MEMORANDUM

To: WSBA Budget and Audit Committee
From: Manager of Budget and Finance
Date: February 20, 2020
Re: Summary of Financial Reports as of January 31, 2020

The purpose of this memo is to summarize the financial results of Washington State Bar Association (WSBA) as of January 31, 2020. 33% of the fiscal year is completed.

1. Budget-to-Actual Variance Reports

Year-to-date Revenues:

The total revenue budgeted for 2020 is $24M. We recognized $3M in revenue this month for a total of $9M for the fiscal year which is 38% of the annual budget. This puts us slightly over budget for the year so far which can be mainly attributed to the following:

- **Public Service Programs**: $125,000 was budgeted for donations & grants in 2020. A grant for $130,000 was received in January which has exceeded the annual budget.

- **Diversity**: Donations of $125,000 were budgeted for 2020. Donations totaling $130,000 were received in January which has exceeded the annual budget.

- **Client Protection Fund**: CPF member assessments have mostly been recognized for the year (87% to budget). CPF restitution and interest income are also higher than planned. Because member assessments and interest income are primarily recognized in the first quarter of the fiscal year, they are not likely to increase significantly throughout the year and should remain at or near budget throughout the remainder of the year.

Year-to-date Expenses:

The total expense budgeted for 2020 is $25M. We recognized $2M in expense this month for a total of $8M for the fiscal year which is 31% of the annual budget. This puts us slightly under budget for the year so far which can be mainly attributed to the following:

- **Client Protection Fund**: Year to date $3,082.51 in gifts to injured clients have been paid out vs a budget of $500,000. There are currently around $800,000 in claims pending but not all of them will be finalized by the end of fiscal 2020.
• Public Service Programs: Donations/Sponsorships/Grants are budgeted at $221,777 for the year, $27,434.03 has been paid out so far which is approximately 12% of the budget. UW grantees did not hire their staff attorney until February so there is a savings here. Public Service Events & Projects is budgeted for $25,000 this year but none has been paid out so far as these charges typically happen in the second half of the year.

FY 20 Year-End Forecast

This information will be available after the reforecast process is completed.

2. Statement of Financial Position

Total assets as of January 31, 2020 are $27M the majority of which is cash and money market account balances. These large balances are a result of the collection of annual member licensing fees primarily occurring in December and January.

Liabilities as of January 31, 2020 are $15M. These are primarily deferred licensing fees and future rent obligations which will be applied evenly throughout the remaining months of the year as they occur.

Operating reserves as of January 31, 2020 are at $5M which includes; $1.5M in the Operating Reserve Fund, $550K in the Facilities Reserve Fund, and $3M in unrestricted General Funds.