

Financial Highlights for Fiscal 2005

Strategic Financial Goal

The WSBA's strategic financial goal is to be fiscally responsible — to operate a well-managed and financially sound association, to be accountable to our members and the public, and to use our resources wisely in ways that accomplish our mission.

Fund Categories

The WSBA accounts for revenues and expenses in four categories: general fund, continuing legal education (CLE), sections, and the Lawyers' Fund for Client Protection (LFCP).

• General Fund

The general fund consists of regulatory functions and most services to members and the public. It is funded by member license fees and revenues from services. For FY 2005, the general fund had revenues in excess of expenses of \$1,148,279. As of September 30, 2005, the general fund balance was \$3,920,348, of which \$1,052,599 is designated as an operating reserve and \$1,052,599 is designated as a reserve for the WSBA's planned move to the Puget Sound Plaza building at the end of calendar year 2006. The remaining \$1,815,150 is considered an unrestricted surplus.

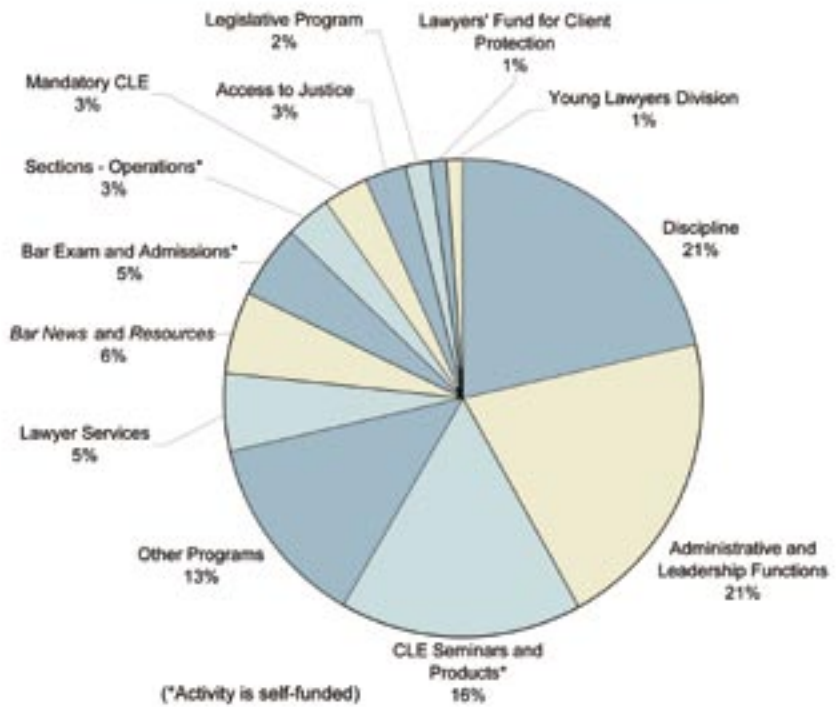
• Continuing Legal Education (CLE) Fund

CLE programs and products are entirely self-funded by seminar registration fees and sales of deskbooks and other publications. The CLE fund budgeted for revenues over expenses of \$134,011. Actual results were \$148,884, bringing CLE's fund balance as of September 30, 2005, to \$1,585,026.

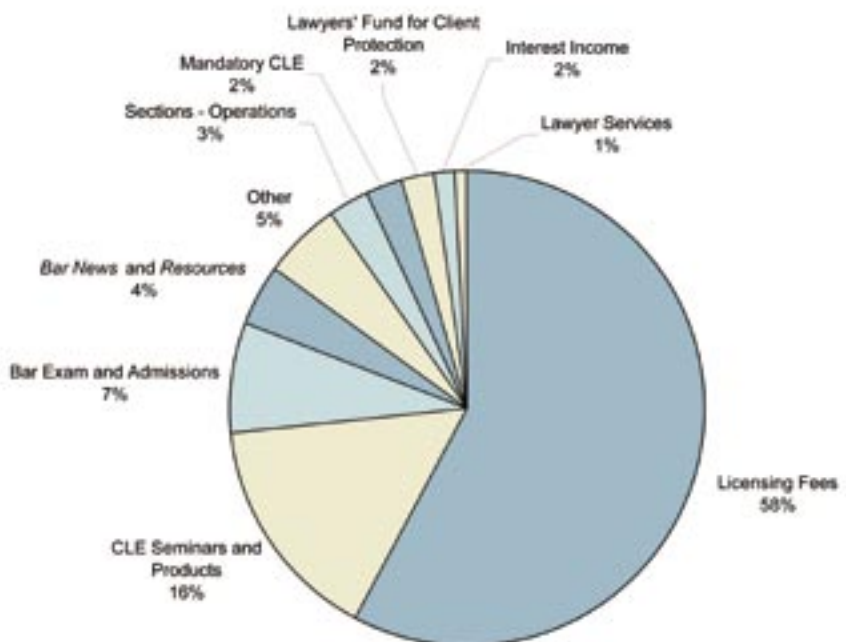
• Sections Fund

The WSBA's 24 sections are a voluntary activity for WSBA members and are fully self-supporting through section dues and fees for section products and services. No member license fees are used for section activities, and all net income from sections is carried forward in each section's net assets for use by that section in future years. The sections budgeted for \$93,714 expenses over revenues (in order to use past accumulated reserves to benefit their members). Actual results for the

Percentage of FY 2005 Expenses Used by Activity



Percentage of FY 2005 Revenues Collected from Various Sources



Statements of Activities

	Year ended September 30, 2005			Year ended September 30, 2004		
	2005 Actual Revenue	2005 Actual Dir Exp	2005 Actual Net	2004 Actual Revenue	2004 Actual Dir Exp	2004 Actual Net
Access to Justice (includes TBOR income)	26,913	430,636	-403,723	79,343	418,697	-339,354
Administration	228,849	985,896	-757,047	114,107	785,417	-671,310
Alternate Dispute Resolution	4,775	38,530	-33,755	6,725	93,611	-86,886
Attorney Licensing Fees	9,626,927	0	9,626,927	9,229,118	0	9,229,118
Audits	1,375	130,638	-129,263	500	129,145	-128,645
Bar Examination and admissions	1,229,391	754,678	474,713	865,653	754,754	110,899
Bar Leaders Support	32,108	402,832	-370,724	21,291	263,639	-242,348
Bar News	592,858	804,302	-211,444	543,619	798,533	-254,914
Board of Governors & Office of the Executive Director	0	626,385	-626,385	0	587,422	-587,422
Communications	15,469	562,292	-546,823	44,420	404,400	-359,980
Discipline	228,996	3,238,933	-3,009,937	133,215	3,082,718	-2,949,503
Diversion	31,043	30,028	1,015	0	0	0
Human Resources	0	185,303	-185,303	0	160,437	-160,437
Information Technology	32,126	843,989	-811,863	20,700	704,160	-683,460
Law Office Management Assistance Program	59,917	238,989	-179,072	62,625	222,778	-160,153
Lawyers' Assistance Program	29,634	295,941	-266,307	43,311	323,279	-279,968
Legislative	0	246,380	-246,380	0	199,477	-199,477
Limited Practice Officers	163,685	81,138	82,547	160,772	89,887	70,885
Mandatory Continuing Legal Education	405,962	453,776	-47,814	392,407	385,371	7,036
Licensing and Membership Records	83,954	406,470	-322,516	81,348	469,239	-387,891
Member Benefits	182	69,184	-69,002			
Office of General Counsel	521	424,517	-423,996	857	338,283	-337,426
Practice of Law Board	0	72,846	-72,846	0	78,651	-78,651
Professional Responsibility Program	0	199,648	-199,648	0	219,455	-219,455
Public Legal Education	29,086	98,882	-69,796	7,549	106,059	-98,510
Resources Directory	118,298	45,660	72,638	113,068	47,506	65,562
Sections Administration	90,398	123,155	-32,757	89,112	131,642	-42,530
Technology Bill of Rights	0	0	0	0	54,343	-54,343
Young Lawyers Division	10,445	174,676	-164,231	34,029	169,010	-134,981
Other	177,324	106,253	71,071	0	33,982	-33,982
Total Unrestricted - General	13,218,236	12,069,957	1,148,279	12,043,769	11,051,895	991,874
Unrestricted - Continuing Legal Education						
CLE Products	609,041	525,371	83,670	762,940	525,635	237,305
CLE Seminars	2,022,662	1,957,447	65,215	2,265,267	2,094,231	171,036
Total Unrestricted - CLE	2,631,703	2,482,818	148,885	3,028,207	2,619,866	408,341
Unrestricted - Sections Operations	483,387	488,318	-4,931	484,704	436,146	48,558
Restricted - Lawyers' Fund for Client Protection	358,466	169,274	189,192	350,297	341,182	9,115
Total	16,691,792	15,210,367	1,481,425	15,906,977	14,449,089	1,457,888

sections were that expenses exceeded revenues by \$4,931. The sections fund balance at September 30, 2005, was \$780,129.

• *Lawyers' Fund for Client Protection (LFCP)*

The LFCP may be used for relieving a loss sustained by a person due to the dishonesty of, or failure to account for money entrusted to, a member of the WSBA in connection with the member's practice of law. It is funded by an annual assessment on all active WSBA members. The

LFCP fund budgeted for revenues over expenses of \$133,067. Actual results were \$189,192. The LFCP's fund balance as of September 30, 2005, was \$821,669.

The WSBA's Move to the Puget Sound Plaza Building in December 2006

In May 2004, the WSBA entered into a lease agreement with UNICO Properties, Inc. for 41,204 square feet of space in the Puget Sound Plaza building. The WSBA was able to lock in rates when they were at a low point in the market, due to good planning by the Board of Governors. In

conducting detailed programming exercises with architects Burgess Weaver, it has been determined that the amount of space needed is more than was estimated in 2003 during the lease negotiations. Fortunately, the WSBA has approximately 80 percent of its future rent locked in at very low rates compared to the current market. The WSBA has negotiated with UNICO for additional space at reasonable market rates, taking into account the WSBA's needs over the next 10 years so the next 10 years of rent expenses will be predictable and affordable. ⁶⁹