

**TREASURER'S REPORT FOR THE
MEETING OF THE BUSINESS LAW SECTION**

June 8, 2023

The Business Law Section of the State Bar of Michigan operates on a fiscal year that runs from October 1 through September 30. The most recent financial information available for our section is as follows:

- A. The Income Statement for the period beginning October 1, 2022 and ending on April 30, 2023 (attached as **Exhibit A**); and
- B. The detailed trial balance for the period beginning October 1, 2022 and ending on April 30, 2023 (attached as **Exhibit B**).

For ease of reference, I have also attached the Business Law Section's budget for the 2022-2023 fiscal year as **Exhibit C**.

As of the date of this Treasurer's Report, the Business Law Section remains in a very healthy financial position, with an ending fund balance of \$249,766.12. The fund balance as of April 30, 2023 was considerably lower than the ending fund balance of \$326,092.35 recorded as of April 30, 2022, primarily due to the Section's continued return to in-person events and to several larger than usual contributions and endowments that were discussed in the last Treasurer's Report.

Notwithstanding the reduction in the Business Law Section's fund balance, actual operating results for the fiscal year appear to be somewhat better than anticipated. The Business Law Section's 2022-2023 fiscal year budget projects a loss of \$76,326.23 over the course of this fiscal year, which was anticipated to be more than one quarter of the Section's total fund balance as of the end of the last fiscal year (i.e. \$250,531.37 as of September 30, 2022). As of April 30, 2023, however, the Section's total operating loss to date stood at only \$765.25 with more than half of the fiscal year complete and without any additional costly events planned for the balance of the fiscal year. This is good news for the Business Law Section but suggests that the Section's budgeting process has room for refinement.

Due to uncertainty as to the Business Law Section's activities for the upcoming fiscal year, less robust information on pricing in light of the Section's pause on larger in-person events during recent years, and inflationary pressure, the projections for this fiscal year's budget were necessarily speculative in some respects. By way of example, the 2022-2023 budget includes anticipated revenue and expense for Business Boot Camp

of \$19,000 and \$33,000. While Business Boot Camp has been a topic of ongoing discussion among council and the executive committee members, the Business Law Section will not be conducting Business Boot Camp during this fiscal year, so these projections will ultimately be inaccurate.

Careful consideration should be given to the budgeting process for the next fiscal year in order to more accurately project the Business Law Section's financial performance going forward. This could include, among other things, increased coordination between the executive committee and the programs and publications directorships to better forecast (a) the likelihood as to whether the Business Law Section will hold larger events during upcoming fiscal years, and (b) increases in recurring significant expenses relating to the Business Law Journal and the ICLE relationship.

Max Mathies of ICLE has provided useful feedback relating to expenses for some of the programs as to which the Business Law Section partners with ICLE. For example, it appears that the registration fee for the Business Law Institute has not increased since 2012, though the expenses associated with the event have all increased substantially during the intervening years. The administrative fee charged by ICLE has not increased since 2009. As a result, without changes, both the Business Law Section and ICLE will incur increasing losses relating to this event. To address this, ICLE has requested an increase in its administrative fee for BLI from \$12,000 to \$14,000 and has suggested that the Section increase the registration fee. With some more up-to-date fees and closer attention to current pricing, this and other events can be brought closer to break-even, which will help to maintain the Section's healthy fund balance.

The difference between Business Law Section expenses and revenue has been somewhat greater than anticipated in several respects, including the following:

- A. The Business Law Section held an in-person Business Law Institute at the beginning of October 2022 for the first time since 2019, which resulted in an ICLE expense of \$31,717.95. The revenue generated by the 2022 Business Law Institute during this fiscal year is only \$9,000, which has resulted in a \$22,717.95 reduction in the Business Law Section's fund balance. This differs significantly from budget projections, which were \$10,500 for BLI revenue and \$19,500 for BLI expense, and accounts for a negative variance of **\$13,717.95** from the 2022-2023 fiscal year budget; and
- B. The Privately Held Businesses Forum held a Symposium in February 2022 that resulted in expenses of \$41,932.12. The revenue generated by the PHBF Symposium was \$27,140, leaving a gap of \$14,792.12, which the Business Law Section covered and which resulted in a negative variance of **\$5,792.12** from the

projected \$9,000 loss for the PHBF in the 2022-2023 fiscal year budget (\$1,000 in budgeted revenue and \$10,000 in budgeted expense).

Notwithstanding these negative variances, which will be offset by the absence of the projected \$14,000 loss for Business Boot Camp, it appears likely that the Business Law Section's loss for this fiscal year will be smaller than the projected loss of \$76,490. As the planning for these and other events is refined based on current pricing, the Business Law Section should be in a position to continue offering high-quality programming for Section members and the legal community while maintaining its robust financial health.

Ian Williamson
Treasurer

June 1, 2023

EXHIBIT A

**INCOME STATEMENT FOR 2022-2023 FISCAL YEAR
ENDING ON APRIL 30, 2023**

5/8/2023

**State Bar of Michigan
Business Law Section
For the Seven Months Ending Sunday, April 30, 2023**

	Current Activity April 2023	Year To Date April 2023	Year to Date April 2022
Revenue:			
1-7-99-325-1050 Business Law Section Dues	105.00	109,655.00	109,095.00
1-7-99-325-1055 Business Law Student/Affil Dues		140.00	105.00
1-7-99-325-1135 Business Law Institute		9,000.00	
1-7-99-325-1411 Cmt - Small Business Forum		27,140.00	35,250.00
Total Revenue	105.00	145,935.00	144,450.00
Expenses:			
1-9-99-325-1111 Administrative		2,190.00	1,939.99
1-9-99-325-1283 General Interest Seminars		525.00	1,388.85
1-9-99-325-1284 Business Law Institute		31,717.95	
1-9-99-325-1339 Sponsorships		2,500.00	
1-9-99-325-1346 Access to Justice and Charities		17,500.00	5,000.00
1-9-99-325-1411 Cmt - Small Business Forum	2,424.06	41,932.12	7,586.72
1-9-99-325-1493 Travel		777.95	
1-9-99-325-1528 Telephone - Adminstration	426.45	1,857.88	536.79
1-9-99-325-1749 Awards		2,975.00	1,117.00
1-9-99-325-1833 Newsletter		100.00	
1-9-99-325-1854 Business Law Journal	12,242.57	42,855.11	42,692.18
1-9-99-325-1868 Postage	11.59	64.45	39.44
1-9-99-325-1987 Miscellaneous		1,704.79	1,324.80
Total Expenses	15,104.67	146,700.25	61,625.77
Net Income	(14,999.67)	(765.25)	82,824.23
Beginning Fund Balance:			
1-5-00-325-0001 Fund Bal-Business Law Section		250,531.37	243,268.12
Total Beginning Fund Balance	250,531.37	243,268.12	
Ending Fund Balance	249,766.12	326,092.35	

EXHIBIT B

DETAILED TRIAL BALANCE

10/1/2022 - 4/30/2023

DETAILED TRIAL BALANCE FOR 2023
State Bar of Michigan
General Ledger

Ranges:	From:	To:	Subtotal By: Segment!	Include:	Posting
Date:	10/1/2022	4/30/2023	No Subtotals		
Account:	-9 -325-	-9 -325-	Sorted By:		
Account: 1-9-99-325-1111		Description: Administrative		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
1/12/2023	172,074 Purchases	Oct 2022-Dec 2022	OCT 2022-DEC 2022	SHOOP,TERRI	\$2,190.00
			Net Change	Ending Balance	
		Totals:	\$2,190.00	\$2,190.00	\$0.00
Account: 1-9-99-325-1111		Description: General Interest Seminars		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
1/13/2022	17,403	November 2022 E Blast Expense			
1/31/2023	172,400	January 2023 E Blast Expense			
2/16/2023	172,963	SBM Staff Assistance			
			Net Change	Ending Balance	
		Totals:	\$525.00	\$525.00	\$0.00
Account: 1-9-99-325-1283		Description: Business Law Institute		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
1/4/2023	17,904 Purchases	BLS 10/7/2022	787683	ICLE	\$31,717.95
			Net Change	Ending Balance	
		Totals:	\$31,717.95	\$31,717.95	\$0.00
Account: 1-9-99-325-1284		Description: Sponsorships		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
10/1/2022	170,404	Natl Assn of Women Judges			
			Net Change	Ending Balance	
		Totals:	\$2,500.00	\$2,500.00	\$0.00
Account: 1-9-99-325-1339		Description: Access to Justice and Charities		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
10/1/2022	168,879 Purchases	10/14/2022 donation	10/14/2022 DONATION	ACCESS TO JUSTI	\$7,500.00
11/12/2022	170,619 Purchases	donation to Endowment	10/14/2022 DONATION	WAYNE STATE UNI	\$10,000.00
			Net Change	Ending Balance	
		Totals:	\$17,500.00	\$17,500.00	\$0.00
Account: 1-9-99-325-1346		Description: Cmt - Small Business Forum		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
10/20/2022	169,879 Purchases	2/16/2023 BL S Event	31027-RRD	DETROIT INSTITU	\$5,000.00
11/12/2022	170,619 Purchases	2/16/2023 BL S Event	23-20032	AVL CREATIVE	\$11,490.06
		Culinnaire BL S Section Exp			\$13,000.00
		2/16/2023 BL S remaining bal	3822	DETROIT INSTITU	\$10,018.00
		2/16/2023 BL S Forum Symposium	2/16/2023 BL S	ROSSMAN SAXE PC Rossman PC	\$2,424.06
			Net Change	Ending Balance	
		Totals:	\$41,932.12	\$41,932.12	\$0.00
Account: 1-9-99-325-1411		Description: Travel		Beginning Balance:	\$0.00
Trx Date	Jrn! No Description	Reference	Orig. Master Number	Orig. Master ID	Credit
10/20/2022	169,915 Purchases	10/8/2022 TRAVEL	SHOOP,TERRI	Shoop,Terrri	\$777.95
			Net Change	Ending Balance	
		Totals:	\$777.95	\$777.95	\$0.00
Account: 1-9-99-325-1493					
Trx Date	Jrn! No Description				
10/20/2022	169,915 Purchases				
Account: 1-9-99-325-1493					

DETAILED TRIAL BALANCE FOR 2023
State Bar of Michigan

Account:	1-9-99-325-1528		Description:	Telephone - Administration		Beginning Balance:		\$0.00	
Trx Date	Jrn No	Description	Reference	Orig. Master Number	Orig. Master ID	Orig. Master Name	Debit	Credit	
11/2/2022	170,617	Purchases	Sept-Oct 2022 phone	SEPT-OCT 2022 PHONE	SHOOP,TERRI	Shoop, Terri	\$83.51		
11/9/2022	170,774	Purchases	October 2022 BL'S AT10059744	USINV22102103040	NTT CLOUD COMMINTT	Cloud Communications U	\$260.99		
12/7/2022	171,558	Purchases	November 2022 BL'S AT10059744	USINV2211214679	NTT CLOUD COMMINTT	Cloud Communications U	\$230.00		
1/4/2023	171,918	Purchases	December 2022 BL'S AT10059744	USINV2212216233	NTT CLOUD COMMINTT	Cloud Communications U	\$230.00		
1/12/2023	172,075	Purchases	phone	NOV 2022 PHONE	SHOOP,TERRI	Shoop, Terri	\$83.51		
1/18/2023	172,171	Purchases	phone	DEC 2022 PHONE	SHOOP,TERRI	Shoop, Terri	\$83.42		
2/9/2023	172,546	Purchases	January 2022 BL'S AT10059744	USINV2301217715	NTT CLOUD COMMINTT	Cloud Communications U	\$230.00		
3/15/2023	173,130	Purchases	February 2023 BL'S AT10059744	USINV2302219127	NTT CLOUD COMMINTT	Cloud Communications U	\$230.00		
4/5/2023	173,491	Purchases	March 2023 BL'S AT10059744	USINV2303220472	NTT CLOUD COMMINTT	Cloud Communications U	\$426.45		
Net Change									
Totals:				\$1,857.88			\$1,857.88		\$0.00
Account:	1-9-99-325-1528		Description:	Awards		Beginning Balance:		\$0.00	
Trx Date	Jrn No	Description	Reference	Orig. Master Number	Orig. Master ID	Orig. Master Name	Debit	Credit	
10/4/2022	169,353		BLS Schulman Award Adv	AWARDS 10/7/2022	JOHN MEIU	John Meiu/Photographer	\$1,000.00		
10/20/2022	169,901	Purchases	Schulman Awards 10/7/2022	10/11/22 BLS SERVIC	SCOTT,MICHAEL A.	Scott,Michael A.	\$400.00		
10/20/2022	169,908	Purchases	10/22 BLS Schulman Awrds				\$1,575.00		
Net Change									
Totals:				\$2,975.00			\$2,975.00		\$0.00
Account:	1-9-99-325-1749		Description:	Newsletter		Beginning Balance:		\$0.00	
Trx Date	Jrn No	Description	Reference	Orig. Master Number	Orig. Master ID	Orig. Master Name	Debit	Credit	
11/30/2022	171,403		November 2022 E Blast Expense				\$100.00		
Net Change									
Totals:				\$100.00			\$100.00		\$0.00
Account:	1-9-99-325-1833		Description:	Business Law Journal		Beginning Balance:		\$0.00	
Trx Date	Jrn No	Description	Reference	Orig. Master Number	Orig. Master ID	Orig. Master Name	Debit	Credit	
11/2/2022	170,565	Purchases	BLS Law Journal	785720	ICLE	ICLE	\$16,265.50		
1/12/2023	172,048	Purchases	BLS Journal Fall 2022	607074	F.P. HORAK COMP	F.P. Horak	\$14,347.04		
4/19/2023	173,703	Purchases	BLS Journal Spring 2023	610754	F.P. HORAK COMP	F.P. Horak	\$12,242.57		
Net Change									
Totals:				\$42,855.11			\$42,855.11		\$0.00
Account:	1-9-99-325-1854		Description:	Postage		Beginning Balance:		\$0.00	
Trx Date	Jrn No	Description	Reference	Orig. Master Number	Orig. Master ID	Orig. Master Name	Debit	Credit	
11/2/2022	169,916	Purchases	10/1/2022 mailing	10/11/2022 MAILING	SHOOP,TERRI	Shoop, Terri	\$52.86		
4/26/2023	173,859	Purchases	4/22/2023 postage	000458677163	UNITED PARCEL S	United Parcel Service Inc.	\$11.59		
Net Change									
Totals:				\$64.45			\$64.45		\$0.00
Account:	1-9-99-325-1868		Description:	Miscellaneous		Beginning Balance:		\$0.00	
Trx Date	Jrn No	Description	Reference	Orig. Master Number	Orig. Master ID	Orig. Master Name	Debit	Credit	
2/28/2023	172,880		February 2023 E Blast Expense				\$150.00		
3/1/2023	172,941	Purchases	Laptop virus protection				\$199.99		
3/1/2023	173,404		March 2023 E Blast Expense				\$100.00		
3/31/2023	173,404		March 2023 E Blast Expense				\$100.00		
3/31/2023	173,414		Oct 22 - March 2023 2% CC Fee				\$1,154.80		
Net Change									
Totals:				\$1,704.79			\$1,704.79		\$0.00

DETAILED TRIAL BALANCE FOR 2023
State Bar of Michigan

	<u>Accounts</u>	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>	<u>Debit</u>	<u>Credit</u>
Grand Totals:	13	\$0.00	\$146,700.25	\$146,700.25	\$146,700.25	\$0.00

EXHIBIT C

BUSINESS LAW SECTION BUDGET FISCAL YEAR 2022-2023

Business Law Section of the State Bar of Michigan

2023 Budget (October 1, 2022 - September 30, 2023)

Revenue		2022 Budget	2023 Budget
1-7-99-325-1006	Business Law Institute Sponsorships	\$ 16,000.00	\$ 10,500.00
1-7-99-325-1050	Business Law Section Dues	\$ 108,000.00	\$ 108,000.00
1-7-99-325-1055	Business Law Student/Affil Dues		
1-7-99-325-1125	Seminars	\$ 1,000.00	\$ 1,000.00
1-7-99-325-1130	Continuing Legal Education		
1-7-99-325-1135	Business Law Institute		
1-7-99-325-1140	Business Boot Camp	\$ 19,000.00	\$ 19,000.00
1-7-99-325-1240	Cmt - General		
1-7-99-325-1330	Subscription to Newsletter		
1-7-99-325-1400	Cmt - Commerical Litigation	\$ 2,000.00	\$ 2,000.00
1-7-99-325-1401	Cmt - Corporate Laws		
1-7-99-325-1402	Cmt - Debtor/Creditor Rights		
1-7-99-325-1403	Cmt - Financial Institutions		
1-7-99-325-1404	Cmt - In-House Counsel		
1-7-99-325-1405	Cmt - Law Schools		
1-7-99-325-1406	Cmt - Nonprofit Corporations		
1-7-99-325-1407	Cmt - Regulation of Securities		
1-7-99-325-1408	Cmt - Uniform Commercial Code		
1-7-99-325-1409	Cmt - Unincorporated Enterprises		
1-7-99-325-1410	Cmt - Ad Hoc Committees		
1-7-99-325-1411	Small Business Forum	\$ 1,000.00	\$ 1,000.00
1-7-99-325-1935	Miscellaneous Income		
Total Revenue		\$ 147,000.00	\$ 141,500.00

Expenses		2022 Budget	2023 Budget
1-9-99-325-1111	Administrative	\$ 18,400.00	\$ 19,900.00
1-9-99-325-1139	Legislation		
1-9-99-325-1145	ListServ	\$ 750.00	\$ 750.00
1-9-99-325-1202	Continuing Legal Education Programs		
1-9-99-325-1276	Meetings - Section	\$ 3,500.00	\$ 3,500.00
1-9-99-325-1278	Cmt - General		
1-9-99-325-1280	Business Boot Camp	\$ 33,000.00	\$ 33,000.00
1-9-99-325-1283	General Interest Seminars	\$ 3,000.00	\$ 3,000.00
1-9-99-325-1284	Business Law Institute	\$ 17,000.00	\$ 19,000.00
1-9-99-325-1297	Annual Meeting		
1-9-99-325-1339	Sponsorships	\$ 2,500.00	\$ 12,500.00
1-9-99-325-1346	Access to Justice & Charities	\$ 10,000.00	\$ 10,000.00
1-9-99-325-1400	Cmt - Commercial Litigation	\$ 3,000.00	\$ 3,000.00
1-9-99-325-1401	Cmt - Corporate Laws	\$ 5,000.00	\$ 5,000.00
1-9-99-325-1402	Cmt - Debtor/Creditor Rights	\$ 2,500.00	\$ 2,500.00
1-9-99-325-1403	Cmt - Financial Institutions		
1-9-99-325-1404	Cmt - In-House Counsel	\$ 4,500.00	\$ 4,500.00
1-9-99-325-1405	Cmt - Law Schools	\$ 1,000.00	\$ 1,000.00
1-9-99-325-1406	Cmt - Nonprofit Corporations	\$ 5,000.00	\$ 1,000.00
1-9-99-325-1407	Cmt - Regulation Securities		
1-9-99-325-1408	Cmt - Uniform Commerical Code		
1-9-99-325-1409	Cmt - LLC & Partnership	\$ 5,000.00	\$ 5,000.00
1-9-99-325-1410	Cmt - Ad Hoc Committees	\$ 1,000.00	\$ 1,000.00
1-9-99-325-1411	Cmt - Small Business Forum	\$ 2,000.00	\$ 10,000.00
1-9-99-325-1458	Speaker Expense		
1-9-99-325-1493	Travel		
1-9-99-325-1528	Telephone-Administration	\$ 1,200.00	\$ 1,200.00
1-9-99-325-1549	Books & Subscriptions		

1-9-99-325-1689	Section Development	\$ 5,000.00	\$ 5,000.00
1-9-99-325-1749	Awards		\$ 5,000.00
1-9-99-325-1826	Copying		
1-9-99-325-1833	Newsletter	\$ 140.00	\$ 140.00
1-9-99-325-1854	Business Law Journal	\$ 54,000.00	\$ 54,000.00
1-9-99-325-1861	Printing		
1-9-99-325-1868	Postage		
1-9-99-325-1987	Miscellaneous	\$ 3,000.00	\$ 3,000.00
1-9-99-325-xxxx	Business Courts Committee		0
1-9-99-325-xxxx	Diversity & Inclusion	\$ 15,000.00	\$ 15,000.00
	Total Expenses	\$ 195,490.00	\$ 217,990.00
	Net Income / (Loss)	\$ (48,490.00)	\$ (76,490.00)