



WSBA FUNDING/PROGRAM STRUCTURE

Supreme Court Workgroup on WSBA Structure

April 8, 2019

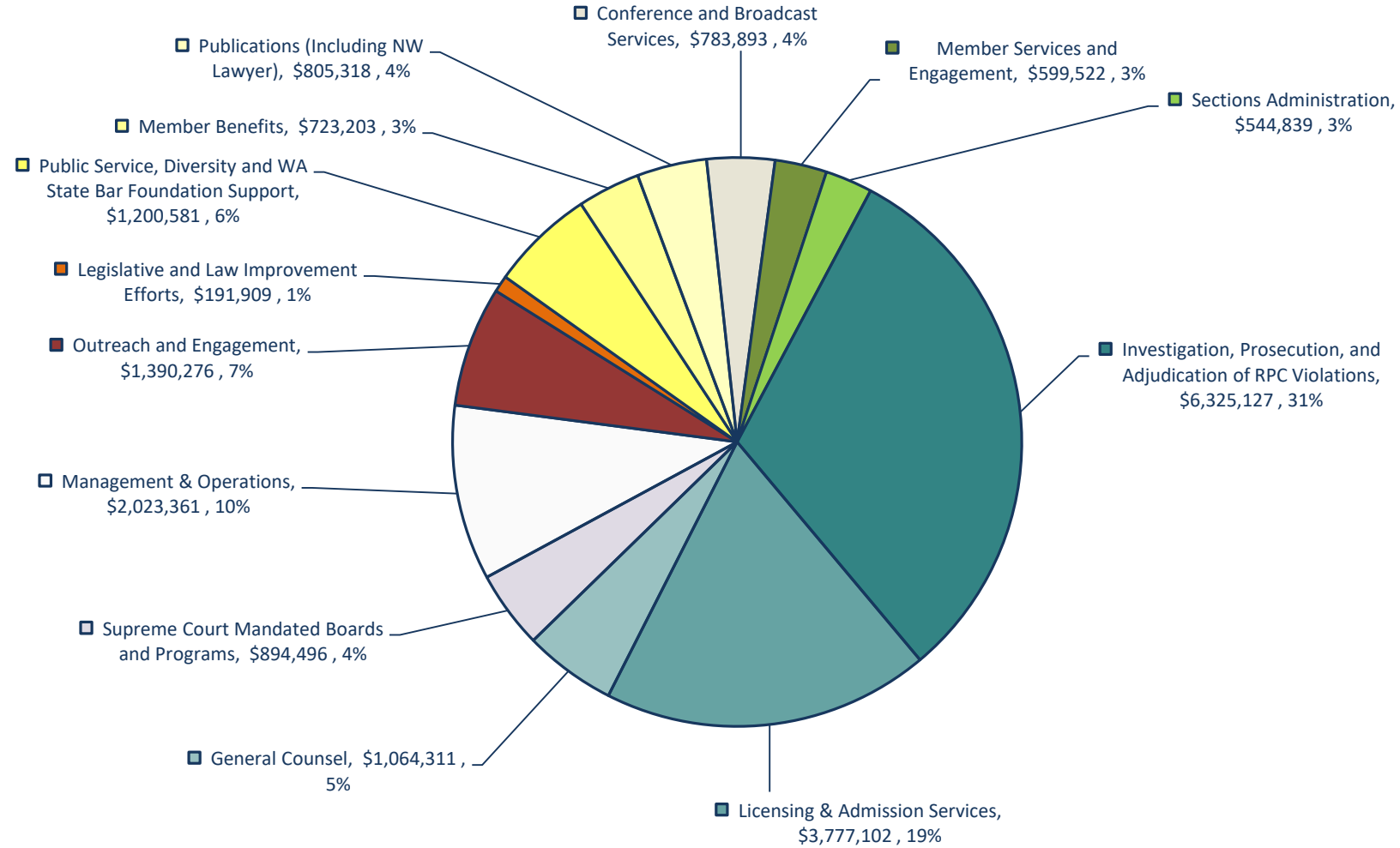
FY19 WSBA BUDGET OVERVIEW

FUND	EXPENSES	REVENUE	NET	BUDGETED YEAR END RESERVES
General Fund	\$20.32 M	\$20.22 M	(\$0.1 M)	~\$3.7 M
Client Protection Fund	\$0.67 M	\$0.99 M	\$0.32 M	~\$3.6 M
CLE Fund	\$1.83 M	\$2.04 M	\$0.21 M	~\$0.81 M
Sections Fund	\$0.84 M	\$0.54 M	(\$0.3 M)	~\$0.86 M

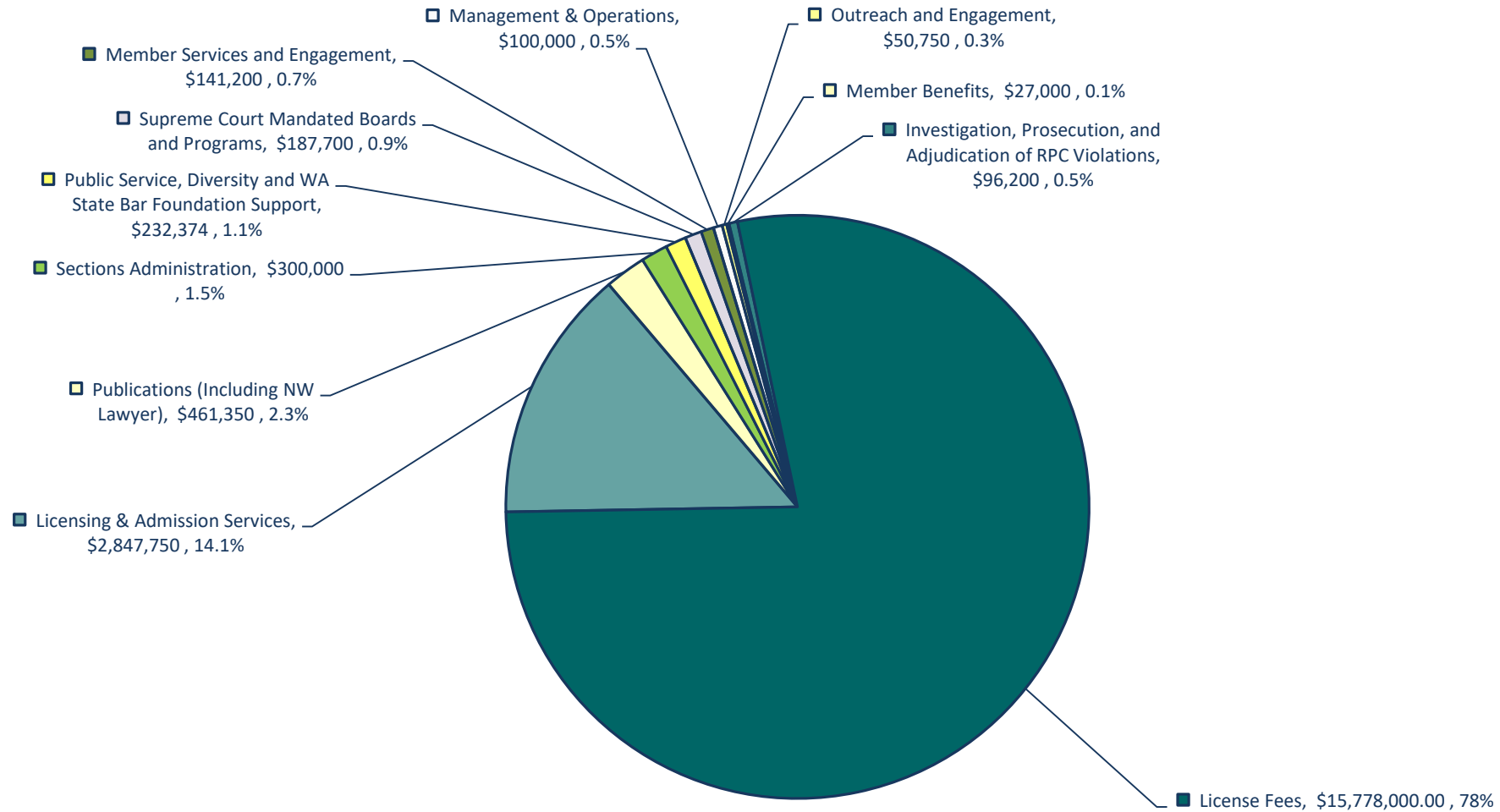
GENERAL FUND

PURPOSE	Support regulatory functions and most services to members and the public						
REVENUE	License fees; interest income; Washington State Bar Foundation donation; fees from admissions, mandatory CLE, licensing, regulatory, and member services; advertising and sponsorships; recovery of discipline costs, and section reimbursements						
EXPENSES	Costs of doing business (salaries, benefits, rent, technology, telephone, insurance, legal advice, audit, etc.); and direct expenses (consulting, travel, committee expenses, etc.)						
RESERVES	<ul style="list-style-type: none"> • General Fund Reserves consist of (1) Operating Reserve Fund (to fund operations in event of emergency); (2) Facilities Reserve Fund (to support facilities costs when PSP lease expires – 12/31/2026); and (3) Unrestricted Fund (any net assets not designated in (1) or (2) above). • Projected FY19 year end balance: \$3.7 M 						
FY19 BUDGET	<table> <tr> <td>Revenue</td> <td>\$20,222,324</td> </tr> <tr> <td>Expense</td> <td><u>\$20,323,940</u></td> </tr> <tr> <td>Net</td> <td>(\$101,616)</td> </tr> </table>	Revenue	\$20,222,324	Expense	<u>\$20,323,940</u>	Net	(\$101,616)
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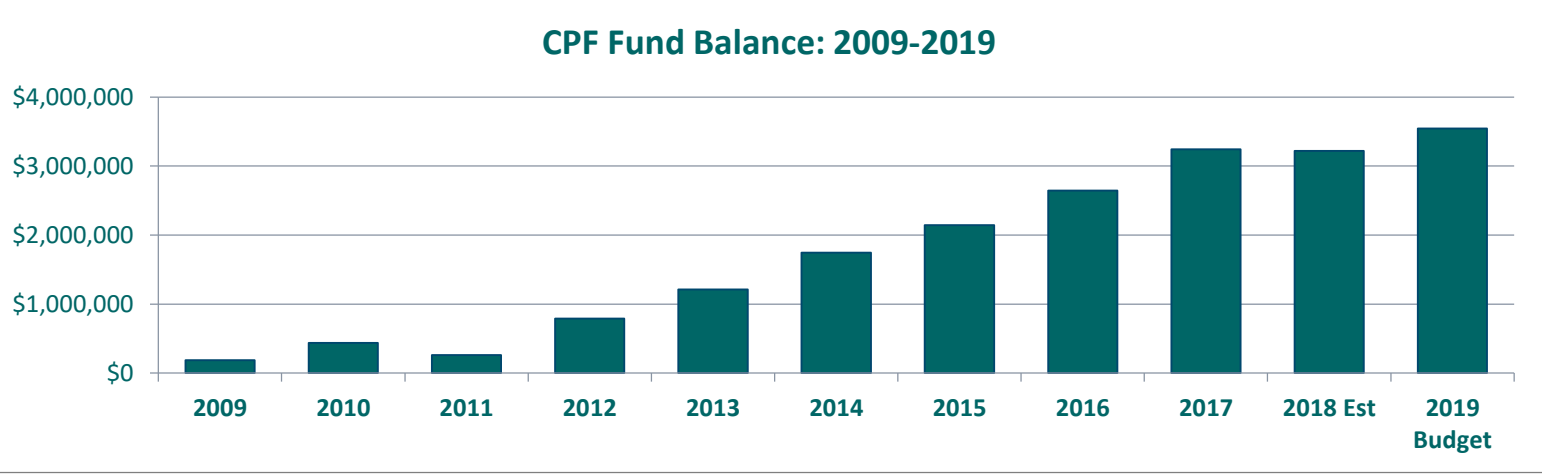
HOW THE FY19 GENERAL FUND EXPENSE BUDGET SUPPORTS WSBA PROGRAMS AND SERVICES



FY19 GENERAL FUND REVENUE BUDGET



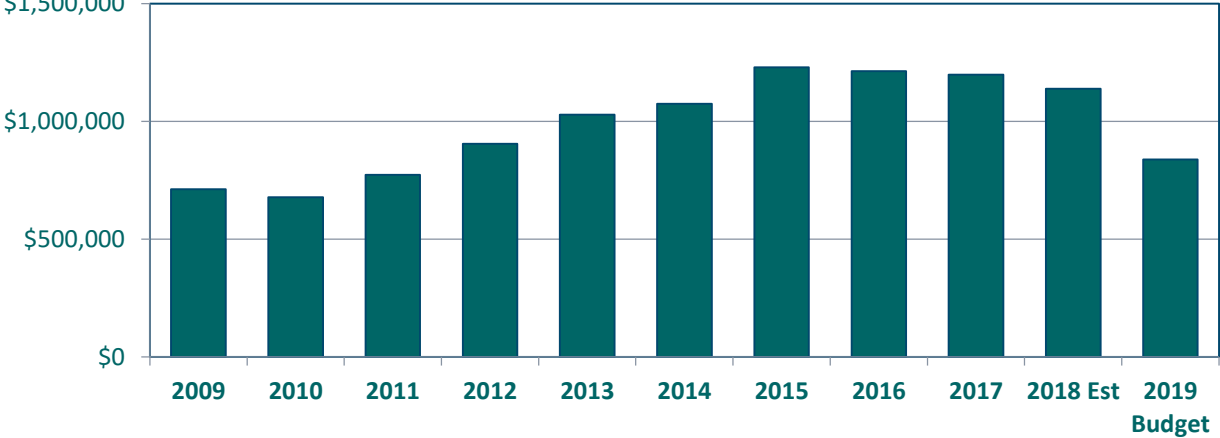
CLIENT PROTECTION FUND (CPF)

PURPOSE	<i>Supreme Court mandated, legally restricted fund</i> to make gifts to compensate those financially victimized by lawyer dishonesty or failure to account for client funds/property																									
REVENUE	Funded <i>entirely</i> from \$30 annual assessment on all Active licensed members, House Counsel, Foreign Law Consultants, and <i>pro hac vice</i> admissions																									
EXPENSES	All payments discretionary; \$150,000 maximum gift																									
RESERVES	<p>Net assets from CPF assessments carried over from year to year restricted to fund future CPF gifts</p> <p>Projected FY19 year end balance: \$3.6 M</p>	 <table border="1"> <caption>CPF Fund Balance: 2009-2019</caption> <thead> <tr> <th>Year</th> <th>Balance (Approximate)</th> </tr> </thead> <tbody> <tr><td>2009</td><td>\$200,000</td></tr> <tr><td>2010</td><td>\$400,000</td></tr> <tr><td>2011</td><td>\$300,000</td></tr> <tr><td>2012</td><td>\$700,000</td></tr> <tr><td>2013</td><td>\$1,200,000</td></tr> <tr><td>2014</td><td>\$1,700,000</td></tr> <tr><td>2015</td><td>\$2,100,000</td></tr> <tr><td>2016</td><td>\$2,600,000</td></tr> <tr><td>2017</td><td>\$3,200,000</td></tr> <tr><td>2018 Est</td><td>\$3,200,000</td></tr> <tr><td>2019 Budget</td><td>\$3,600,000</td></tr> </tbody> </table>	Year	Balance (Approximate)	2009	\$200,000	2010	\$400,000	2011	\$300,000	2012	\$700,000	2013	\$1,200,000	2014	\$1,700,000	2015	\$2,100,000	2016	\$2,600,000	2017	\$3,200,000	2018 Est	\$3,200,000	2019 Budget	\$3,600,000
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2018 Est	\$3,200,000																									
2019 Budget	\$3,600,000																									
FY19 BUDGET	<p>Revenue \$ 992,500</p> <p>Expense <u>\$ 668,210</u></p> <p>Net \$ 324,290</p>																									

CLE FUND

PURPOSE	<i>Board designated fund</i> , consisting of net income from CLE activities, to cover net loss and extraordinary costs of CLE programs, products and/or capital acquisitions																									
REVENUE	CLE seminar registrations and sales of deskbooks, coursebooks, recorded seminars, and online subscriptions																									
EXPENSES	Indirect and direct costs to produce seminars and CLE products																									
RESERVES	<p>Net income from CLE activities; carried over from year to year to cover net loss and extraordinary costs of CLE activities</p> <p>Projected FY19 year end balance: \$0.81 M</p>	<table border="1"> <caption>CLE Fund Balance: 2009-2019</caption> <thead> <tr> <th>Year</th> <th>Balance (\$)</th> </tr> </thead> <tbody> <tr><td>2009</td><td>1,100,000</td></tr> <tr><td>2010</td><td>1,400,000</td></tr> <tr><td>2011</td><td>1,350,000</td></tr> <tr><td>2012</td><td>1,350,000</td></tr> <tr><td>2013</td><td>1,200,000</td></tr> <tr><td>2014</td><td>450,000</td></tr> <tr><td>2015</td><td>100,000</td></tr> <tr><td>2016</td><td>450,000</td></tr> <tr><td>2017</td><td>480,000</td></tr> <tr><td>2018 Est</td><td>600,000</td></tr> <tr><td>2019 Budget</td><td>800,000</td></tr> </tbody> </table>	Year	Balance (\$)	2009	1,100,000	2010	1,400,000	2011	1,350,000	2012	1,350,000	2013	1,200,000	2014	450,000	2015	100,000	2016	450,000	2017	480,000	2018 Est	600,000	2019 Budget	800,000
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FY19 BUDGET	<p>Revenue \$2,039,500</p> <p>Expense <u>\$1,831,266</u></p> <p>Net \$ 208,234</p>																									

SECTIONS FUND

PURPOSE	<i>Board designated fund</i> consisting of collective net income or loss of all 29 WSBA Sections																									
REVENUE	Section dues, the section portion of revenue from CLE seminars, interest income earned on section balances, other revenues																									
EXPENSES	Direct expenses for section activities and per member reimbursement: \$18.75 since 2016																									
RESERVES	<p>Sections carry forward the results of their fiscal operations; a negative net balance reflects a draw-down by certain sections of their reserve balances.</p> <p>Projected FY19 year end balance: \$0.86 M</p>	<p style="text-align: center;">Sections Fund Balance: 2009-2019</p>  <table border="1" data-bbox="1039 592 2252 1025"> <caption>Sections Fund Balance: 2009-2019</caption> <thead> <tr> <th>Year</th> <th>Balance (Approximate)</th> </tr> </thead> <tbody> <tr><td>2009</td><td>\$700,000</td></tr> <tr><td>2010</td><td>\$680,000</td></tr> <tr><td>2011</td><td>\$780,000</td></tr> <tr><td>2012</td><td>\$900,000</td></tr> <tr><td>2013</td><td>\$1,020,000</td></tr> <tr><td>2014</td><td>\$1,080,000</td></tr> <tr><td>2015</td><td>\$1,200,000</td></tr> <tr><td>2016</td><td>\$1,180,000</td></tr> <tr><td>2017</td><td>\$1,150,000</td></tr> <tr><td>2018 Est</td><td>\$1,100,000</td></tr> <tr><td>2019 Budget</td><td>\$850,000</td></tr> </tbody> </table>	Year	Balance (Approximate)	2009	\$700,000	2010	\$680,000	2011	\$780,000	2012	\$900,000	2013	\$1,020,000	2014	\$1,080,000	2015	\$1,200,000	2016	\$1,180,000	2017	\$1,150,000	2018 Est	\$1,100,000	2019 Budget	\$850,000
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FY19 BUDGET	Revenue \$ 544,140 Expense \$ <u>841,025</u> Net (\$ 296,885)																									