

HAWAII STATE BAR ASSOCIATION
2017 Budget

10/12/16

| DESCRIPTION | 2016 BUDGET | 2016 Revenue & Exp 8/31 | 2015 Revenue & Exp | 2017 BUDGET |
|--|--------------------|----------------------------|-----------------------|--------------------|
| INCOME-DUES | | | | |
| Membership Dues | \$1,245,900 | 1,239,782 | 1,242,504 | \$1,196,260 |
| Penalties | 78,000 | 75,860 | 80,300 | 76,200 |
| Processing Fee | 112,800 | 125,380 | 122,745 | 166,015 |
| SUBTOTAL-DUES | 1,436,700 | 1,441,022 | 1,445,549 | 1,438,475 |
| NON-DUES | | | | |
| Dividend/Interest Income | 1,000 | 2,012 | 811 | 2,400 |
| Booth Income | 19,000 | 650 | 7,190 | 17,000 |
| Sponsorships | 7,500 | 2,000 | 0 | 9,500 |
| Lawyer Referral Income | 35,000 | 24,935 | 28,490 | 29,000 |
| Fees (IOLTA, Leadership) | 19,000 | 23,450 | 15,650 | 19,000 |
| MCLE Fees | 37,000 | 29,645 | 40,686 | 40,600 |
| CLE Seminars/Registration | 270,000 | 71,623 | 254,662 | 260,000 |
| CLE Publications/Video | 52,000 | 25,603 | 59,541 | 60,000 |
| Mailing Label Income | 0 | | 719 | 0 |
| Grants/Donations | 0 | | 250 | 0 |
| Royalties | 38,500 | 20,372 | 38,583 | 38,500 |
| Products & Services | 30,000 | 20,828 | 30,415 | 30,000 |
| Miscellaneous Income | 0 | 927 | 6,143 | 0 |
| SUBTOTAL-NON DUES | 509,000 | 222,045 | 483,141 | 506,000 |
| TOTAL INCOME | \$1,945,700 | 1,663,067 | 1,928,690 | \$1,944,475 |
| <hr/> | | | | |
| EXPENSES | | | | |
| SUPREME COURT MANDATED | | | | |
| Atty Registration/Database Mgt. | 218,435 | 164,201 | 190,661 | 244,888 |
| Technology/Website | 107,933 | 92,290 | 186,201 | 109,954 |
| Indirect Admin/Executive Support | 31,055 | 20,798 | 28,620 | 33,407 |
| Non-Personnel Administrative Support | 53,609 | 35,462 | 46,662 | 52,634 |
| TOTAL REGISTRATION EXPENSES | 411,033 | 312,752 | 452,144 | 440,883 |
| GOVERNANCE | | | | |
| Indirect Admin/Executive Support | 31,817 | 21,308 | 32,344 | 31,997 |
| Non-Personnel Administrative Support | 54,924 | 36,332 | 52,734 | 50,413 |
| Direct Admin/Executive Support | 130,319 | 87,561 | 135,748 | 129,401 |
| Printing, Mailing, Meals, Supplies, Telephone, Ott | 11,350 | 3,975 | 5,059 | 11,350 |
| N. I. Travel | 18,200 | 10,175 | 13,454 | 18,200 |
| Orientation/Annual Meeting | 1,000 | 83 | 0 | 1,000 |
| Conference Travel | 11,405 | 8,808 | 6,761 | 12,005 |
| Awards | 2,000 | 0 | 716 | 2,000 |
| President's Allowance | 2,500 | 556 | 1,762 | 2,500 |
| Insurance | 7,179 | 6,736 | 6,568 | 7,179 |
| TOTAL BD EXPENSES | 270,694 | 175,536 | 255,145 | 266,045 |
| COMMITTEE | | | | |
| Indirect Admin/Executive Support | 11,424 | 7,651 | 12,839 | 10,434 |
| Non-Personnel Administrative Support | 19,721 | 13,045 | 20,933 | 16,439 |
| Direct Admin/Executive Support | 46,792 | 31,653 | 52,882 | 42,197 |
| Printing, Mailing, Meals, Supplies, Telephone, Ott | 1,250 | 6 | 303 | 1,250 |
| N. I. Travel | 4,600 | 3,343 | 5,318 | 4,600 |
| TOTAL COMMITTEE | 83,786 | 55,699 | 92,275 | 74,921 |
| YLD ADMINISTRATION | | | | |
| Indirect Admin/Executive Support | 7,100 | 4,755 | 6,816 | 7,039 |
| Non-Personnel Administrative Support | 12,257 | 8,108 | 11,111 | 11,090 |
| Direct Admin/Executive Support | 29,082 | 17,344 | 28,365 | 28,465 |
| Printing, Mailing, Meals, Supplies, Telephone, Ott | 1,075 | 130 | 856 | 1,075 |
| N. I. Travel | 3,000 | 1,688 | 3,894 | 3,000 |
| Orientation/Annual Meeting | 1,000 | 0 | 0 | 1,000 |
| Conference Travel | 7,990 | 3,205 | 6,227 | 5,600 |
| Awards | 400 | 0 | 288 | 400 |
| President's Allowance | 750 | 55 | 750 | 750 |
| Total YLD Admin | 62,654 | 35,285 | 58,306 | 58,418 |

**HAWAII STATE BAR ASSOCIATION
2017 Budget**

10/12/16

| DESCRIPTION | 2016 BUDGET | 2016 Revenue & Exp 8/31 | 2015 Revenue & Exp | 2017 BUDGET |
|--|----------------|----------------------------|-----------------------|-----------------------|
| SENIOR COUNSEL DIVISION | | | | |
| Indirect Admin/Executive Support | 1,675 | 1,122 | 2,118 | 1,730 |
| Non-Personnel Administrative Support | 2,891 | 1,912 | 3,454 | 2,725 |
| Direct Admin/Executive Support | 6,859 | 4,697 | 8,018 | 6,995 |
| Printing, Mailing, Meals, Supplies, Telephone, Ott | 1,025 | 0 | 2,361 | 1,025 |
| N. I. Travel | 2,000 | 826 | 2,824 | 2,000 |
| Orientation/Annual Meeting | 750 | 0 | 0 | 750 |
| Conference Travel | 0 | 0 | 0 | 0 |
| Awards | 200 | 0 | 0 | 200 |
| President's Allowance | 0 | 0 | 0 | 0 |
| Total Sr. Counsel Admin | 15,399 | 8,558 | 18,775 | 15,425 |
| NI COUNTY BAR ADMIN/Local Projects | 19,500 | 20,950 | 19,500 | 20,950 |
| MEMBER SERVICES | | | | |
| PROGRAMS | | | | |
| Bar Journal | 18,884 | 18,187 | 12,094 | 19,453 |
| Leadership Institute | 10,693 | 6,230 | 10,069 | 10,221 |
| MCLE | 57,458 | 32,860 | 52,261 | 58,736 |
| Continuing Legal Education | 305,677 | 138,592 | 255,562 | 325,236 |
| Membership Benefits | 70,692 | 16,342 | 67,275 | 70,947 |
| Bar Directory | 6,000 | 0 | 0 | 6,000 |
| Products & Services | 24,801 | 26,282 | 16,079 | 23,747 |
| PROJECTS | | | | |
| Goal 1 (Organizational Struc.) | 0 | -7 | 0 | 0 |
| Goal 2 (Lawyer Competency) | 6,300 | 1,224 | 3,373 | 8,300 |
| Goal 3 (Discrim/Minority) | 0 | 0 | 0 | 0 |
| Direct Admin Support-Member Proj. | 22,899 | 14,812 | 11,457 | 23,591 |
| INDIRECT ADMIN SUPPORT | 73,391 | 49,151 | 65,210 | 75,280 |
| Non-Personnel Administrative Support | 126,691 | 83,805 | 106,318 | 118,606 |
| TOTAL MEMBER SERVICES | 723,487 | 387,479 | 599,698 | 740,117 |
| PUBLIC SERVICES | | | | |
| PROGRAMS | | | | |
| Lawyer Referral Service | 73,904 | 48,662 | 66,651 | 76,140 |
| Communications & Public Rel. | 71,520 | 47,957 | 49,843 | 75,496 |
| PROJECTS¹ | | | | |
| Goal 6 (Judicial Administration) | 5,200 | 19 | 3,554 | 5,000 |
| Direct Admin Support-Public Proj. | 22,080 | 8,656 | 20,337 | 22,420 |
| INDIRECT ADMIN SUPPORT | 39,723 | 26,603 | 38,710 | 41,918 |
| Non-Personnel Administrative Support | 68,571 | 45,359 | 63,112 | 66,044 |
| TOTAL PUBLIC SERVICES | 280,999 | 177,256 | 242,207 | 287,018 |
| TOTAL EXPENSES (Before Taxes & Depr) | \$1,867,552 | 1,173,514 | 1,738,051 | \$1,903,777 |
| NET INCOME(LOSS) before tax, capital&depr | \$78,148 | 489,553 | 190,639 | \$40,698 |
| Provision for Taxes | | | | |
| Federal & State Income-Current | 0 | 0 | 0 | 0 |
| Net Income/(Loss) After Taxes | \$78,148 | 489,553 | 190,639 | \$40,698 |
| Capital Expenditures (Mortgage principal, ass) | (78,148) | (25,966) | (75,657) | (40,698) ² |
| Net Income after Capital Exp (Before Depr) | 0 | 463,587 | 114,983 | 0 |

GG4 & GG5 Projects will be funded from
HSBA's Project Special Funds & Special Reserves.
Loan principal

HAWAII STATE BAR ASSOCIATION
 INCOME STATEMENT
 MONTH ENDED December 31, 2016

Preliminary
 5/3/2018

| DESCRIPTION | Dec ACTUAL | Dec YTD ACTUAL | 2016 BUDGET | VARIANCE | Dec 2015 YTD |
|---------------------------|----------------|-------------------|------------------|----------------|------------------|
| DUES | | | | | |
| Licensing Fees | 7,687 | 1,255,399 | \$1,245,900 | 9,499 | 1,242,504 |
| Penalties | 800 | 79,360 | 78,000 | 1,360 | 80,300 |
| Processing fees | 4,484 | 135,594 | 112,800 | 22,794 | 122,745 |
| SUBTOTAL-DUES | 12,971 | 1,470,353 | 1,436,700 | 33,653 | 1,445,549 |
| NON-DUES | | | | | |
| Dividend/Interest Income | 343 | 2,966 | 1,000 | 1,966 | 811 |
| Booth Income | 0 | 21,156 | 19,000 | 2,156 | 7,190 |
| Sponsorships | 0 | 2,000 | 7,500 | -5,500 | |
| Lawyer Referral Income | 0 | 27,280 | 35,000 | -7,720 | 28,490 |
| Fees (IOLTA, Leadership) | 0 | 24,400 | 19,000 | 5,400 | 15,650 |
| MCLE Fees | 3,900 | 43,735 | 37,000 | 6,735 | 40,686 |
| CLE Seminars/Registration | 87,245 | 248,928 | 270,000 | -21,072 | 254,662 |
| CLE Publications/Video | 9,870 | 46,238 | 52,000 | -5,762 | 59,541 |
| Mailing Label Income | 0 | 0 | 0 | 0 | 719 |
| Grants/Donations | 0 | 0 | 0 | 0 | 250 |
| Royalties | 75 | 29,447 | 38,500 | -9,053 | 38,583 |
| Products & Services | 6,171 | 30,815 | 30,000 | 815 | 30,415 |
| Miscellaneous Income | 1,754 | 6,228 | 0 | 6,228 | 6,143 |
| SUBTOTAL-NON DUES | 109,358 | 483,194 | 509,000 | -25,806 | 483,141 |
| TOTAL INCOME | 122,329 | 1,953,547 | 1,945,700 | 7,847 | 1,928,690 |

| | | | | | |
|--------------------------------------|---------------|----------------|----------------|--------------|----------------|
| EXPENSES | | | | | |
| SUPREME COURT MANDATED | | | | | |
| Atty Registration/Database Mgt. | 15,221 | 217,010 | 218,435 | -1,425 | 190,661 |
| Technology/Website | 7,128 | 126,293 | 107,933 | 18,360 | 186,201 |
| Admin/Executive Support | 1,648 | 28,945 | 31,055 | -2,110 | 28,620 |
| Non-Personnel Administrative Support | 1,402 | 47,854 | 53,609 | -5,755 | 46,662 |
| TOTAL REGISTRATION EXPENSES | 25,399 | 420,102 | 411,033 | 9,069 | 452,144 |

| | | | | | |
|--------------------------------------|---------------|----------------|----------------|----------------|----------------|
| GOVERNANCE | | | | | |
| Indirect Admin/Executive Support | 1,689 | 29,655 | 31,817 | -2,162 | 32,344 |
| Non-Personnel Administrative Support | 1,437 | 49,028 | 54,924 | -5,896 | 52,734 |
| Direct Admin/Executive Support | 9,441 | 126,278 | 130,319 | -4,041 | 135,748 |
| Printing, Mailing, Telephone & Other | 1,520 | 7,826 | 11,350 | -3,525 | 5,059 |
| N. I. Travel | -244 | 15,072 | 18,200 | -3,128 | 13,454 |
| Planning Conference/Orientation | 0 | 83 | 1,000 | -917 | 0 |
| Conference Travel | 0 | 9,098 | 11,405 | -2,307 | 6,761 |
| Awards | 0 | 48 | 2,000 | -1,952 | 716 |
| President's Allowance | 1,726 | 2,282 | 2,500 | -218 | 1,762 |
| Insurance | 0 | 6,736 | 7,179 | -443 | 6,568 |
| TOTAL BOD EXPENSES | 15,568 | 246,106 | 270,694 | -24,587 | 255,145 |

| | | | | | |
|--------------------------------------|--------------|---------------|---------------|---------------|---------------|
| COMMITTEE | | | | | |
| Indirect Admin/Executive Support | 606 | 10,648 | 11,424 | -776 | 12,839 |
| Non-Personnel Administrative Support | 516 | 17,604 | 19,721 | -2,117 | 20,933 |
| Direct Admin/Executive Support | 3,088 | 44,969 | 46,792 | -1,823 | 52,882 |
| Printing, Mailing, Telephone & Other | 0 | 6 | 1,250 | -1,244 | 303 |
| N. I. Travel | 1,179 | 4,876 | 4,600 | 276 | 5,318 |
| TOTAL COMMITTEE | 5,389 | 78,103 | 83,786 | -5,684 | 92,275 |

| | | | | | |
|---|--------------|---------------|---------------|----------------|---------------|
| YLD ADMINISTRATION | | | | | |
| Indirect Admin/Executive Support | 377 | 6,618 | 7,100 | -483 | 6,816 |
| Non-Personnel Administrative Support | 321 | 10,941 | 12,257 | -1,316 | 11,111 |
| Direct Admin/Executive Support | 602 | 22,639 | 29,082 | -6,443 | 28,365 |
| Printing, Mailing, Tele, Meetings & Other | -26 | 474 | 1,075 | -601 | 856 |
| N. I. Travel | 198 | 2,358 | 3,000 | -642 | 3,894 |
| Planning Conference/Orientation | 0 | 0 | 1,000 | -1,000 | 0 |
| Conference Travel | 0 | 5,150 | 7,990 | -2,840 | 6,227 |
| Awards | 0 | 0 | 400 | -400 | 288 |
| President's Allowance | 124 | 603 | 750 | -147 | 750 |
| Total YLD Admin | 1,595 | 48,781 | 62,654 | -13,873 | 58,306 |

HAWAII STATE BAR ASSOCIATION
 INCOME STATEMENT
 MONTH ENDED December 31, 2016

Preliminary
 5/3/2018

| DESCRIPTION | Dec ACTUAL | Dec YTD ACTUAL | 2016 BUDGET | VARIANCE | Dec 2015 YTD |
|---|---------------|-------------------|----------------|----------|-----------------|
| SENIOR COUNSEL DIVISION** | | | | | |
| Indirect Admin/Executive Support | 89 | 1,561 | 1,675 | -113 | 2,118 |
| Non-Personnel Administrative Support | 76 | 2,581 | 2,891 | -310 | 3,454 |
| Direct Admin/Executive Support | 547 | 6,824 | 6,859 | -35 | 8,018 |
| Printing, Mailing, Telephone & Other | 1,214 | 1,428 | 1,025 | 403 | 2,361 |
| N. I. Travel | 150 | 1,387 | 2,000 | -613 | 2,824 |
| Planning Conference/Orientation | 0 | 0 | 750 | -750 | 0 |
| Conference Travel | 0 | 0 | 0 | 0 | 0 |
| Awards | 0 | 0 | 200 | -200 | 0 |
| President's Allowance | 0 | 0 | 0 | 0 | 0 |
| Total SCD | 2,075 | 13,781 | 15,399 | -1,618 | 18,775 |
| NI COUNTY BAR/Local Projects | 0 | 20,950 | 19,500 | 1,450 | 19,500 |
| MEMBER SERVICES | | | | | |
| PROGRAMS | | | | | |
| Bar Journal | 2,923 | 24,937 | 18,884 | 6,052 | 12,094 |
| Leadership Institute | 1,027 | 9,085 | 10,693 | -1,608 | 10,069 |
| MCLE | 4,512 | 49,681 | 57,458 | -7,777 | 52,261 |
| Continuing Legal Education | 21,088 | 249,964 | 305,677 | -55,713 | 255,562 |
| Membership Benefits/Sp. Events | 775 | 22,230 | 70,692 | -48,461 | 67,275 |
| Products & Services | 123 | 27,215 | 24,801 | 2,415 | 16,079 |
| PROJECTS | | | | | |
| Goal 1 (Organizational Struc.) | 0 | -7 | 0 | -7 | 0 |
| Goal 2 (Lawyer Competency) | 395 | 2,172 | 6,300 | -4,128 | 3,373 |
| Goal 3 (Minority in Profession) | 0 | 0 | 0 | 0 | 0 |
| Direct Admin Support-Member Proj. | 1,663 | 21,535 | 22,899 | -1,364 | 11,457 |
| INDIRECT ADMIN SUPPORT | 3,895 | 68,405 | 73,391 | -4,987 | 65,210 |
| Fixed Expenses | 3,314 | 113,091 | 126,691 | -13,601 | 106,318 |
| TOTAL MEMBER SERVICES | 39,715 | 588,308 | 723,487 | -135,179 | 599,698 |
| PUBLIC SERVICES | | | | | |
| PROGRAMS | | | | | |
| Lawyer Referral Service | 5,500 | 69,911 | 73,904 | -3,993 | 66,651 |
| Communications/Public Rel. | 5,587 | 69,672 | 71,520 | -1,849 | 49,843 |
| PROJECTS | | | | | |
| Goal 6 (Judicial Admin.) | 0 | 5,186 | 5,200 | -14 | 3,554 |
| Direct Admin Support-Public Proj. | 1,282 | 13,836 | 22,080 | -8,244 | 20,337 |
| INDIRECT-ADMIN SUPPORT | 2,108 | 37,024 | 39,723 | -2,698 | 38,710 |
| Fixed Expenses | 1,794 | 61,210 | 68,571 | -7,361 | 63,112 |
| TOTAL PUBLIC SERVICES | 5,184 | 256,839 | 280,999 | -24,159 | 242,207 |
| TOTAL EXPENSES | 94,926 | 1,672,970 | \$1,867,552 | -194,582 | 1,738,051 |
| NET INCOME(LOSS) before tax, capital&depr | 27,403 | 280,576 | \$78,148 | 202,428 | 190,639 |
| Provision for Taxes | | | | | |
| Federal & State Income | 0 | 0 | 0 | 0 | 0 |
| Net Income After Taxes | | 280,576 | \$78,148 | 202,428 | 190,639 |
| Capital Expenditures (Mortgage payment, asset purchases, etc) | | (139,315) | (78,148) | -61,167 | (75,657) |
| Net Income after Capital Exp | | 141,261 | 0 | 141,261 | 114,983 |

*GG 4 & 5 page 7

Hawaii State Bar Association
Balance Sheet
December 31, 2016

Preliminary
5/3/2018

Assets:

Current Assets

| | | |
|----------------------------|--------------|-------------|
| Cash Held for Operations | \$1,687,594 | |
| Cash Held for Others | 1,438,754.07 | |
| BOH Hawaiian Airlines | 6,246.56 | |
| BOH Family Law | 5,977 | |
| Investments - CD/Money Mkt | 635,115 | |
| Petty Cash/Misc. | 230.00 | |
| Total Current Assets | | \$3,773,917 |

Other Assets

| | | |
|--------------------------|-----------|-------------|
| Building & Equipment | 3,039,847 | |
| Accumulated Depreciation | -723,038 | |
| | | 2,316,809 |
| Total Assets | | \$6,090,726 |

Liabilities

Current Liabilities

| | | |
|---------------------------------|--------------|-------------|
| Office of Disciplinary Counsel | 1,030,631.00 | |
| Attorney & Judges Assistance F | 163,530.00 | |
| Lawyers' Fund For Client Protec | 143,387.50 | |
| Volunteer Legal Services | 75,860.50 | |
| Hawaii State Bar Foundation | (490.93) | |
| County Bar/Specialty Bar Assoc | 25,836.00 | |
| Federal/State Taxes | 0 | |
| Accrued Payroll | 3,429.83 | |
| Other Payables/Deferred Reven | 1,069,734.00 | |
| Total Current Liabiliti | | \$2,511,918 |

Long-Term Liabilities

| | | |
|----------------------------|--|--------------|
| Acquisition Loan | | 1,233,020.08 |
| Construction Buildout Loan | | 0 |
| Total Liabilities | | \$3,744,938 |

Fund Balance (Net Assets)

| | | |
|----------------------------------|--|--------------|
| Retained Earnings | | 2,343,768.28 |
| Total Liabilities & Fund Balance | | \$6,088,706 |

ANNUAL REPORT

KELLER NOTICE

Under Keller v. California State Bar, 110 S. Ct. 2228, 110 L.Ed.2d 1 (1990), the expenditure of mandatory bar dues for political and ideological purposes that are not “necessarily or reasonably incurred” for purposes germane to the purposes of the State Bar is not constitutionally permitted. The HSBA Board feels that the positions taken and unified funds expended this year were within the purposes of the HSBA, which include the improvement of the system of justice and its administration, and the enhancement of professional competence. Legislation is monitored, and proposed HSBA positions on bills are developed by volunteer attorneys. No dues money was expended on lobbying legislative bills, other than nominal amounts spent on staff support for submission of testimonies. Therefore, no dues rebate is being offered pursuant to Keller.

If you disagree and feel that the HSBA has expended mandatory dues money for purposes outside of the activities permitted by Keller, you may file an objection and seek a rebate of such portion of your dues as may be found to have been used for purposes not permitted under Keller, plus interest. Written objections to a particular position or political; or ideological expenditure must be filed with the Executive Director within 45 days of publication of this notice. For detailed procedures on objecting to the use of dues, please call the HSBA office.

posted May 4, 2018