

State Bar of Arizona

2022 Budget

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**State Bar of Arizona
Summary Statement of Activities
2022 Budget**

	2019 Actual	2020 Actual	2021 Budget	2022 Budget
SUPPORT AND REVENUE				
<i>Membership Fees</i>	<i>\$10,878,709</i>	<i>\$10,983,223</i>	<i>\$11,041,614</i>	<i>\$11,341,787</i>
<i>Program Service Revenue</i>				
Regulatory	181,227	267,803	171,129	177,825
Compliance	1,007,073	571,777	1,087,166	996,784
Professional development	4,451,011	3,634,412	4,260,687	4,693,452
Lawyer referral services	46,063	46,775	42,386	
<i>Subtotal Program Service Revenue</i>	<i>5,685,374</i>	<i>4,520,767</i>	<i>5,561,368</i>	<i>5,868,061</i>
<i>Other Revenue</i>				
Rental income	437,961	500,980	544,380	497,862
Interest and dividend income	77,693	25,817	12,000	150,000
Gain/Loss on asset disposal	(4,195)			
Other revenue	354,303	353,991	394,572	419,236
TOTAL SUPPORT AND REVENUE	17,429,845	16,384,778	17,553,934	18,276,946
EXPENSES				
Personnel Costs	9,677,765	9,887,744	9,859,646	10,133,247
Depreciation	831,124	788,275	763,463	645,363
Other expenses	6,111,088	4,951,328	6,480,411	6,959,782
TOTAL EXPENSES	16,619,977	15,627,347	17,103,520	17,738,392
CHANGE IN NET ASSETS	\$809,868	\$757,431	\$450,414	\$538,554

**State Bar of Arizona
Statement of Activities
2022 Budget**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Budget</u>	<u>2022 Budget</u>
SUPPORT AND REVENUE				
<i>Membership Fees</i>				
Active	\$8,855,612	\$8,892,411	\$8,949,247	\$9,223,159
Inactive	1,157,120	1,177,594	1,219,596	1,246,116
Membership fees penalties	329,555	408,785	368,046	388,068
Sections	331,925	323,210	320,121	320,869
Board of Legal Specializations	100,600	96,800	97,600	94,600
Admission on motion	103,897	84,423	87,004	68,975
<i>Subtotal Member Fees</i>	<i>10,878,709</i>	<i>10,983,223</i>	<i>11,041,614</i>	<i>11,341,787</i>
<i>Program Service Revenue</i>				
<i><u>Regulatory</u></i>				
Judgement receipts	90,283	153,341	90,000	102,000
Professional services ¹	53,652	70,950	51,400	46,050
Reinstatement fees	6,660	19,213	6,400	8,500
Trust account ethics program	9,600	6,650	9,000	9,000
Miscellaneous revenue	21,032	17,649	14,329	12,275
<i>Subtotal Regulatory</i>	<i>181,227</i>	<i>267,803</i>	<i>171,129</i>	<i>177,825</i>
<i><u>Compliance</u></i>				
Board of Legal Specializations	30,550	44,225	34,100	31,900
Pro Hac Vice fees	456,273	450,726	440,076	547,284
Reinstatement fees	10,666	9,850	9,950	7,600
MCLE-late fees ²	509,059	66,826	603,040	410,000
Miscellaneous revenues	525	150		
<i>Subtotal Compliance</i>	<i>1,007,073</i>	<i>571,777</i>	<i>1,087,166</i>	<i>996,784</i>
<i><u>Professional Development</u></i>				
Continuing legal education	2,252,705	1,833,169	2,109,566	2,300,983
Convention	588,275	342,613	549,199	552,639
Publications	242,239	192,183	305,720	329,924
Advertising sales	883,879	982,740	893,834	1,085,474
Arizona Attorney magazine	17,177	6,934	11,030	7,472
Sections meetings and conferences	192,746	40,448	163,690	149,852
Contributions and sponsorships	98,267	70,170	76,530	68,150

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2022 Budget**

	2019 Actual	2020 Actual	2021 Budget	2022 Budget
Membership benefits	81,201	102,108	94,910	109,274
Miscellaneous revenues	94,522	64,048	56,208	89,684
<i>Subtotal Professional Development</i>	<i>4,451,011</i>	<i>3,634,413</i>	<i>4,260,687</i>	<i>4,693,452</i>
<u><i>Access to Justice</i></u>				
Lawyer referral services	46,063	46,775	42,386	
<i>Subtotal Access To Justice</i>	<i>46,063</i>	<i>46,775</i>	<i>42,386</i>	
<i>Subtotal Program Service Revenue</i>	<i>5,685,374</i>	<i>4,520,768</i>	<i>5,561,368</i>	<i>5,868,061</i>

**State Bar of Arizona
Statement of Activities
2022 Budget**

	2019 Actual	2020 Actual	2021 Budget	2022 Budget
<i>Other Revenue</i>				
Rental income ³	437,961	500,980	544,380	497,862
Interest and dividend income	77,693	25,817	12,000	150,000
Gain/Loss on asset disposal	(4,195)			
Other revenue	354,303	353,991	394,572	419,236
TOTAL SUPPORT AND REVENUE	17,429,845	16,384,779	17,553,934	18,276,946
EXPENSES				
Salaries and wages	7,674,643	7,938,614	7,855,838	8,099,211
Employee benefits ⁴	1,423,920	1,372,317	1,382,147	1,397,843
Payroll taxes	579,202	576,813	621,661	636,193
Accounting fees	42,200	43,200	59,400	46,200
Advertising & promotion	52,239	6,395	55,410	55,567
Bad debt	9,236	2,120		
Bank/Credit card fees	360,042	372,101	378,771	374,290
Conferences, conventions and meetings	1,340,304	676,601	1,342,580	1,467,028
Contract labor ⁵	91,456	8,001	62,120	42,800
Contributions ⁶	138,364	118,666	137,544	142,064
Depreciation ⁷	831,124	788,275	763,463	645,363
Information technology ⁸	719,098	875,693	855,584	985,961
Insurance	94,389	108,753	145,157	145,137
Interest expense		6		
Legal fees	247,113	89,761	117,800	115,135
Member research tool ⁹	80,004	80,004	80,004	80,004
Occupancy ¹⁰	774,360	726,031	818,929	828,462
Office expense ¹¹	797,930	701,256	865,574	857,048
Office of Presiding Disciplinary Judge ¹²	581,039	618,975	643,752	742,944
Professional services ¹³	288,126	283,820	324,462	400,422
Publications ¹⁴	50,558	34,584	69,728	92,820
Sponsorship expense ¹⁵	26,524	2,433	23,833	31,583
Training and development ¹⁶	203,897	71,191	181,876	216,758
Travel ¹⁷	64,714	17,852	91,022	96,819

**State Bar of Arizona
Statement of Activities
2022 Budget**

	2019 Actual	2020 Actual	2021 Budget	2022 Budget
UBIT taxes ¹⁸	44,195	174	16,000	16,000
Other expenses	105,300	113,710	210,865	222,740
TOTAL EXPENSES	16,619,977	15,627,346	17,103,520	17,738,392
CHANGE IN NET ASSETS	\$809,868	\$757,433	\$450,414	\$538,554

FOOTNOTES TO 2022 BUDGET

INCOME

- 1 Professional services - fees collected for required training after discipline
- 2 MCLE - Mandatory Continuing Legal Education
- 3 Rental income - tenant income from 24th Street building, parking income Tucson location

EXPENSES

- 4 Employee benefits - health insurance benefits, EE retirement plan, staff recognition and awards, and staff activities
 - 5 Contract labor - seasonal temporary workers
 - 6 Contributions - contributions to Arizona Foundation for Legal Services & Education
 - 7 Depreciation - allocation of costs for capital assets over useful life (technology, facilities, equipment)
Information technology - Includes all IT-related Software-as-a-Service (SaaS), IT-related maintenance and warranty
 - 8 contracts (hardware and software) that are not classified as capital expenditures
 - 9 Member research tool - free unlimited online legal research provided to members
 - 10 Occupancy - 24th Street and Tucson building utilities, maintenance, and operational costs
 - 11 Office expense - office supplies & equipment, postage, stationery and reference materials/subscriptions
 - 12 Office-Presiding Disciplinary Judge - funding paid to the Az Supreme Court for disciplinary administrative charges
 - 13 Professional services - cost of consultants and/or other professional services
 - 14 Publications - expenses incurred to generate publication revenue
 - 15 Sponsorship expense - contributions to sister bars and other organizations for the promotion of the legal profession
 - 16 Training and development - staff education, dues, and related travel expenses
 - 17 Travel - transportation, lodging, meals and registration for board meetings, national and regional conferences
 - 18 UBIT taxes - unrelated business income tax
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