |
| Board Commitment - Presidential Initiatives | 186,776 | 3,099 | 3,099 | | | 7,803 | 7,803 | | |
| Board Commitment - Statewide Pro Bono Campaign | 141,975 | | | | | 6,186 | 6,186 | | |
| Board Commitment - LAD 2018 Board Commitments | | | | | | 44,251 | 44,251 | | |
| Board Commitment - Communications Projects | 31,495 | 224 | 224 | | | 320 | 320 | | |
| Board Commitment - Archives Digitization Project | 63,500 | 12,000 | 12,000 | | | 12,000 | 12,000 | | |
| Board Commitment - LRE Projects | 6,179 | 6,000 | 6,000 | | | 56,955 | 56,955 | | |
| Board Commitment -Contingency for Southern Conference of Bar Presidents | 75,000 | | | | | | | | |
| Board Commitment -Law Practice Management and TBB Website | 200,000 | 200,000 | 200,000 | | | | | | |
| Board Commitment - Texas Law Center Renovations | | | | | | 100,000 | 100,000 | | |
| Board Commitment - Reserve for Rules Vote | 150,000 | 58,254 | 58,254 | | | | | | |
| Board Commitment - Reserve for Run-Off Election | 70,000 | | | | | | | | |
| Board Commitment - Reserve for Legal | 100,000 | | | | | | | | |
| Board Commitment - Reserve for Commitment | 866,667 | | | | | | | | |
| TOTAL BOARD COMMITMENTS | <u>4,694,066</u> | <u>2,660,837</u> | <u>2,660,837</u> | | | <u>990,455</u> | <u>990,455</u> | | |
| TOTAL YTD INCREASE (REDUCTION) IN FUND BALANCE | <u>(4,694,066)</u> | <u>(2,133,167)</u> | <u>3,087,275</u> | <u>5,220,442</u> | <u>245%</u> | <u>(53,940)</u> | <u>2,156,899</u> | <u>2,210,839</u> | <u>4099%</u> |

**State Bar of Texas
General Fund
Balance Sheet
As of February 28, 2021**

| | YTD | Prior YTD |
|------------------------------------|----------------------|----------------------|
| Assets | | |
| Cash & Money Market Funds | \$ 8,909,855 | \$ 4,560,279 |
| Investments | 21,399,490 | 21,702,119 |
| Adjust Investments to Market | 230,018 | 228,233 |
| Total Cash and Investments at FMV | 30,539,363 | 26,490,631 |
| Accounts Receivable: | | |
| Net Accounts Receivable - Sales | 71,596 | 94,951 |
| Accrued Interest | 67,393 | 105,138 |
| Interfund | 1,501,452 | 1,447,108 |
| Other | 184,508 | 26,532 |
| Inventory | 12,121 | 11,621 |
| Prepaid Expenditures | 556,731 | 527,953 |
| | 556,731 | 527,953 |
| Total Assets | \$ 32,933,164 | \$ 28,703,934 |
| Liabilities and Fund Equity | | |
| Liabilities | | |
| Accounts Payable: | | |
| Cash - A/P | | |
| Trade | \$ 240,777 | \$ 633,312 |
| Interfund | 2,949,829 | 2,053,336 |
| Accrued Liabilities | 293,237 | 295,967 |
| Deferred Revenue - | | |
| Membership Dues | 5,521,239 | 5,236,393 |
| Other | 375,820 | 522,641 |
| Other Liabilities | 74,689 | 55,511 |
| | 74,689 | 55,511 |
| Total Liabilities | \$ 9,455,591 | \$ 8,797,160 |

**State Bar of Texas
General Fund
Balance Sheet
As of February 28, 2021**

Liabilities and Fund Equity Continued

Fund Balances

| | | | |
|--|-----------|--------------------------|-----------------------------|
| Nonspendable - Prepaids at May 31, 2020 | \$ | 802,933 | |
| Nonspendable - Inventory at May 31, 2020 | | 11,572 | |
| Nonspendable - Investments FMV Adjustment at May 31, 2020 | | 374,972 | |
| Board Committed - Minimum Reserve January 2020 | | 11,140,350 | |
| Board Committed - Technology Fund | | 1,240,000 | |
| Board Committed - Texas Opportunity and Justice Incubator Program | | 489,141 | |
| Board Committed - Legal Reserve Account | | 100,000 | |
| Board Committed - Client Security Fund | | 333,333 | |
| Board Committed - Reserve for Future Board Commitments | | 866,667 | |
| Board Committed - Sheeran Crowley Memorial Trust | | 225,000 | |
| Board Committed - Presidential Initiatives | | 186,776 | |
| Board Committed - Law Practice Resource Management Website | | 200,000 | |
| Board Committed - Statewide Pro Bono Campaign | | 141,975 | |
| Board Committed - Ethics Initiatives | | 11,495 | |
| Board Committed - Contingency for SCBP | | 75,000 | |
| Board Committed - Public Information Campaign | | 20,000 | |
| Board Committed - Archives Digitization Project | | 63,500 | |
| Board Committed - Law Focused Education Programs | | 6,179 | |
| Board Committed - Student Loan Repayment Assistance Program | | 515,000 | |
| Board Committed - Run-off Election Reserve | | 70,000 | |
| Board Committed - Referendum Reserve | | 150,000 | |
| Amount Available for Board Commitment: FY 2019-2020 | | 3,366,405 | |
| Total Fund Balance at May 31, 2020 | \$ | <u>20,390,298</u> | \$ 17,749,873 |
| | | | |
| Current Year Operations | | | |
| Nonspendable - Prepaids at February 28, 2021 | | (246,202) | |
| Nonspendable - Inventory at February 28, 2021 | | 549 | |
| Nonspendable - Investments FMV Adjustment at February 28, 2021 | | (144,954) | |
| Board Committed Expenditures - Student Loan Repayment Assistance Program | | (515,000) | |
| Board Committed Expenditures - Sheeran-Crowley Memorial Trust | | (225,000) | |
| Board Committed Expenditures - Client Security Fund | | (333,333) | |
| Board Committed Expenditures - Technology Fund | | (1,240,000) | |
| Board Committed Expenditures - Texas Opportunity & Justice Incubator Program | | (67,927) | |
| Board Committed Expenditures - Presidential Initiatives | | (3,099) | |
| Board Committed Expenditures - Communications Projects | | (224) | |
| Board Committed Expenditures - Archives Digitization Project | | (12,000) | |
| Board Committed Expenditures - Law Focused Education Programs | | (6,000) | |
| Board Committed Expenditures - Law Practice Management and TBB Website | | (200,000) | |
| Board Committed Expenditures - Reserve for Rules Vote | | (58,254) | |
| Amount Available for Board Commitment from Current Year Operations | | <u>6,138,719</u> | |
| | | | |
| Total Current Year Increase (Reduction) in Fund Balance | | <u>3,087,275</u> | <u>2,156,901</u> |
| | | | |
| Total Fund Balance | | <u>23,477,573</u> | <u>19,906,774</u> |
| | | | |
| Total Liabilities and Fund Balance | \$ | <u>32,933,164</u> | \$ <u>28,703,934</u> |

State Bar of Texas
Texas Bar Books
Statement of Revenues and Expenses
For the Nine Months Ending February 28, 2021

| | Y-T-D Budget | Y-T-D Actual | Budget % | 2020-2021 Budget |
|--|---------------------|---------------------|-----------------|---------------------|
| Revenues: | | | | |
| Book Sales Net of Estimated Returns | \$1,403,616 | \$559,345 | 60% | \$1,986,903 |
| Online Sales | 366,249 | 467,945 | (28%) | 488,334 |
| Total Sales | 1,769,865 | 1,027,290 | 42% | 2,475,237 |
| Fees | 47,100 | 14,021 | 70% | 55,000 |
| Interest | 6,750 | 194 | 97% | 9,000 |
| Royalty | 953,250 | 654,983 | 31% | 1,281,000 |
| Other Revenue | 36,691 | 36,684 | 0% | 48,922 |
| Total Revenues | \$ 2,813,656 | \$ 1,733,172 | 38% | 3,869,159 |
| Cost of Goods Sold: | | | | |
| Finished Products | 287,742 | 81,403 | 72% | 407,315 |
| Royalties | 85,001 | 56,983 | 33% | 113,358 |
| Other | 0 | 28,383 | 0% | 100,000 |
| Total Cost of Goods Sold | 372,743 | 166,769 | 55% | 620,673 |
| Operating Expenses: | | | | |
| Salaries | 969,998 | 973,967 | (0%) | 1,293,330 |
| Benefits | 339,876 | 309,383 | 9% | 453,168 |
| Travel | 42,700 | 93 | 100% | 46,950 |
| Meetings & Conferences | 1,500 | 1,999 | (33%) | 1,800 |
| Professional Services | 177,141 | 109,685 | 38% | 212,189 |
| Publicity/Advertising | 13,000 | 2,117 | 84% | 15,000 |
| Publicity/Advertising for Specific Titles | 46,000 | 1,972 | 96% | 66,000 |
| Dues/Subscriptions/Licenses | 85,995 | 42,119 | 51% | 119,200 |
| Education/Training | 11,435 | 5,746 | 50% | 12,435 |
| Supplies/Awards/Gifts/Spec. Items | 23,500 | 17,163 | 27% | 30,500 |
| Rentals - Office, Equipment, Storage | 123,282 | 119,399 | 3% | 164,376 |
| Maintenance/Repair | 22,950 | 22,950 | 0% | 30,600 |
| Postage and Freight | 118,749 | 51,034 | 57% | 167,913 |
| Telephone | 2,925 | 1,717 | 41% | 3,900 |
| Insurance | 4,950 | 4,461 | 10% | 6,600 |
| Administrative Fee | 412,840 | 406,911 | 1% | 550,456 |
| Bad Debts | 35,091 | 14,363 | 59% | 49,673 |
| Capital Lease Expense | 12,000 | 9,680 | 19% | 12,000 |
| Printing | 0 | (2,198) | 0% | 0 |
| Copying | 405 | 2 | 100% | 540 |
| Total Operating Expenses | 2,444,337 | 2,092,563 | 14% | 3,236,630 |
| Total Expenses | 2,817,080 | 2,259,332 | 20% | 3,857,303 |
| Net Income/(Loss) Before Operating Transfer | (3,424) | (526,160) | (15267%) | 11,856 |
| Operating Transfer From General Fund | 0 | 200,000 | 0% | 0 |
| Net Income/(Loss) | \$ (3,424) | \$ (326,160) | (9426%) | \$ 11,856 |

State Bar of Texas
Texas Bar Books
Statement of Net Position
As of February 28, 2021

| | YTD | Prior YTD |
|---|---------------------|---------------------|
| Assets | | |
| Net Accounts Receivable - Sales | \$313,347 | \$582,778 |
| Interfund Receivable - General Fund | 263,401 | 502,447 |
| Inventory | | |
| Inventory - Finished Goods | 399,652 | 522,632 |
| Inventory - Work in Process | 172,333 | 189,067 |
| Less Inventory - Reserve | (121,557) | (132,602) |
| Total Inventory Less Reserves | 450,428 | 579,097 |
| Fixed Assets: | | |
| Equipment/Software | 533,820 | 353,637 |
| Less Accumulated Depreciation | (229,752) | (318,315) |
| Net Fixed Assets | 304,068 | 35,322 |
| Total Assets | \$ 1,331,244 | \$ 1,699,644 |
| Liabilities and Net Position | | |
| Liabilities | | |
| Payables | 5,768 | 40,176 |
| Deferred Revenue | (2,391) | |
| Compensable Leave | 101,516 | 97,422 |
| Total Liabilities | 104,893 | 137,598 |
| Net Position | | |
| Net Position at May 31, 2020 | 1,552,507 | 1,576,802 |
| Current Year Revenues | 1,733,172 | 2,475,785 |
| Current Year Expenditures | (2,059,330) | (2,490,541) |
| Current Year Operations | (326,158) | (14,756) |
| Total Net Position at February 28, 2021 | 1,226,349 | 1,562,046 |
| Total Liabilities and Net Position | \$ 1,331,242 | \$ 1,699,644 |

State Bar of Texas
Client Security Fund
Statement of Revenues & Expenditures
For the Nine Months Ending February 28, 2021

Revenues:

| | | |
|--------------------------|----|---------------|
| Interest | \$ | 36,484 |
| Restitution/Other Income | | 1,080 |
| Total Revenues | | <u>37,564</u> |

Expenditures:

| | | |
|--------------------|--|----------------|
| Claims | | 279,554 |
| Banking Fees | | 60 |
| Total Expenditures | | <u>279,614</u> |

| | | |
|--|--|------------------|
| Excess (Deficit) of Revenue Over Expenditures | | <u>(242,050)</u> |
|--|--|------------------|

| | | |
|--|--|------------------|
| General Fund Operating Transfer In | | 700,000 |
| General Fund Committed Funds Transfer In | | 333,333 |
| Total Transfers In from General Fund | | <u>1,033,333</u> |

| | | |
|---|----|----------------|
| Net Increase (Decrease) in the Fair Value of Investments | | (23,892) |
| Net after Operating Transfer & Unrealized Net Gain (Loss) | \$ | <u>767,391</u> |

State Bar of Texas
Client Security Fund
Balance Sheet
As of February 28, 2021

| | YTD | Prior YTD |
|---|---------------------|---------------------|
| Assets | | |
| Cash & Money Market Accts. | \$82,559 | \$32,562 |
| Investments | 3,033,013 | 3,034,322 |
| Adjust Investments to Market | 111,939 | 77,267 |
| Interest Receivable | 7,491 | 7,528 |
| | \$ 3,235,002 | \$ 3,151,679 |
| Total Assets | | |
| Liabilities and Fund Balance | | |
| Due To (From) General Fund | (349,758) | (120,767) |
| Total Liabilities | (349,758) | (120,767) |
| Fund Balance | | |
| Beginning Fund Balance | 2,817,369 | 2,608,546 |
| Current Year Activity | 767,391 | 663,900 |
| Total Fund Balance | 3,584,760 | 3,272,446 |
| | \$ 3,235,002 | \$ 3,151,679 |
| Total Liabilities and Fund Balance | \$ 3,235,002 | \$ 3,151,679 |

State Bar of Texas
Combining Statement of Revenue & Expenditures
And Changes in Fund Balance
All Special Revenue Funds
For the Nine Months Ending February 28, 2021

| | Law Focused Grants | TBLS | Convention Fund | Texas Law Center | Texas Bar College | Technology Fund | Misc Grant Fund | Total |
|---|--------------------------|--------------------|--------------------|------------------------|-------------------------|--------------------|-----------------------|--------------------|
| Revenues: | | | | | | | | |
| Fees | | \$344,660 | \$130 | | \$290,658 | | | \$635,448 |
| Sales | | | | | 1,114 | | | 1,114 |
| Investments | 241 | 1,844 | 85 | 42,431 | 226 | | | 44,827 |
| Grants | 606,125 | | | | | | 182,900 | 789,025 |
| Contributions | | | (7,000) | | 32,025 | | 3,117 | 28,142 |
| Total Revenues | 606,366 | 346,504 | (6,785) | 42,431 | 324,023 | | 186,017 | 1,498,556 |
| Expenditures: | | | | | | | | |
| Salaries | | 348,696 | | | 49,795 | | | 398,491 |
| Benefits | | 122,814 | | | 17,710 | | | 140,524 |
| Travel | | | 440 | | | | | 440 |
| Meetings & Conferences | | | 8,910 | | 3,705 | | | 12,615 |
| Professional Services | 203,380 | 62,092 | 1,462 | 41,065 | 11,375 | | 40,700 | 360,074 |
| Publicity/Advertising | | 49,950 | 33,500 | | 500 | | | 83,950 |
| Dues/Subscriptions/Licenses | 6,306 | 1,572 | | | 1,460 | | | 9,338 |
| Education/Training | 340 | | | | 75 | | | 415 |
| Supplies/Awards/Gifts/Spec. Items | 10,632 | 1,110 | 9,052 | | 11,644 | | | 32,438 |
| Rentals - Office, Equipment, Storage | | 106,851 | | | 1,103 | | | 107,954 |
| Maintenance/Repair | | | | 12,355 | | 479,834 | | 492,189 |
| Postage and Freight | 1,117 | 1,717 | 4,658 | | 10,639 | | | 18,131 |
| Telephone | | 14,821 | | | 373 | | | 15,194 |
| Administrative | 3,276 | 57,489 | 6,809 | | 20,185 | | | 87,759 |
| Fixed Assets | | | | | | 375,086 | | 375,086 |
| Printing and Copying | 2,829 | | 3,985 | | 7,990 | | | 14,804 |
| Total Expenditures | 227,880 | 767,112 | 68,816 | 53,420 | 136,554 | 854,920 | 40,700 | 2,149,402 |
| Transfer (In) / Out | | | | (288,800) | | (1,740,000) | | (2,028,800) |
| Total Expenditures & Transfers | 227,880 | 767,112 | 68,816 | (235,380) | 136,554 | (885,080) | 40,700 | 120,602 |
| Net Increase (Decrease) in the Fair Value of Investments | | | | (29,040) | | | | (29,040) |
| Total Revenues less Expenditures | 378,486 | (420,608) | (75,601) | 248,771 | 187,469 | 885,080 | 145,317 | 1,348,914 |
| Beginning Fund Balance at 6/1/20 | | 2,201,790 | 380,641 | 4,493,150 | 153,136 | 259,934 | | 7,488,651 |
| Ending Fund Balance at 2/28/21 | \$378,486 | \$1,781,182 | \$305,040 | \$4,741,921 | \$340,605 | \$1,145,014 | \$145,317 | \$8,837,565 |