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TANNER

Accountants & Advisors

UTAH STATE BAR

**Financial Statements and Supplemental Schedules
As of and for the Year Ended June 30, 2025 (with Summarized Financial Information
as of and for the Year Ended June 30, 2024)**

Together with Independent Auditors' Report



TANNER

Independent Auditors' Report

To the Board of Commissioners of the Utah State Bar

Opinion

We have audited the accompanying financial statements of Utah State Bar (a nonprofit organization) (the Bar), which comprise the statement of financial position as of June 30, 2025, the related statements of activities and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah State Bar as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Utah State Bar and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bar's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bar's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bar's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Utah State Bar's 2024 financial statements and we expressed an unmodified opinion on those financial statements in our report dated October 16, 2024. In our opinion, the summarized comparative information presented herein as of June 30, 2024 and for the year then ended is consistent, in all material respects, with the audited financial statements from which it was derived.

Report on Supplemental Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of continuing legal education and conferences revenues and expenses, member services revenues and expenses, public services revenues and expenses, bar sections revenues and expenses, mandatory continuing education advisory board, and facilities revenues and expenses are presented for the purpose of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of the Bar's management and are derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Tanner LLC

October 9, 2025

36 S. State St., Suite 600, Salt Lake City, UT 84111-1400

Statements of Financial Position

As of June 30, 2025 (with Summarized Financial Information as of June 30, 2024)

	Bar Operations	Bar Sections	Fund for Client Protection	Mandatory Continuing Legal Education Fund	Total 2025	Total 2024
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,888,573	\$ 179,352	\$ 103,711	\$ 401,339	\$ 5,572,975	\$ 8,534,726
Investments, at fair value	4,275,332	1,151,965	114,856	462,628	6,004,781	2,921,002
Receivables	91,629	49,430	-	-	141,059	120,631
Prepaid expenses	254,481	-	-	-	254,481	296,716
Total current assets	9,510,015	1,380,747	218,567	863,967	11,973,296	11,873,075
Property and equipment, net	1,518,614	-	-	4,246	1,522,860	1,553,326
Total assets	\$ 11,028,629	\$ 1,380,747	\$ 218,567	\$ 868,213	\$ 13,496,156	\$ 13,426,401
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 1,028,026	\$ 18,195	\$ 7,069	\$ 4,212	\$ 1,057,502	\$ 875,304
Deferred revenue	4,069,394	-	-	-	4,069,394	3,888,392
Interfund payable (advance)	(231,699)	198,566	-	33,133	-	-
Total current liabilities	4,865,721	216,761	7,069	37,345	5,126,896	4,763,696
Commitments and contingencies						
Net assets:						
Net assets without donor restrictions - undesignated	2,647,241	-	-	-	2,647,241	2,859,407
Net assets without donor restrictions - board designated	3,450,022	1,163,986	211,498	830,868	5,656,374	5,711,689
Total net assets without donor restrictions	6,097,263	1,163,986	211,498	830,868	8,303,615	8,571,096
Net assets with donor restrictions	65,645	-	-	-	65,645	91,609
Total net assets	6,162,908	1,163,986	211,498	830,868	8,369,260	8,662,705
Total liabilities and net assets	\$ 11,028,629	\$ 1,380,747	\$ 218,567	\$ 868,213	\$ 13,496,156	\$ 13,426,401

See accompanying notes to financial statements.

Statements of Activities

For the Year Ended June 30, 2025 (with Summarized Financial Information for the Year Ended June 30, 2024)

	Bar Operations	Bar Sections	Fund for Client Protection	Mandatory Continuing Legal Education Fund	In-Kind & Interfund	Total 2025	Total 2024
Changes in net assets without donor restrictions:							
Revenues:							
Licensing	\$ 4,972,239	\$ -	\$ -	\$ -	\$ -	\$ 4,972,239	\$ 4,908,345
Admissions	599,001	-	-	-	-	599,001	594,787
New lawyer training program	77,207	-	-	-	-	77,207	80,866
Office of Professional Conduct	65,149	-	-	-	-	65,149	30,615
Continuing legal education and conferences	1,172,513	-	-	-	-	1,172,513	1,045,310
Member services	355,472	-	-	-	(66,535)	288,937	253,634
Public services	18,465	-	-	-	-	18,465	11,059
Bar sections	-	426,309	-	-	-	426,309	509,067
Fund for client protection	-	-	5,456	-	-	5,456	85,127
Mandatory Continuing Legal Education Fund	-	-	-	638,904	(71,583)	567,321	537,053
Bar Operations	29,330	-	-	-	-	29,330	2,571
Legal Service Innovation	20,250	-	-	-	-	20,250	7,750
Facilities	176,857	-	-	-	(144,633)	32,224	25,079
Net investment income	386,567	-	12,952	35,582	-	435,101	457,225
Grant revenue	2,495	-	-	-	-	2,495	-
Total revenues	7,875,545	426,309	18,408	674,486	(282,751)	8,711,997	8,548,488
Net assets released from restrictions	91,609	-	-	-	-	91,609	233,776
Total revenues and reclassifications	\$ 7,967,154	\$ 426,309	\$ 18,408	\$ 674,486	\$ (282,751)	\$ 8,803,606	\$ 8,782,264

Statements of Activities – Continued

For the Year Ended June 30, 2025 (with Summarized Financial Information for the Year Ended June 30, 2024)

	Bar Operations	Bar Sections	Fund for Client Protection	Mandatory Continuing Legal Education Fund	In-Kind & Interfund	Total 2025	Total 2024
Changes in net assets without donor restrictions (continued) :							
Expenses:							
Licensing	\$ 321,644	\$ -	\$ -	\$ -	\$ (500)	\$ 321,144	\$ 317,550
Admissions	627,585	-	-	-	(16,659)	610,926	540,829
New lawyer training program	79,110	-	-	-	(524)	78,586	77,522
Office of Professional Conduct	1,709,379	-	-	-	(424)	1,708,955	1,613,863
Continuing legal education and conferences	1,112,993	-	-	-	(90,455)	1,022,538	853,340
Member services	995,325	-	-	-	(5,637)	989,688	974,515
Public services	597,624	-	-	-	(8,559)	589,065	678,220
Bar sections	-	379,477	-	-	(99,272)	280,205	347,282
Fund for client protection	-	-	108,617	-	-	108,617	95,259
Mandatory Continuing Legal Education Fund	-	-	-	636,424	(24,625)	611,799	557,796
Bar operations	2,088,460	-	-	-	(16,234)	2,072,226	2,019,539
Legal Services Innovation	221,314	-	-	-	(396)	220,918	170,102
Facilities	475,886	-	-	-	(19,466)	456,420	443,563
Total expenses	8,229,320	379,477	108,617	636,424	(282,751)	9,071,087	8,689,380
Increase (decrease) in net assets without donor restrictions	(262,166)	46,832	(90,209)	38,062	-	(267,481)	92,884
Change in net assets with donor restrictions:							
Grant revenue	65,645	-	-	-	-	65,645	257,173
Net assets released from restrictions	(91,609)	-	-	-	-	(91,609)	(233,776)
Increase in net assets with donor restrictions	(25,964)	-	-	-	-	(25,964)	23,397
Increase (decrease) in net assets	(288,130)	46,832	(90,209)	38,062	-	(293,445)	116,281
Net assets:							
Beginning of the year	6,451,038	1,117,154	301,707	792,806	-	8,662,705	8,546,424
End of the year	\$ 6,162,908	\$ 1,163,986	\$ 211,498	\$ 830,868	\$ -	\$ 8,369,260	\$ 8,662,705

Statements of Cash Flows

For the Year Ended June 30, 2025 (with Summarized Financial Information for the Year Ended June 30, 2024)

	Bar Operations	Bar Sections	Fund for Client Protection	Mandatory Continuing Legal Education Fund	Total 2025	Total 2024
Cash flows from operating activities:						
Change in net assets	\$ (288,130)	\$ 46,832	\$ (90,209)	\$ 38,062	\$ (293,445)	\$ 116,281
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:						
Depreciation and amortization	175,363	-	-	4,570	179,933	163,727
Net unrealized gain on investments	(98,850)	(15,124)	(448)	(3,623)	(118,045)	(115,532)
Loss on disposal of assets	3,226	-	-	-	3,226	403
Changes in assets and liabilities:						
Receivables	28,962	(49,430)	-	40	(20,428)	(39,321)
Prepaid expenses	42,235	-	-	-	42,235	5,019
Accounts payable and accrued liabilities	167,530	9,911	6,613	338	184,392	(198,528)
Deferred revenue	181,002	-	-	-	181,002	(72,894)
Interfund advance	(70,244)	61,002	-	9,242	-	-
Net cash and cash equivalents provided by (used in) operating activities	141,094	53,191	(84,044)	48,629	158,870	(140,845)
Cash flows from investing activities:						
Purchases of property and equipment	(151,557)	-	-	(1,137)	(152,694)	(190,606)
Purchases of investments	(15,487,468)	(1,985,556)	(164,151)	(378,665)	(18,015,840)	(6,658,425)
Proceeds from sale of investments and reinvested income	13,740,039	1,150,000	110,000	50,067	15,050,106	9,280,000
Net cash and cash equivalents provided by (used in) investing activities	(1,898,986)	(835,556)	(54,151)	(329,735)	(3,118,428)	2,430,969
Cash flows from financing activities:						
Payments on finance lease obligation	(2,193)	-	-	-	(2,193)	(1,669)
Net increase (decrease) in cash and cash equivalents	(1,760,085)	(782,365)	(138,195)	(281,106)	(2,961,751)	2,288,455
Cash and cash equivalents as of beginning of the year	6,648,658	961,717	241,906	682,445	8,534,726	6,246,271
Cash and cash equivalents as of end of the year	\$ 4,888,573	\$ 179,352	\$ 103,711	\$ 401,339	\$ 5,572,975	\$ 8,534,726
Supplemental disclosure of cash flow information:						
Cash paid for interest	\$ 2,283	\$ -	\$ -	\$ -	\$ 2,283	\$ 2,806

Notes to Financial Statements

1. Description of Organization and Summary of Significant Accounting Policies

Description of Organization

The Utah State Bar (the Bar or the Organization) is an organization created by statute in 1931 under the laws of the state of Utah. The Bar's purpose was amended and clarified by the Utah State Constitution and by court order on June 30, 1981, and the Bar was incorporated as a 501(c)(6) organization on June 24, 1991. All attorneys licensed under the laws of the state of Utah, which approximate 14,500 are considered licensees of the Bar.

Basis of Presentation and Fund Accounting

The assets, liabilities and net assets of the Bar have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Bar to report information regarding its financial position and activities according to the following net asset classifications, as applicable:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Bar. These net assets may be used at the discretion of the Bar's management and Board of Directors.

Net assets with donor restrictions: Net assets subject to restrictions imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Bar or by the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulates the funds be maintained in perpetuity.

Net assets without donor restrictions are presented as designated or undesignated. The undesignated fund is used for the general operations of the Bar. The designated funds are used for activities of the various Bar sections, the Fund for Client Protection, and the Mandatory Continuing Legal Education Fund (MCLE Fund), including overhead charges to defray the costs of administering those funds.

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with US GAAP. Accordingly, such information should be read in conjunction with the Bar's financial statements as of and for the year ended June 30, 2024, from which the summarized information was derived.

Concentrations of Risk

The Bar maintains its cash and cash equivalents in bank deposit accounts which, at times, exceed federally insured limits. As of June 30, 2025 and 2024, the Organization had cash and cash equivalents balances in excess of federally insured limits. To date, the Organization has not experienced a loss or lack of access to its invested cash; however, no assurance can be provided that access to the Organization's invested cash and cash equivalents will not be impacted by adverse conditions in financial markets.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Bar considers all highly liquid investments purchased with original maturities to the Bar of three months or less to be cash equivalents. As of June 30, 2025, these cash equivalents consisted of money market mutual funds totaling \$4,548,071.

Investments

Investments consist primarily of corporate bonds. Investments are reported at their fair values in the statement of financial position. Realized and unrealized gains or losses are reflected currently in the statements of activities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated economic useful lives of the assets or over the related lease terms (if shorter), as follows:

Building	25 years
Building improvements	10-25 years
Computers and computer software	3-5 years
Office furniture, equipment and leased equipment	3-7 years

Expenditures for routine maintenance and repairs are charged to operating expenses as incurred. Major renewals and betterments are capitalized and depreciated over their estimated useful lives. Upon retirement or other disposition of property and equipment, the cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is recorded as income or expense in the statements of activities.

Revenue Recognition and Deferred Revenue

The Bar recognizes revenue from licensing, admissions, continuing legal education, services and programs, conventions, bar examinations, room rental and catering and other services when the Organization has (1) identified the customer contract, (2) identified the performance obligation in the contract, (3) determined the transaction price, (4) allocated the entire transaction price to the single performance obligation, and (5) recognized revenue when the performance obligation has been satisfied. Licensing fees are assessed in June for the following fiscal year. All fees collected prior to the current fiscal year-end are recorded as deferred revenue. Deferred revenue is recognized as income in the year in which it is earned (i.e., benefits provided to licensees).

Grant Revenue

Grants received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Revenue from grants with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

If a donor restriction expires in the same reporting period in which the grant revenue was initially recognized that revenue is reported as an increase in net assets without donor restriction. All other donor-restricted revenue is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes

On June 24, 1991, the Bar was incorporated as a 501(c)(6) organization and has received a determination letter from the Internal Revenue Service exempting the Bar from federal income taxes. Management believes that the Bar is designed and operated in compliance with the applicable requirements of the Internal Revenue Code and, accordingly, no provision for federal and state income taxes has been provided for in the accompanying statements of activities.

The Bar is subject to income tax at current corporate rates on net income from unrelated business activities. Income taxes on unrelated business activities have not been significant. The Bar paid no income taxes during the year ended June 30, 2025.

A liability for uncertain tax positions is recognized in the financial statements when it is more likely than not the position will not be sustained upon examination by the tax authorities. As of June 30, 2025, the Bar had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. The Bar is subject to routine audits by tax jurisdictions; however, there are no audits for any tax periods in progress.

Subsequent Events

Management has evaluated events occurring subsequent to June 30, 2025 through October 9, 2025, which is the date the financial statements were available.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform with the current year presentation.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following as of June 30:

	2025	2024
Cash and cash equivalents	\$ 5,572,975	\$ 8,534,726
Investments	6,004,781	2,921,002
Receivables	141,059	120,631
	11,718,815	\$11,576,359
Less amounts not available to be used within one year or otherwise restricted:		
Board designated funds	(5,656,374)	(5,711,689)
	\$ 6,062,441	\$ 5,864,670

The Bar regularly monitors liquidity required to meet its operating needs and other contractual commitments using budgets and cash flow projections, while also striving to maximize the investment of its available funds. The Bar's excess cash is invested in a portfolio of corporate bonds. Additionally, the Bar's governing board has designated a portion of its unrestricted resources for contingencies, which is identified as board-designated in the table above (Note 7).

3. Investments and Net Investment Income

Investments consisted of the following as of June 30, 2025:

	Amortized Cost	Cumulative Net Unrealized Gains (Losses)	Fair Value
US Government securities	\$ 1,928,733	\$ (293)	\$ 1,928,440
Corporate bonds	1,472,461	15,933	1,488,394
Federal agency bonds	1,550,000	9,488	1,559,488
Certificate of deposits	749,869	4,032	753,901
Commercial paper	274,513	45	274,558
	\$ 5,975,576	\$ 29,205	\$ 6,004,781

Investment income for the year ended June 30, 2025, consisted of the following:

	Undesignated	Designated	Total
Net investment income and interest	\$ 387,454	48,720	\$ 436,174
Net unrealized gain (loss)	(911)	(162)	(1,073)
	\$ 386,543	48,558	\$ 435,101

Investments consisted of the following as of June 30, 2024:

	Amortized Cost	Cumulative Net Unrealized Gains	Fair Value
Certificate of deposits	\$ 2,831,797	\$ 12,218	\$ 2,844,015
Corporate bonds	88,804	400	89,204
	\$ 2,908,383	\$ 12,619	\$ 2,921,002

Investment income for the year ended June 30, 2024, consisted of the following:

	Undesignated	Designated	Total
Net investment income and interest	\$ 398,473	45,865	\$ 444,338
Net unrealized gain	11,057	1,830	12,887
	\$ 409,530	47,695	\$ 457,225

4. Fair Value Measurements

The Bar's financial instruments consist of investments as of June 30, 2025 and 2024. Management believes that the recorded value of each financial instrument approximates its fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 Valuations based on quoted prices for identical assets or liabilities in active markets.

Level 2 Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 Valuations based on unobservable inputs reflecting the Bar's own assumptions, applied consistently with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The following tables present the assets carried at fair value as of June 30, 2025 and 2024 in the accompanying consolidated balance sheets by fair value hierarchy level, as described above.

Description	June 30, 2025			
	Level 1	Level 2	Level 3	Total
US Government securities	\$ -	\$ 1,928,440	\$ -	\$ 1,928,440
Corporate bonds	1,488,394	-	-	1,488,394
Federal agency bonds	-	1,559,488	-	1,559,488
Certificates of deposits	-	753,901	-	753,901
Commercial Paper	-	274,558	-	274,558
Total	\$ 1,488,394	\$ 4,516,387	\$ -	\$ 6,004,781

Description	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Certificates of deposits	\$ -	\$ 2,831,799	\$ -	\$ 2,831,799
Corporate bonds	89,203	-	-	89,203
Total	\$ 89,203	\$ 2,831,799	\$ -	\$ 2,921,002

5. Property and Equipment

Property and equipment consisted of the following as of June 30:

	2025	2024
Building and building improvements	\$ 3,653,155	\$ 3,571,798
Computers and computer software	840,617	865,049
Office furniture, equipment and leased equipment	842,553	802,065
Land	633,142	633,142
	5,969,467	5,872,054
Less accumulated depreciation and amortization	(4,446,607)	(4,318,728)
	\$ 1,522,860	\$ 1,553,326

Depreciation and amortization expense for property and equipment totaled \$179,933 and \$163,727 for the years ended June 30, 2025 and 2024, respectively.

6. Employee Benefit Plans

The Bar sponsors a defined contribution 401(k) plan (the Plan). Upon hiring, employees who have attained the age of 21 or older may elect to contribute a portion of their compensation, subject to Internal Revenue Code limitations, to the Plan. Following employees' one year anniversary, the Bar contributes to the Plan an amount equal to 10% of their compensation. Contributions to the Plan were \$326,192 and \$304,716 for the years ended June 30, 2025 and 2024, respectively.

The Bar sponsors a Section 125 cafeteria plan. All contributions to this plan are made by the participants.

7. Board Designated Net Assets Without Donor Restrictions

Board designated net assets without donor restrictions consist of the Bar operation’s reserves for potential future liabilities and assets designated for Bar sections, Fund for Client Protection, and the mandatory continuing legal education fund. Board designated net assets without donor restrictions consisted of the following as of June 30:

	2025	2024
Bar operations reserves :		
Four-month operating expense reserve	\$ 2,545,647	\$ 2,545,647
Capital replacement reserve – building	600,000	600,000
Capital replacement reserve – equipment	200,000	200,000
New OPC Database	-	50,000
Wellbeing Program	104,375	104,375
Total Bar operations reserves	3,450,022	3,500,022
Bar sections	1,163,986	1,117,154
Fund for client protection	211,498	301,707
Mandatory continuing legal education fund	830,868	792,806
	\$ 5,656,374	\$ 5,711,689

8. Fund for Client Protection

On October 30, 1983, the Bar received approval from the Utah Supreme Court to assess lawyers and Licensed Paralegal Practitioners (LPPs) to maintain the Fund at sufficient levels to pay eligible claims. The Bar is required to maintain a Fund balance of at least \$200,000. Before annual licensing begins, the Bar calculates how much each lawyer and LPP must pay to maintain the Fund balance. After the Supreme Court approves the assessment amount, the Bar adds the assessment amount to the annual licensing renewal form so lawyers can pay the amount during the renewal process. The assessment averages \$5 to \$7 but has been as high as \$20 depending on claims made to the Fund. There were no fees collected for the year ended June 30, 2025. A fee of \$7 was collected from licensee attorneys for the year ended June 30, 2024.

Cases must be reviewed and approved by the Fund Committee of the Bar and also by the Board of Commissioners of the Bar before they are considered to be claims payable by the Fund. The Fund Committee routinely reviews open matters. In the Fund Committee’s opinion, these open matters will not have a material adverse effect on the financial position, results of activities, or liquidity of the Bar.

9. Expenses By Nature and Function

The accompanying financial statements include certain expenses that are attributable to both program and supporting functions of the Bar. These expenses include salaries and wages, employee benefits, and supplies and other office expenses, which are allocated based on head count; and depreciation, utilities, and maintenance, which are allocated based on estimated square footage.

Expenses by natural classification for the year ended June 30, 2025 are as follows:

	Program Services						Support Services			Total
	Regulatory	Member Services	Public Services	Education	Building Usage	MCLE	CSF	Sections	General & Administrative	
Program	\$ 124,617	\$ 631,694	\$ 141,567	\$ 758,220	\$ 71,522	\$ -	\$ 107,755	\$ 280,205	\$ 196,328	\$ 2,311,908
Salaries and benefits	2,235,289	159,682	385,919	182,324	161,994	513,094	-	-	1,442,782	5,081,084
General and administrative	459,952	193,895	49,688	68,961	26,388	22,184	862	-	372,472	1,194,402
Overhead and depreciation	120,671	4,417	11,891	13,033	196,516	76,521	-	-	60,644	483,693
	\$ 2,940,529	\$ 989,688	\$ 589,065	\$ 1,022,538	\$ 456,420	\$ 611,799	\$ 108,617	\$ 280,205	\$ 2,072,226	\$ 9,071,087

Expenses by natural classification for the year ended June 30, 2024 were as follows:

	Program Services							Support Services		
	Regulatory	Member Services	Public Services	Education	Building Usage	MCLE	CSF	Sections	General & Administrative	Total
Program	\$ 109,319	\$ 626,292	\$ 200,858	\$ 588,844	\$ 88,933	\$ -	\$ 93,925	\$ 347,282	\$ 166,719	\$ 2,222,172
Salaries and benefits	1,878,766	145,042	377,858	171,067	175,634	455,038	-	-	1,614,159	4,817,564
General and administrative	435,254	198,232	83,853	79,528	16,477	26,174	1,334	-	341,172	1,182,024
Overhead and depreciation	126,425	4,949	15,651	13,901	162,519	76,584	-	-	67,591	467,620
	\$ 2,549,764	\$ 974,515	\$ 678,220	\$ 853,340	\$ 443,563	\$ 557,796	\$ 95,259	\$ 347,282	\$ 2,189,641	\$ 8,689,380

10. Contingencies

The Bar may, from time to time, be subject to legal proceedings arising in the normal course of business. Management does not believe the outcome of any matters currently pending will have a material impact on the financial position, results of activities, or liquidity of the Bar.

11. Related Parties

The primary purpose of the Bar is to perform services on behalf of its licensees, which may result in related-party transactions arising through its regular activities.

SUPPLEMENTAL SCHEDULES

Schedule of Continuing Legal Education and Conferences

Revenues and Expenses

For the Year Ended June 30, 2025

	Summer Convention	Fall Forum	Spring Convention	CLE Events	Total
Revenues	\$ 52,240	\$ 132,070	\$ 166,048	\$ 822,155	\$ 1,172,513
Expenses:					
Program	36,345	111,445	112,655	581,229	841,674
Salaries and benefits	406	2,399	3,630	175,889	182,324
General and administrative	2,262	3,037	4,036	72,659	81,994
In-Kind	1,000	3,000	3,000	-	7,000
Interfund facilities	-	-	-	(30,237)	(30,237)
MCLE fees	(2,369)	(2,438)	(3,056)	(52,354)	(60,217)
Total expenses	37,644	117,443	120,265	747,186	1,022,538
Excess of revenues over expenses	\$ 14,596	\$ 14,627	\$ 45,783	\$ 74,969	\$ 149,975

Schedule of Member Services

Revenues and Expenses

For the Year Ended June 30, 2025

	Bar Journal	Member Services	Legislative	Public Education	Young Lawyers Division	Total
Revenues	\$ 262,332	\$ 17,563	\$ -	\$ 3,000	\$ 6,042	\$ 288,937
Expenses:						
Program	53,409	423,798	97,000	2,455	59,822	636,484
Salaries and benefits	48,414	-	6,776	104,492	-	159,682
General and administrative	165,422	-	69	22,439	10,382	198,312
In-Kind	847	-	-	-	-	847
Interfund facilities	(5,241)	-	-	(375)	-	(5,616)
MCLE fees	-	-	-	-	(21)	(21)
Total expenses	262,851	423,798	103,845	129,011	70,183	989,688
Deficiency of revenues over expenses	\$ (519)	\$ (406,235)	\$ (103,845)	\$ (126,011)	\$ (64,141)	\$ (700,751)

Schedule of Public Services

Revenues and Expenses

For the Year Ended June 30, 2025

	Committees	Consumer Assistance	Access to Justice	Total
Revenues	\$ 40	\$ -	\$ 76,565	\$ 76,605
Expenses:				
Salaries and benefits	134,184	-	15,942	150,126
Program	41,403	67,508	277,008	385,919
General and administrative	5,080	11,500	44,999	61,579
Interfund facilities	(7,677)	-	(882)	(8,559)
Total expenses	172,990	79,008	337,067	589,065
Deficiency of revenues over expenses	\$ (172,950)	\$ (79,008)	\$ (260,502)	\$ (512,460)

Schedule of Bar Sections

Revenues and Expenses

For the Year Ended June 30, 2025

	Balance June 30, 2024	Revenues	Expenses	Balance June 30, 2025	Net Increase (Decrease)
Bar Section Funds:					
Antitrust/Unfair Competition	\$ 9,589	\$ 625	\$ 2,182	\$ 8,032	\$ (1,557)
Appellate Practice	53,718	10,073	18,748	45,043	(8,675)
Banking and Finance	19,015	6,946	3,647	22,314	3,299
Bankruptcy	22,315	7,110	6,401	23,024	709
Business Law	58,781	20,160	10,045	68,896	10,115
Collection Law	38,321	1,140	266	39,195	874
Constitutional Law	13,309	2,470	672	15,107	1,798
Construction Law	9,991	1,882	692	11,181	1,190
Corporate Counsel	21,491	1,485	1,084	21,892	401
Criminal Law	60,968	6,460	2,295	65,133	4,165
Cyber Law	18,877	24,381	12,160	31,098	12,221
Community Association Law	8,371	7,950	2,317	14,004	5,633
Cannabis Law	6,091	7,247	3,674	9,664	3,573
Dispute Resolution	31,227	8,228	1,036	38,419	7,192
Education Law	11,799	6,763	2,152	16,410	4,611
Elder Law	25,042	5,263	2,661	27,644	2,602
Environmental Law	10,836	1,360	800	11,396	560
Entertainment Law	4,912	9,825	5,487	9,250	4,338
Family Law	93,994	45,597	46,538	93,053	(941)
Franchise Law	8,426	1,695	912	9,209	783
Government/Administrative Law	43,081	8,025	10,002	41,104	(1,977)
Health Law	26,946	3,400	14,377	15,969	(10,977)
Intellectual Property	122,382	1,925	1,816	122,491	109
International Law	12,586	41,253	17,231	36,608	24,022
Indian Law	10,311	2,090	928	11,473	1,162
Juvenile Law	9,891	2,660	5,314	7,237	(2,654)
Labor and Employment Law	38,586	10,680	37,876	11,390	(27,196)
Legal Entrepreneurs	8,005	7,902	1,810	14,097	6,092
Limited Scope	3,079	200	70	3,209	130
Litigation	94,698	57,757	43,716	108,739	14,041
Military Law	5,026	720	252	5,494	468
Non-profit/Charitable Law	15,088	2,000	560	16,528	1,440
Probate/Estate Planning	78,541	22,573	12,631	88,483	9,942
Real Property	15,241	32,535	17,888	29,888	14,647
Securities	34,603	9,550	45,572	(1,419)	(36,022)
Senior Lawyers	2,596	520	182	2,934	338
Solo, Small Firm, Rural Practice	29,794	3,500	2,003	31,291	1,497
Tax	13,350	18,860	23,421	8,789	(4,561)
Total Bar Section Funds	1,090,877	402,810	359,418	1,134,269	43,392
Paralegal Division	26,277	23,499	20,059	29,717	3,440
\$ 1,117,154	\$ 426,309	\$ 379,477	\$ 1,163,986	\$ 46,832	

Schedule of Mandatory

Continuing Education Advisory Board

For the Year Ended June 30, 2025

Revenues:	
Compliance fees from attorneys	\$ 280,350
Continuing Legal Education (provider attendance fees)	358,554
Investment income	35,582
MCLE Revenue	<u>674,486</u>
Interfund revenue	<u>(71,583)</u>
Total revenues	<u>602,903</u>
Expenses:	
Salaries, payroll taxes, and benefits	513,094
Office overhead	101,146
Travel	19,297
Board meetings	2,887
MCLE Expenses	<u>636,424</u>
Interfund facilities	<u>(24,625)</u>
Total expenses	<u>611,799</u>
Deficiency of revenues over expenses	<u>\$ (8,896)</u>

Schedule of Facilities

Revenues and Expenses

For the Year Ended June 30, 2025

Revenues:	
Outside parties	\$ 32,224
In-kind and interfund revenues:	
Interdepartmental charges	79,107
Sections	21,435
Utah Bar Foundation and other in-kind	19,466
MCLE	24,625
Total in-kind and interfund revenues	<u>144,633</u>
Total revenues	<u>176,857</u>
Expenses:	
Building overhead	196,516
Food, beverage and AV costs	71,522
Salaries and benefits	161,994
General and administrative	26,388
	<u>456,420</u>
In-kind expenses	19,466
Total expenses	<u>475,886</u>
Deficiency of revenues over expenses	<u>\$ (299,029)</u>