

HAWAII STATE BAR ASSOCIATION

FINANCIAL STATEMENTS

For the Years Ended
December 31, 2009 and 2008

HAWAII STATE BAR ASSOCIATION

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AN
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hawaii State Bar Association

We have audited the accompanying statements of assets, liabilities and net assets - modified cash basis of the Hawaii State Bar Association (a Hawaii Non-Profit Organization) as of December 31, 2009 and 2008, and the related statements of revenues and expenses - modified cash basis, and statements of changes in net assets - modified cash basis, for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note B, the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Hawaii State Bar Association as of December 31, 2009 and 2008, and its revenues, expenses and changes in net assets for the years then ended on the basis of accounting described in Note B.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information (pages 12-21) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, the information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Tomishima & Fukuhara CPA, Inc.

October 14, 2010
Honolulu, Hawaii

HAWAII STATE BAR ASSOCIATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
December 31, 2009 and 2008

A S S E T S	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents, including cash held for others of \$580,898 (2009) and \$493,446 (2008)	\$ 1,268,874	\$ 1,839,515
Deposit	-	10,000
Investment in certificates of deposit	<u>532,000</u>	<u>798,000</u>
TOTAL CURRENT ASSETS	1,800,874	2,647,515
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation		
	<u>2,310,528</u>	<u>20,017</u>
TOTAL ASSETS	<u>\$ 4,111,402</u>	<u>\$ 2,667,532</u>
L I A B I L I T I E S		
CURRENT LIABILITIES		
Payroll withholding	\$ 3,479	\$ 3,396
Other current liabilities	313	-
Current maturity of long-term debt	22,800	-
Due to affiliates for cash held	580,898	493,446
Deferred revenue	<u>311,893</u>	<u>1,036,409</u>
TOTAL CURRENT LIABILITIES	<u>919,383</u>	<u>1,533,251</u>
LONG-TERM DEBT, less current maturities	<u>1,577,200</u>	<u>-</u>
N E T A S S E T S		
NET ASSETS		
Unrestricted	1,468,790	987,463
Pre-unified	<u>146,029</u>	<u>146,818</u>
TOTAL NET ASSETS	<u>1,614,819</u>	<u>1,134,281</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,111,402</u>	<u>\$ 2,667,532</u>

See the accompanying notes to financial statements.

HAWAII STATE BAR ASSOCIATION
STATEMENTS OF REVENUES AND EXPENSES – MODIFIED CASH BASIS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Dues revenue	\$ 1,850,798	\$ 1,234,732
Non-dues revenue	<u>594,783</u>	<u>613,029</u>
Total revenues	<u>2,445,581</u>	<u>1,847,761</u>
 EXPENSES		
Program Services		
Supreme Court Mandated	173,530	156,120
Committees	58,357	51,605
Young Lawyers Division	44,888	33,603
Strategic Planning	61,415	-
Neighbor Island Support	16,525	13,900
Membership Services	775,615	715,574
Public Services	<u>222,267</u>	<u>180,112</u>
Total program services	<u>1,352,597</u>	<u>1,150,914</u>
 Fundraising Expenses	<u>44,104</u>	<u>63,003</u>
 Supporting Services		
Board of Directors	245,338	198,409
General and administrative	<u>322,215</u>	<u>258,469</u>
Total supporting services	<u>567,553</u>	<u>456,878</u>
 Total unrestricted expenses	<u>1,964,254</u>	<u>1,670,795</u>
 INCREASE IN UNRESTRICTED NET ASSETS	<u>481,327</u>	<u>176,966</u>
 CHANGES IN NET ASSETS - PRE-UNIFIED		
REVENUES		
Interest income - Pre-unified	<u>3,707</u>	<u>3,729</u>
Total pre-unified revenues	<u>3,707</u>	<u>3,729</u>
 EXPENSES		
Pre-unified conference travel	<u>4,496</u>	-
Total pre-unified expenses	<u>4,496</u>	-
 INCREASE (DECREASE) IN NET ASSETS - PRE-UNIFIED	<u>(789)</u>	<u>3,729</u>
 INCREASE IN TOTAL NET ASSETS	<u>\$ 480,538</u>	<u>\$ 180,695</u>

See the accompanying notes to financial statements.

HAWAII STATE BAR ASSOCIATION
STATEMENTS OF CHANGES IN NET ASSETS - MODIFIED CASH BASIS
For the Years Ended December 31, 2009 and 2008

	2009	2008
UNRESTRICTED NET ASSETS		
NET ASSETS, Beginning of year	\$ 987,463	\$ 810,497
NET INCREASE	481,327	176,966
NET ASSETS, End of year	1,468,790	987,463
NET ASSETS - PRE-UNIFIED		
NET ASSETS, Beginning of year	146,818	143,089
NET INCREASE (DECREASE)	(789)	3,729
NET ASSETS, End of year	146,029	146,818
TOTAL NET ASSETS	\$ 1,614,819	\$ 1,134,281

See the accompanying notes to financial statements.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE A - NATURE OF ORGANIZATION

The Hawaii State Bar Association (HSBA) was founded on June 24, 1899. It was formally incorporated in 1985 as a non-profit trade organization under Section 501(c)(6) of the Internal Revenue Code.

Effective November 1, 1989, the Supreme Court of the State of Hawaii, pursuant to Supreme Court Rule 17, created a unified bar. Henceforth, all persons admitted to the practice of law in Hawaii were required to be members of the Hawaii State Bar Association, and the HSBA was designated as the administrative entity of the unified bar. HSBA aids the Court in regulating, maintaining, and improving the legal profession. The HSBA staff and attorney volunteers conduct a variety of projects to benefit HSBA members and the general public in the State of Hawaii. Services to members include continuing education seminars, practice management workshops, technological tools, and public service projects.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies followed by the HSBA is summarized below:

Basis of accounting - The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, the HSBA has not recognized vendor accounts payable, accrued liabilities, prepaid expenses and interest receivable and their related effect on the change in net assets has not been recorded in the accompanying financial statements. Modifications to the cash basis of accounting include the revenue recognition policy for dues and the treatment of property and equipment as described further in this note.

Net assets - pre-unified - A portion of the net assets presented as *net assets - pre-unified* represents amounts accumulated before the HSBA incorporated and became unified and its use is determined by the Board of Directors for specified purposes.

Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue recognition - The HSBA's dues revenue consists of membership dues, late fees and processing fees. Membership dues received in advance are deferred and recognized in the year that the dues apply. Members who fail to renew their membership by the due date including a grace period are administratively suspended in accordance with Rules established by the State of Hawaii Supreme Court.

Investments - Investments consist of certificates of deposit and are accounted for at cost.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment - Property and equipment are capitalized and recorded at cost. Depreciation is computed using the straight-line method over useful lives of 3 - 40 years. Expenditures which materially increase values, change capacities, or extend useful lives are capitalized. Maintenance and repairs are charged to expense when paid.

Advertising - The HSBA expenses the production costs of advertising the first time the advertising takes place.

Income taxes - The HSBA is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. As such, income from membership dues and fees, net of related expenses are exempt from income taxes. However unrelated business income resulting from sales of mailing lists, advertising income, and lawyer referral services, is subject to federal and state income taxes. Income taxes on unrelated business income are recorded in the year paid and refunds are recorded in the year received. The HSBA files a tax return in the U.S. federal jurisdiction and is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2006.

Reclassification – Certain 2008 amounts have been reclassified to conform with the 2009 financial statement presentation. Changes in net assets are unchanged due to these reclassifications.

NOTE C - CASH ACCOUNTS AND CONCENTRATION OF CREDIT RISK

The HSBA maintains the accounting of dues and expenses for certain affiliated organizations. In addition, the HSBA collects dues on behalf of other affiliated organizations and may hold cash for remittance to the other organizations. As a result, a portion of the HSBA's cash represents cash held for these affiliated organizations. As of December 31, the total cash and cash equivalents held and the portion of cash restricted is as follows:

	2009	2008
On hand	\$ 230	\$ 230
Checking accounts	1,055,748	1,705,563
Savings and money market accounts	212,896	133,722
Total cash	1,268,874	1,839,515
Cash held for others:		
Affiliated sections	140,204	152,085
Other organizations	440,694	341,361
Total cash held for other organizations	580,898	493,446
Total HSBA cash	\$ 687,976	\$ 1,346,069
Investment in certificates of deposit	\$ 532,000	\$ 798,000

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE C - CASH ACCOUNTS AND CONCENTRATION OF CREDIT RISK (Continued)

Interest income on the above cash and certificates of deposits totaled \$27,776 and \$49,771 for the years ended December 31, 2009 and 2008, respectively.

The HSBA maintains cash and money market accounts at various banks and with investment brokers. Bank accounts and certificates of deposits held by investment brokers are insured by the Federal Deposit Insurance Corporation up to \$250,000 per account holder. Money market accounts held by investment brokers are insured by the Securities Investor Protection Corporation up to \$500,000 per account holder. At times during the year, the HSBA may hold amounts that exceed the insured portion. At December 31, 2009 and 2008 the HSBA had uninsured cash balance of \$1,009,650 and \$2,373,273, respectively.

NOTE D - RESTRICTED CASH AND INVESTMENTS

A portion of the investments in money markets and certificates of deposits represent amounts accumulated before the HSBA incorporated and became unified. The Board of Directors restricts its use and related earnings for specific purposes. The restricted cash and investments held are as follows:

	<u>2009</u>	<u>2008</u>
Investment in certificates of deposit	\$ 140,000	\$ 132,000
Cash held in money market account	<u>6,073</u>	<u>14,818</u>
Total restricted cash and investments	<u>\$ 146,073</u>	<u>\$ 146,818</u>

NOTE E - PROPERTY AND EQUIPMENT

During the year ended December 31, 2009, the HSBA purchased real property and built office space for its members and administration. Total property and equipment consisted of the following as of December 31:

	<u>2009</u>	<u>2008</u>
Building	\$ 1,636,000	\$ -
Building improvements	173,484	-
Furniture and office equipment	172,252	63,799
Computer equipment	68,289	70,422
Computer software	13,054	13,811
Leasehold improvements	<u>-</u>	<u>3,350</u>
	2,063,079	151,382
Less: Accumulated depreciation	<u>116,551</u>	<u>131,365</u>
	1,946,528	20,017
Land	<u>364,000</u>	<u>-</u>
	<u>\$ 2,310,528</u>	<u>\$ 20,017</u>

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE E - PROPERTY AND EQUIPMENT (Continued)

The depreciation expense charged to operations totaled \$12,545 and \$13,107 in 2009 and 2008, respectively.

NOTE F - LONG-TERM DEBT

The HSBA has a ten-year commercial real estate loan with a local bank totaling \$1,600,000 secured by real property maturing on March 17, 2019. The interest rate remains at 5.5% for the first five years through March 17, 2014. Thereafter, the interest rate will be adjusted to 1.9% over the five-year fixed advance rate established by the Federal Home Loan Bank of Seattle. For the first year, monthly payments consist of interest only through April 17, 2010. Thereafter, \$9,825 is due monthly consisting of interest and principal amortized over a 25 year period. During the year ended December 31, 2009, interest only payments totaled \$66,169.

The current maturities of long-term debt consist of the following:

Year Ending December 31,

2010	\$ 22,800
2011	32,000
2012	33,800
2013	35,700
2014	37,700
Thereafter	<u>1,438,000</u>
	<u>\$1,600,000</u>

The HSBA also obtained a commitment for a five-year term loan totaling \$580,000 for building improvements with interest fixed at 6.0% and maturing on March 17, 2014. For the first year, monthly payments consist of interest only through April 17, 2010. Thereafter, the loan is payable in monthly installments of \$4,894 consisting of principal and interest that amortizes the loan over a 15 year period. As of December 31, 2009, the HSBA had no draws on the term loan and no payments of interest or principal were made.

NOTE G - LEASE COMMITMENTS

Prior to the purchase of real property for office space, the HSBA leased an office located at 1132 Bishop Street, Suite 906, Honolulu, Hawaii, under a ten year non-cancelable lease agreement that expired on January 17, 2010. The lease agreement provided for a fixed basic monthly rent of \$1.00 per rentable square foot for its office space and additional adjacent space at \$1.25 per rental square foot for a conference room. The basic monthly rent was \$5,765 plus common area maintenance and general excise taxes.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE G - LEASE COMMITMENTS (Continued)

The HSBA also leases a copier expiring in January 2012, with monthly payments of \$418.

Rental expense for the above mentioned leases, inclusive of common area charges and general excise taxes, charged to operations was \$166,866 and \$160,921 for 2009 and 2008, respectively.

The future minimum lease payments for the above leases, exclusive of common area maintenance and general excise taxes, are as follows:

Year Ending December 31,

2010	5,010
2011	5,010
2012	<u>420</u>
Total future minimum lease payments	<u>\$ 10,440</u>

NOTE H - FUNDRAISING

The HSBA's annual fundraising activity generally consists of a banquet dinner and may include a silent auction at the option of the President. Approximately 50% of net proceeds from these fundraising activities are designated as donations to other charitable organizations by the Board of Directors. Proceeds and related expenses for these fundraising activities are presented in the statement of revenues and expenses

During the years ended December 31, 2009 and 2008, contributions were made from the net proceeds of the annual fundraiser dinner to other non-profit organizations totaling \$18,707 and \$13,695, respectively.

NOTE I - PENSION PLAN

The HSBA maintains a defined contribution pension plan covering all eligible employees who have completed one year of employment during which the employee worked for at least 1,000 hours. Total contributions per employee are limited by federal income tax law.

During the years ended December 31, 2009 and 2008, the HSBA made contributions equal to 10% of each eligible employee's annual compensation, which meets the minimum requirements pursuant to the plan. The amount contributed to the pension plan and charged to operations was \$52,992 and \$42,634 in 2009 and 2008, respectively.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE J - MAJOR REVENUE SOURCE AND ECONOMIC DEPENDENCY

The HSBA derived approximately 76% and 67% of its revenues from dues and related revenues collected from members in 2009 and 2008, respectively. Management believes that its policy on collection of dues is adequate to minimize potential credit risk.

NOTE K - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues and expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE L - INCOME TAXES

The HSBA is an exempt organization under Section 501(c)(6) of the Internal Revenue Code and is exempt from income taxes. Income taxes are imposed on unrelated business income as defined by Section 511 of the Code. No income taxes were required to be paid during the years ended December 31, 2009 and 2008.

NOTE M - CHARGEABLE EXPENSES

Pursuant to Rule 17 of the Rules of the Supreme Court of the State of Hawaii, the purposes of the HSBA are to aid the Court in regulating, maintaining and improving the legal profession, administration of justice and advancements in jurisprudence, in improving relations between the legal profession, the public and the various branches and instrumentalities of government, and in promoting the interests of the profession. The HSBA may use the annual membership dues for those expenses that are normally and reasonably incurred to implement its purposes. In Keller v. State Bar of California, the U.S. Supreme Court held that a unified state bar, such as the HSBA, may not expend compulsory membership dues for political or ideological purposes that are not germane to the purposes of the bar association. All expenses incurred by the HSBA are considered to be chargeable expenses and are included in the statement of revenues and expenses.

Members of the HSBA may object to activities classified as chargeable which they feel are political or ideological activities not reasonably related to the advancement of the HSBA purposes. Categories and amounts of chargeable expenses are subject to challenge before an independent decision maker. Accordingly, the classification of some activities could change in the future as a result of such challenges and any related judicial review.

NOTE N - ADVERTISING

The HSBA expenses the cost of advertising and promotions as incurred. Advertising expense totaled \$6,866 and \$5,644 in 2009 and 2008, respectively.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE O - SUBSEQUENT EVENTS

On February 1, 2010, the HSBA borrowed \$500,000 for building improvements from the five-year loan commitment described in Note F. The HSBA has evaluated subsequent events through October 14, 2010, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

HAWAII STATE BAR ASSOCIATION
SCHEDULES OF UNRESTRICTED REVENUES – MODIFIED CASH BASIS
For the Years Ended December 31, 2009 and 2008

	2009	2008
DUES REVENUE		
Membership dues	\$ 1,667,009	\$ 1,073,894
Penalties	87,700	66,480
Processing fees	96,089	94,358
Total dues revenue	1,850,798	1,234,732
NON-DUES REVENUE		
Continuing Legal Education seminar income	138,797	237,040
Grants and donations	121,713	5,500
Fundraising revenue	66,695	76,692
Royalties	58,272	63,492
Continuing Legal Education publication sales	51,846	57,929
Lawyer Referral income	36,348	37,550
Interest income	27,776	49,771
Products and services	27,057	23,325
IOLTA Processing fees	20,465	-
Sponsorship & booth income	13,355	32,818
Social events and other	4,590	2,459
Legal secretary training and placement	5,555	8,128
Mailing label income	1,981	8,215
Bar Journal income	19	4,348
Miscellaneous income	20,314	5,762
Total non-dues revenue	594,783	613,029
 TOTAL REVENUES	 \$ 2,445,581	 \$ 1,847,761

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED REVENUES AND EXPENSES BY PROGRAM – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	Supreme Court Mandated	Committees	Young Lawyers Division	Strategic Planning	Neighbor Island Bar Support	Member Services	Public Services	Total Program Services	Total Support Services	Total Fund- raising	HSBA Total
Revenue											
Membership dues	\$ 1,667,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,667,009	\$ -	\$ -	\$ 1,667,009
Penalties	87,700	-	-	-	-	-	-	87,700	-	-	87,700
Processing fees	96,089	-	-	-	-	-	-	96,089	-	-	96,089
IOLTA processing fees	20,465	-	-	-	-	-	-	20,465	-	-	20,465
Other non-dues revenue	-	-	3,659	2,191	-	341,572	122,601	470,023	37,600	66,695	574,318
Total revenues	1,871,263	-	3,659	2,191	-	341,572	122,601	2,341,286	37,600	66,695	2,445,581
Direct program expenses											
Salaries and wages	60,551	27,379	12,737	28,118	-	217,427	71,917	418,129	246,713	-	664,842
Employee benefits	12,780	5,847	3,025	5,091	-	46,467	15,686	88,896	51,520	-	140,416
Payroll taxes	4,592	2,076	966	2,110	-	16,242	5,453	31,439	21,028	-	52,467
Advertising	-	-	-	-	-	6,282	584	6,866	-	-	6,866
Automobile & transportation	-	27	10	-	-	829	-	866	-	62	928
Awards and mementos	-	-	753	-	-	83	-	836	1,633	112	2,581
Commissions	-	-	-	-	-	-	-	-	-	-	-
Conferences and travel	-	-	7,881	-	-	232	6,090	14,203	16,751	-	30,954
Contributions	-	-	-	-	-	-	10,000	10,000	-	18,707	28,707
Cost of products sold	-	-	-	-	-	20,914	-	20,914	-	-	20,914
Dues and subscriptions	-	-	-	-	-	85	-	85	1,261	-	1,346
Employee training	-	-	-	-	-	1,183	65	1,248	-	-	1,248
Equipment rent	-	-	-	-	-	(17)	-	(17)	-	2,066	2,049
Fees	13,625	-	-	-	-	105,088	130	118,843	(2)	15	118,856
General excise taxes	-	-	-	-	-	4,815	-	4,815	-	2,894	7,709
Insurance	-	-	-	-	-	412	575	987	9,520	813	11,320
Meals	-	165	688	1,908	-	6,358	3,398	12,517	2,283	12,500	27,300
Meeting expenses	-	27	4,188	25	-	41,820	503	46,563	3,360	752	50,675
Neighbor island support	-	-	-	-	16,525	-	-	16,525	-	-	16,525
Neighbor island travel	-	1,040	1,850	-	-	1,963	5,814	10,667	8,118	-	18,785
Nominations and elections	-	-	1,000	1,389	-	-	500	2,889	2,970	-	5,859
Postage & mailing services	10,237	-	489	2	-	34,316	1,458	46,502	1,196	38	47,736
President's allowance	-	-	393	-	-	-	-	393	2,157	-	2,550
Printing	3,095	-	91	-	-	44,968	4,212	52,366	63	617	53,046
Production	-	-	-	-	-	3,360	-	3,360	-	-	3,360
Professional services	19,849	-	-	-	-	16,800	33,560	70,209	2,837	3,377	76,423
Repairs and maintenance	-	-	-	-	-	8,830	-	8,830	-	-	8,830
Supplies	353	-	760	689	-	26,421	3,489	31,712	1,558	2,151	35,421
Telephone	889	287	33	-	-	71	2,399	3,679	799	-	4,478
Miscellaneous	-	-	-	-	-	5	-	5	-	-	5
Total direct expenses	\$ 125,971	\$ 36,848	\$ 34,864	\$ 39,332	\$ 16,525	\$ 604,954	\$ 165,833	\$ 1,024,327	\$ 373,765	\$ 44,104	\$ 1,442,196

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED REVENUES AND EXPENSES BY PROGRAM – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	Supreme Court Mandated	Young Lawyers Division Committees	Strategic Planning	Neighbor Island Bar Support	Member Services	Public Services	Total Program Services	Total Support Services	Total Fund- raising	HSBA Total	
Indirect expenses											
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Automobile & transportation	65	29	14	30	-	231	76	445	263	708	
Awards and mementos	6	3	1	2	-	19	6	37	23	60	
Conferences and travel	531	240	112	247	-	1,906	631	3,667	2,165	5,832	
Depreciation	1,143	517	241	531	-	4,102	1,356	7,890	4,657	12,547	
Dues and subscriptions	392	177	83	182	-	1,406	464	2,704	1,596	4,300	
Employee training	52	23	11	24	-	186	62	358	212	570	
Equipment rent	831	376	175	386	-	2,982	986	5,736	3,387	9,123	
Executive director allowance	159	72	33	74	-	570	189	1,097	646	1,743	
Fees	2,069	936	436	961	-	7,424	2,455	14,281	8,430	22,711	
General excise taxes	20	9	4	9	-	71	25	138	82	220	
Insurance	1,436	650	303	667	-	5,155	1,705	9,916	5,853	15,769	
Interest	6,028	2,726	1,270	2,799	-	21,631	7,153	41,607	24,562	66,169	
Maintenance fees	5,823	2,634	1,227	2,704	-	20,897	6,910	40,195	23,728	63,923	
Meals	118	53	25	55	-	423	139	813	480	1,293	
Meeting expenses	-	-	-	-	-	-	-	-	-	-	
Neighbor island travel	42	19	9	20	-	153	50	293	172	465	
Postage and mailing	320	145	68	148	-	1,148	379	2,208	1,304	3,512	
Printing	624	282	132	290	-	2,241	741	4,310	2,545	6,855	
Professional services	10,334	4,673	2,178	4,798	-	37,082	12,263	71,328	42,106	113,434	
Property taxes	1,207	546	254	560	-	4,332	1,433	8,332	4,919	13,251	
Rent	14,372	6,500	3,029	6,673	-	51,571	17,053	99,198	58,561	157,759	
Repairs and maintenance	62	28	13	29	-	222	74	428	252	680	
Supplies	992	449	209	461	-	3,561	1,178	6,850	4,044	10,894	
Telephone	798	361	168	370	-	2,864	946	5,507	3,251	8,758	
Miscellaneous	135	61	29	63	-	484	160	932	550	1,482	
Total indirect expenses	<u>47,559</u>	<u>21,509</u>	<u>10,024</u>	<u>22,083</u>	<u>-</u>	<u>170,661</u>	<u>56,434</u>	<u>328,270</u>	<u>193,788</u>	<u>522,058</u>	
Total program expenses	<u>173,530</u>	<u>58,357</u>	<u>44,888</u>	<u>61,415</u>	<u>16,525</u>	<u>775,615</u>	<u>222,267</u>	<u>1,352,597</u>	<u>567,553</u>	<u>1,964,254</u>	
Total revenue over(under) expenses	<u>\$ 1,697,733</u>	<u>\$ (58,357)</u>	<u>\$ (41,229)</u>	<u>\$ (59,224)</u>	<u>\$ (16,525)</u>	<u>\$ (434,043)</u>	<u>\$ (99,666)</u>	<u>\$ 988,689</u>	<u>\$ (529,953)</u>	<u>\$ 22,591</u>	<u>\$ 481,327</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED MEMBER SERVICES PROGRAM
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	Bar Journal	Bar Directory	Bar Convention	Continuing Legal Education	Bar Alliance	Technology	Fee Dispute	Member Benefits	Basic Legal Training	Products	Member Services	Goals 1,2,3	Total Member Services
Revenue													
CLE seminar income	\$ -	\$ -	\$ -	\$ 138,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,797
Royalties	-	-	-	-	-	-	-	58,272	-	-	-	-	58,272
CLE publication sales	-	-	-	51,846	-	-	-	-	-	-	-	-	51,846
Grants and donations	10,000	-	22,700	1,600	-	-	-	5,800	-	-	-	-	40,100
Products and services	-	-	-	-	-	-	-	-	-	27,057	-	-	27,057
Sponsorship & booth income	-	-	13,355	-	-	-	-	-	-	-	-	-	13,355
Legal secretary training	-	-	-	-	-	-	-	-	5,555	-	-	-	5,555
Mailing label income	-	-	-	-	-	-	-	-	-	1,981	-	-	1,981
Bar Journal income	19	-	-	-	-	-	-	-	-	-	-	-	19
Social events and other	-	-	-	58	-	455	-	4,017	-	-	-	60	4,590
	<u>10,019</u>	<u>-</u>	<u>36,055</u>	<u>192,301</u>	<u>-</u>	<u>455</u>	<u>-</u>	<u>68,089</u>	<u>5,555</u>	<u>29,038</u>	<u>-</u>	<u>60</u>	<u>341,572</u>
Direct expenses													
Salaries and wages	8,231	-	-	105,078	-	28,127	3,942	43,042	3,803	3,176	22,028	-	217,427
Employee benefits	1,724	-	-	22,924	-	5,994	840	8,702	822	677	4,784	-	46,467
Payroll taxes	409	-	-	7,967	-	2,133	299	3,235	288	241	1,670	-	16,242
Advertising	-	-	6,029	-	-	-	-	-	253	-	-	-	6,282
Automobile and transportation	-	-	-	829	-	-	-	-	-	-	-	-	829
Awards and mementos	-	-	83	-	-	-	-	-	-	-	-	-	83
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-
Conferences and travel	-	-	-	232	-	-	-	-	-	-	-	-	232
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of products sold	-	-	-	2,377	-	-	-	-	-	18,537	-	-	20,914
Dues and subscriptions	-	-	-	-	-	85	-	-	-	-	-	-	85
Employee training	-	-	-	-	-	1,183	-	-	-	-	-	-	1,183
Equipment Rent	-	-	-	-	-	-	-	(17)	-	-	-	-	(17)
Fees	-	-	-	5,196	29,481	8,910	-	61,011	490	-	-	-	105,088
General excise taxes	-	-	1,796	-	-	-	-	2,872	-	147	-	-	4,815
Insurance	-	-	-	337	-	-	-	75	-	-	-	-	412
Meals	-	-	-	5,750	-	-	-	608	-	-	-	-	6,358
Meeting expenses	-	-	-	35,001	-	-	-	3,836	-	-	-	2,983	41,820
Neighbor island travel	-	-	-	818	-	-	-	798	-	-	-	347	1,963
Postage and mailing services	26,614	80	-	7,504	-	-	8	79	10	-	-	21	34,316
Printing	14,238	-	-	30,699	-	-	-	31	-	-	-	-	44,968
Production	3,360	-	-	-	-	-	-	-	-	-	-	-	3,360
Professional services	-	-	-	6,629	-	7,571	-	2,500	100	-	-	-	16,800
Repairs and maintenance	-	-	-	-	-	8,830	-	-	-	-	-	-	8,830
Supplies	5	-	-	11,468	-	8,910	-	3,328	1,709	132	-	869	26,421
Telephone	-	-	-	-	71	-	-	-	-	-	-	-	71
Miscellaneous	-	-	-	5	-	-	-	-	-	-	-	-	5
Total direct expenses	<u>\$ 54,581</u>	<u>\$ 80</u>	<u>\$ 7,908</u>	<u>\$ 242,814</u>	<u>\$ 29,552</u>	<u>\$ 71,743</u>	<u>\$ 5,089</u>	<u>\$ 130,100</u>	<u>\$ 7,475</u>	<u>\$ 22,910</u>	<u>\$ 28,482</u>	<u>\$ 4,220</u>	<u>\$ 604,954</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED MEMBER SERVICES PROGRAM
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	Bar Journal	Bar Directory	Bar Convention	Continuing Legal Education	Bar Alliance	Technology	Fee Dispute	Member Benefits	Basic Legal Training	Products	Member Services	Goals 1,2,3	Total Member Services
Indirect program expenses													
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Automobile and transportation	9	-	-	112	-	30	4	46	4	3	23	-	231
Awards and mementos	1	-	-	10	-	2	-	4	-	-	2	-	19
Conferences and travel	72	-	-	921	-	247	35	377	33	28	193	-	1,906
Depreciation	156	-	-	1,982	-	531	74	812	72	60	415	-	4,102
Dues and subscriptions	53	-	-	680	-	182	25	278	25	21	142	-	1,406
Employee training	7	-	-	90	-	24	3	37	3	3	19	-	186
Equipment rent	113	-	-	1,441	-	386	54	590	52	44	302	-	2,982
Executive director allowance	22	-	-	275	-	74	10	113	10	8	58	-	570
Fees	282	-	-	3,588	-	961	134	1,469	129	109	752	-	7,424
General excise taxes	3	-	-	35	-	9	1	14	1	1	7	-	71
Insurance	196	-	-	2,491	-	667	93	1,020	90	76	522	-	5,155
Interest	820	-	-	10,455	-	2,799	391	4,281	377	318	2,190	-	21,631
Maintenance fees	793	-	-	10,100	-	2,704	377	4,136	364	307	2,116	-	20,897
Meals	16	-	-	204	-	55	8	84	7	6	43	-	423
Meeting expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Neighbor island travel	6	-	-	74	-	20	3	30	3	2	15	-	153
Postage and mailing services	44	-	-	555	-	148	21	227	20	17	116	-	1,148
Printing	85	-	-	1,083	-	290	40	444	39	33	227	-	2,241
Professional services	1,407	-	-	17,922	-	4,798	669	7,339	647	545	3,755	-	37,082
Property taxes	164	-	-	2,094	-	560	78	857	76	64	439	-	4,332
Rent	1,956	-	-	24,926	-	6,673	931	10,207	899	757	5,222	-	51,571
Repairs and maintenance	8	-	-	108	-	29	4	44	4	3	22	-	222
Supplies	135	-	-	1,721	-	461	64	705	62	52	361	-	3,561
Telephone	109	-	-	1,384	-	370	52	567	50	42	290	-	2,864
Miscellaneous	18	-	-	234	-	63	9	96	8	7	49	-	484
Total indirect expenses	<u>6,475</u>	<u>-</u>	<u>-</u>	<u>82,485</u>	<u>-</u>	<u>22,083</u>	<u>3,080</u>	<u>33,777</u>	<u>2,975</u>	<u>2,506</u>	<u>17,280</u>	<u>-</u>	<u>170,661</u>
Total expenses	<u>61,056</u>	<u>80</u>	<u>7,908</u>	<u>325,299</u>	<u>29,552</u>	<u>93,826</u>	<u>8,169</u>	<u>163,877</u>	<u>10,450</u>	<u>25,416</u>	<u>45,762</u>	<u>4,220</u>	<u>775,615</u>
Revenues over (under) expenses	<u>\$ (51,037)</u>	<u>\$ (80)</u>	<u>\$ 28,147</u>	<u>\$ (132,998)</u>	<u>\$ (29,552)</u>	<u>\$ (93,371)</u>	<u>\$ (8,169)</u>	<u>\$ (95,788)</u>	<u>\$ (4,895)</u>	<u>\$ 3,622</u>	<u>\$ (45,762)</u>	<u>\$ (4,160)</u>	<u>\$ (434,043)</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED PUBLIC SERVICES PROGRAM
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	Lawyer Referral	Commun- ications	Public Svc Admin- istrative	Goals 4,5,6	International Initiatives	Total Public Services
Revenue						
Lawyer Referral income	\$ 36,348	\$ -	\$ -	\$ -	\$ -	\$ 36,348
Grants and donations	-	-	-	81,613	-	81,613
Miscellaneous	-	-	-	4,640	-	4,640
	<u>36,348</u>	<u>-</u>	<u>-</u>	<u>86,253</u>	<u>-</u>	<u>122,601</u>
Total direct program expenses						
Salaries and wages	34,650	14,443	22,824	-	-	71,917
Employee benefits	7,385	3,110	5,191	-	-	15,686
Payroll taxes	2,627	1,095	1,731	-	-	5,453
Advertising	524	-	-	60	-	584
Automobile and transportation	-	-	-	-	-	-
Awards and mementos	-	-	-	-	-	-
Conferences and travel	-	-	-	6,090	-	6,090
Contributions	-	-	-	10,000	-	10,000
Dues and subscriptions	-	-	-	-	-	-
Employee training	65	-	-	-	-	65
Equipment rent	-	-	-	-	-	-
Fees	-	-	-	130	-	130
Insurance	-	-	-	575	-	575
Meals	-	-	-	2,314	1,084	3,398
Meeting expenses	-	-	-	503	-	503
Neighbor island travel	-	-	-	5,814	-	5,814
Nominations and elections	-	-	-	500	-	500
Postage and mailing services	113	-	-	1,345	-	1,458
Printing	191	-	-	4,021	-	4,212
Professional services	-	29,114	-	4,446	-	33,560
Supplies	2	-	-	3,487	-	3,489
Telephone	2,110	-	-	289	-	2,399
Miscellaneous	-	-	-	-	-	-
Total direct expenses	<u>\$ 47,667</u>	<u>\$ 47,762</u>	<u>\$ 29,746</u>	<u>\$ 39,574</u>	<u>\$ 1,084</u>	<u>\$ 165,833</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED PUBLIC SERVICES PROGRAM
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	Lawyer Referral	Commun- ications	Public Svc Admin- istrative	Goals 4,5,6	International Initiatives	Total Public Services
Indirect expenses						
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Automobile and transportation	37	15	24	-	-	76
Awards and mementos	3	1	2	-	-	6
Conferences and travel	304	127	200	-	-	631
Depreciation	654	272	430	-	-	1,356
Dues and subscriptions	224	93	147	-	-	464
Employee training	30	12	20	-	-	62
Equipment rent	475	198	313	-	-	986
Executive director allowance	91	38	60	-	-	189
Fees	1,183	493	779	-	-	2,455
General excise taxes	12	5	8	-	-	25
Insurance	822	342	541	-	-	1,705
Interest	3,447	1,436	2,270	-	-	7,153
Maintenance fees	3,330	1,387	2,193	-	-	6,910
Meals	67	28	44	-	-	139
Neighbor island travel	24	10	16	-	-	50
Postage and mailing services	183	76	120	-	-	379
Printing	357	149	235	-	-	741
Professional services	5,910	2,462	3,891	-	-	12,263
Property taxes	690	288	455	-	-	1,433
Rent	8,219	3,423	5,411	-	-	17,053
Repairs and maintenance	36	15	23	-	-	74
Supplies	568	236	374	-	-	1,178
Telephone	456	190	300	-	-	946
Miscellaneous	77	32	51	-	-	160
Total indirect expenses	<u>27,199</u>	<u>11,328</u>	<u>17,907</u>	<u>-</u>	<u>-</u>	<u>56,434</u>
Total expenses	<u>74,866</u>	<u>59,090</u>	<u>47,653</u>	<u>39,574</u>	<u>1,084</u>	<u>222,267</u>
Revenue over (under) expenses	<u>\$ (38,518)</u>	<u>\$ (59,090)</u>	<u>\$ (47,653)</u>	<u>\$ 46,679</u>	<u>\$ (1,084)</u>	<u>\$ (99,666)</u>

HAWAII STATE BAR ASSOCIATION
 SCHEDULE OF UNRESTRICTED FUNDRAISING
 REVENUES AND EXPENSES – MODIFIED CASH BASIS
 For the Year Ended December 31, 2009

	<u>Annual Dinner</u>
Fundraising Revenue	
Annual dinner contributions	<u>\$ 66,695</u>
Fundraising Expenses	
Automobile and transportation	62
Awards and mementos	112
Contributions	18,707
Equipment rent	2,066
Fees	15
General excise taxes	2,894
Insurance	813
Meals	12,500
Meeting expenses	752
Postage and mailing services	38
Printing	617
Professional services	3,377
Supplies	<u>2,151</u>
Total Fundraising Expenses	<u>44,104</u>
Revenue over expenses	<u><u>\$ 22,591</u></u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED SUPPORT SERVICES
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	<u>Board of Directors</u>	<u>Admin- istrative</u>	<u>Total Support Services</u>
Revenues			
Interest income	\$ -	\$ 27,776	\$ 27,776
Donations	-	-	-
Miscellaneous	<u>4,016</u>	<u>5,808</u>	<u>9,824</u>
	<u>4,016</u>	<u>33,584</u>	<u>37,600</u>
Direct Expenses			
Employee costs			
Salaries and wages	91,983	154,730	246,713
Employee benefits	19,623	31,897	51,520
Payroll taxes	<u>6,975</u>	<u>14,053</u>	<u>21,028</u>
Total employee costs	<u>118,581</u>	<u>200,680</u>	<u>319,261</u>
Other direct expenses			
Awards and mementos	1,633	-	1,633
Conferences and travel	16,751	-	16,751
Contributions	-	-	-
Dues and subscriptions	1,261	-	1,261
Fees	(2)	-	(2)
Insurance	9,520	-	9,520
Meals	2,283	-	2,283
Meeting expenses	3,360	-	3,360
Neighbor island travel	8,118	-	8,118
Nominations and elections	2,970	-	2,970
Postage and mailing services	1,196	-	1,196
President's allowance	2,157	-	2,157
Printing	63	-	63
Professional services	2,837	-	2,837
Supplies	1,558	-	1,558
Telephone	799	-	799
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total other direct expenses	<u>54,504</u>	<u>-</u>	<u>54,504</u>
Total Direct Expenses	<u>\$ 173,085</u>	<u>\$ 200,680</u>	<u>\$ 373,765</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED SUPPORT SERVICES
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2009

	<u>Board of Directors</u>	<u>Admin- istrative</u>	<u>Total Support Services</u>
Indirect expenses			
Automobile and transportation	\$ 98	\$ 165	\$ 263
Awards and mementos	9	14	23
Conferences and travel	807	1,358	2,165
Depreciation	1,736	2,921	4,657
Dues and subscriptions	595	1,001	1,596
Employee training	79	133	212
Equipment rent	1,263	2,124	3,387
Executive director allowance	241	405	646
Fees	3,143	5,287	8,430
General excise taxes	31	51	82
Insurance	2,182	3,671	5,853
Interest	9,158	15,404	24,562
Maintenance fees	8,847	14,881	23,728
Meals	179	301	480
Neighbor island travel	64	108	172
Postage and mailing services	486	818	1,304
Printing	949	1,596	2,545
Professional services	15,699	26,407	42,106
Property taxes	1,834	3,085	4,919
Rent	21,834	36,727	58,561
Repairs and maintenance	94	158	252
Supplies	1,508	2,536	4,044
Telephone	1,212	2,039	3,251
Miscellaneous	205	345	550
Total indirect expenses	<u>72,253</u>	<u>121,535</u>	<u>193,788</u>
Total expenses	<u>245,338</u>	<u>322,215</u>	<u>567,553</u>
Revenue under expenses	<u>\$ (241,322)</u>	<u>\$ (288,631)</u>	<u>\$ (529,953)</u>