

HAWAII STATE BAR ASSOCIATION

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2008 and 2007**

HAWAII STATE BAR ASSOCIATION

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AN
ACCOUNTANCY CORPORATION
**TOMISHIMA &
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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, 2008 and 2007, 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 generally accepted auditing standards. 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, 2008 and 2007, 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 11-20) 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.

August 17, 2009
Honolulu, Hawaii

HAWAII STATE BAR ASSOCIATION
 STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
 December 31, 2008 and 2007

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash, including cash held for others of \$493,446 (2008) and \$624,598 (2007)	\$ 1,824,698	\$ 1,170,328
Deposit	10,000	-
Investment in certificates of deposit	812,817	888,620
TOTAL CURRENT ASSETS	2,647,515	2,058,948
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation	20,017	33,124
TOTAL ASSETS	\$ 2,667,532	\$ 2,092,072
LIABILITIES		
CURRENT LIABILITIES		
Payroll withholding	\$ 3,396	\$ 3,190
Due to affiliates for cash held	493,446	624,598
Deferred revenue	1,036,409	510,698
TOTAL CURRENT LIABILITIES	1,533,251	1,138,486
NET ASSETS		
NET ASSETS		
Unrestricted	987,463	810,497
Pre-unified	146,818	143,089
TOTAL NET ASSETS	1,134,281	953,586
TOTAL LIABILITIES AND NET ASSETS	\$ 2,667,532	\$ 2,092,072

See the accompanying notes to financial statements.

HAWAII STATE BAR ASSOCIATION
 STATEMENTS OF REVENUES AND EXPENSES – MODIFIED CASH BASIS
 December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Dues revenue	\$ 1,234,732	\$ 989,417
Non-dues revenue	613,029	697,816
Total revenues	<u>1,847,761</u>	<u>1,687,233</u>
EXPENSES		
Program Services		
Supreme Court Mandated	156,120	137,930
Committees	51,605	54,014
Young Lawyers Division	33,603	33,151
Neighbor Island Support	13,900	15,500
Membership Services	715,574	647,808
Public Services	180,112	149,425
Total program services	<u>1,150,914</u>	<u>1,037,828</u>
Fundraising Expenses	<u>63,003</u>	<u>41,447</u>
Supporting Services		
Board of Directors	198,409	200,052
General and administrative	258,469	317,503
Total supporting services	<u>456,878</u>	<u>517,555</u>
Total unrestricted expenses	<u>1,670,795</u>	<u>1,596,830</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>176,966</u>	<u>90,403</u>
CHANGES IN NET ASSETS - PRE-UNIFIED		
REVENUES		
Interest income - Pre-unified	<u>3,729</u>	<u>6,993</u>
Total pre-unified revenues	<u>3,729</u>	<u>6,993</u>
EXPENSES		
Pre-unified conference travel	<u>-</u>	<u>1,253</u>
Total pre-unified expenses	<u>-</u>	<u>1,253</u>
INCREASE IN NET ASSETS - PRE-UNIFIED	<u>3,729</u>	<u>5,740</u>
INCREASE IN TOTAL NET ASSETS	<u>\$ 180,695</u>	<u>\$ 96,143</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, 2008 and 2007

	2008	2007
UNRESTRICTED NET ASSETS		
NET ASSETS, Beginning of year	\$ 810,497	\$ 720,094
NET INCREASE	176,966	90,403
NET ASSETS, End of year	987,463	810,497
NET ASSETS - PRE-UNIFIED		
NET ASSETS, Beginning of year	143,089	137,349
NET INCREASE	3,729	5,740
NET ASSETS, End of year	146,818	143,089
 TOTAL NET ASSETS	 \$ 1,134,281	 \$ 953,586

See the accompanying notes to financial statements.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

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 the State of 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. The 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, 2008 and 2007

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 - 10 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.

NOTE C - CASH ACCOUNTS & 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 was comprised of the following:

	<u>2008</u>	<u>2007</u>
On hand	\$ 230	\$ 230
Checking accounts	1,705,563	1,167,570
Savings and money market accounts	<u>118,905</u>	<u>2,528</u>
Total cash	<u>1,824,698</u>	<u>1,170,328</u>
Cash held for others:		
Affiliated sections	341,361	153,735
Other organizations	<u>152,085</u>	<u>470,863</u>
Total cash held for other organizations	<u>493,446</u>	<u>624,598</u>
Total HSBA cash	<u>\$ 1,331,252</u>	<u>\$ 545,730</u>

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

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

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 mutual fund 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, 2008 and 2007 the HSBA had uninsured cash balance of \$2,373,273 and \$1,517,850, 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>2008</u>	<u>2007</u>
Investments in certificates of deposit	\$ 132,000	\$ 143,089
Cash held in money market account	<u>14,818</u>	<u>-</u>
Total restricted cash and investments	<u>\$ 146,818</u>	<u>\$ 143,089</u>

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Computer equipment	\$ 70,422	\$ 70,422
Furniture and office equipment	63,799	63,799
Computer software	13,811	13,811
Leasehold improvements	<u>3,350</u>	<u>3,350</u>
	151,382	151,382
Less: Accumulated depreciation	<u>131,365</u>	<u>118,258</u>
	<u>\$ 20,017</u>	<u>\$ 33,124</u>

The depreciation expense charged to operations totaled \$13,107 and \$16,138 in 2008 and 2007, respectively.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE F - LEASE COMMITMENTS

The HSBA leases its office located at 1132 Bishop Street, Suite 906, Honolulu, Hawaii, under a ten year non-cancelable lease agreement that expires on January 17, 2010. The lease agreement provided for a fixed basic monthly rent of \$1.00 per rentable square foot or \$3,840 per month plus common area maintenance and general excise taxes for the first five years. Per the original lease agreement, the base rent for the second five years was computed at the lower of \$1.25 per rental square foot (\$4,800 per month) or the fair market rental value, whichever is lower, but not less than \$1.00 per rentable square foot or \$3,840 per month. The lease was modified effective February 1, 2005, to include additional adjacent space at \$1.25 per rental square foot and total basic monthly rent was adjusted to \$5,765.

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

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,

2009	\$ 62,660
2010	5,010
2011	5,010
2012	<u>420</u>
Total future minimum lease payments	<u>\$ 73,100</u>

Rental expense for the above mentioned leases, including common area charges and general excise taxes, charged to operations was \$160,921 and \$151,961 for 2008 and 2007, respectively.

NOTE G - DEPOSIT AND SUBSEQUENT EVENT

As of December 31, 2008, the HSBA was in the process of acquiring office space due to the impending expiration of the current office lease in January 2010. The purchase was completed on March 20, 2009 at the price of \$2,000,000, of which \$10,000 was deposited in escrow as of December 31, 2008.

Related to the purchase, the HSBA committed to a ten-year commercial real estate loan with a local bank totaling \$1,600,000. The loan closed March 17, 2009, and is payable in monthly installments of \$9,825 with interest at 5.5% for the first five years of the loan. The interest rate will be adjusted to the bank's market rate for commercial mortgage loans after the first five years. In addition, on March 17, 2009, a five-year term loan was obtained totaling \$580,000 to finance improvements. The term loan is payable in monthly installments of \$4,894 with interest at 6.0%.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

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. 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, 2008 and 2007, contributions were made from the net proceeds of the annual fundraiser dinner to other non-profit organizations totaling \$13,695 and \$38,351, respectively.

NOTE I - PENSION PLAN

The HSBA maintains a defined contribution pension plan covering all full-time employees who have completed one year of employment during which the employee worked for at least 1,000 hours. Pursuant to the plan, the HSBA contribution for each employee is limited to the lesser of the federal allowable rate of qualified annual compensation or \$30,000.

The amount contributed to the pension plan and charged to operations was \$42,634 and \$38,389 in 2008 and 2007, respectively.

NOTE J - MAJOR REVENUE SOURCE AND ECONOMIC DEPENDENCY

The HSBA derived approximately 67% and 59% of its revenues from dues and related revenues collected from members in 2008 and 2007, 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, 2008 and 2007.

HAWAII STATE BAR ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

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 \$5,644 and \$11,238 in 2008 and 2007, respectively.

SUPPLEMENTARY INFORMATION

HAWAII STATE BAR ASSOCIATION
SCHEDULES OF UNRESTRICTED REVENUES – MODIFIED CASH BASIS
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
DUES REVENUE		
Membership dues	\$ 1,073,894	\$ 804,204
Penalties	66,480	78,390
Processing fees	<u>94,358</u>	<u>106,823</u>
Total dues revenue	<u>1,234,732</u>	<u>989,417</u>
NON-DUES REVENUE		
Continuing Legal Education seminar income	237,040	212,342
Bar Directory income	4,348	93,293
Fundraising revenue	76,692	62,865
Interest income	49,771	57,947
Continuing Legal Education publication sales	57,929	56,321
Royalties	63,492	50,154
Sponsorship & booth income	32,818	47,370
Products and services	23,325	40,300
Lawyer Referral income	37,550	34,460
Legal secretary training and placement	8,128	9,935
Mailing label income	8,215	9,672
Social events and other	2,459	8,098
Grants and donations	5,500	2,200
Miscellaneous income	<u>5,762</u>	<u>12,859</u>
Total non-dues revenue	<u>613,029</u>	<u>697,816</u>
TOTAL REVENUES	<u>\$ 1,847,761</u>	<u>\$ 1,687,233</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED REVENUES AND EXPENSES BY PROGRAM – MODIFIED CASH BASIS
 For the Year Ended December 31, 2008

	Supreme Court		Young Lawyers Division		Neighbor Island Bar Support		Member Services		Public Services		Total Program Services		Total Support Services		Total Fund-raising		HSBA Total		
	Mandated	Committed	Lawyers	Division	Island Bar	Support	Services	Services	Services	Services	Services	Services	Services	Services	raising	raising	Total	Total	
Revenue																			
Membership dues	\$ 1,073,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,073,894	\$ -	\$ -	\$ -	\$ -	\$ 1,073,894	\$ -	\$ -
Penalties	66,480	-	-	-	-	-	-	-	-	-	66,480	-	-	-	-	-	66,480	-	-
Processing fees	94,358	-	-	-	-	-	-	-	-	-	94,358	-	-	-	-	94,358	-	-	
Non-dues revenue	59	-	1,285	-	-	-	438,969	-	42,602	-	482,915	-	-	-	76,692	613,029	-	-	
Total revenues	1,234,791	-	1,285	-	-	-	438,969	-	42,602	-	1,717,647	-	-	-	76,692	1,847,761	-	-	
Direct program expenses																			
Salaries and wages	59,704	28,518	7,990	-	-	-	193,838	-	69,915	-	359,965	-	-	-	-	599,361	-	-	
Employee benefits	10,950	5,245	1,450	-	-	-	35,115	-	12,869	-	65,629	-	-	-	-	109,272	-	-	
Payroll taxes	4,514	2,156	604	-	-	-	14,639	-	5,287	-	27,200	-	-	-	-	47,437	-	-	
Advertising	-	-	-	-	-	-	576	-	5,068	-	5,644	-	-	-	-	5,644	-	-	
Automobile & transportation	-	87	42	-	-	-	2,276	-	74	-	2,479	-	-	-	-	2,479	-	-	
Awards and mementos	-	-	426	-	-	-	-	-	-	-	426	-	-	-	1,622	4,305	-	-	
Commissions	-	-	-	-	-	-	890	-	-	-	890	-	-	-	-	890	-	-	
Conferences and travel	-	-	15,468	-	-	-	4,449	-	3,472	-	23,389	-	-	-	-	33,777	-	-	
Contributions	-	-	-	-	-	-	-	-	16,000	-	16,000	-	-	-	13,695	32,695	-	-	
Cost of products sold	-	-	-	-	-	-	30,942	-	-	-	30,942	-	-	-	-	30,942	-	-	
Dues and subscriptions	-	-	-	-	-	-	994	-	50	-	1,044	-	-	-	-	1,044	-	-	
Equipment rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,289	9,289	-	-	
Fees	12,290	-	-	-	-	-	92,733	-	-	-	105,023	-	314	-	-	105,337	-	-	
General excise taxes	-	-	-	-	-	-	6,151	-	-	-	6,151	-	-	-	3,468	9,619	-	-	
Insurance	-	-	-	-	-	-	-	-	100	-	100	-	-	-	325	10,292	-	-	
Meals	-	420	518	-	-	-	3,634	-	2,686	-	7,258	-	-	-	17,544	28,090	-	-	
Meeting expenses	-	-	888	-	-	-	75,748	-	235	-	76,871	-	50	-	7,200	84,121	-	-	
Neighbor island support	-	-	-	-	-	13,900	-	-	-	-	13,900	-	-	-	-	13,900	-	-	
Neighbor island travel	-	-	2,708	-	-	-	6,110	-	355	-	11,379	-	-	-	-	19,078	-	-	
Nominations and elections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,850	-	-	
Postage & mailing services	10,520	18	53	-	-	-	26,787	-	214	-	37,592	-	-	241	39,020	885	-	-	
President's allowance	-	-	-	-	-	-	-	-	-	-	-	-	885	-	-	885	-	-	
Printing	-	-	-	-	-	-	86,449	-	307	-	86,756	-	921	-	1,753	89,430	-	-	
Production	-	-	-	-	-	-	2,026	-	-	-	2,026	-	-	-	-	2,026	-	-	
Professional services	31,520	-	-	-	-	-	17,974	-	28,979	-	78,473	-	-	-	6,883	87,356	-	-	
Repairs and maintenance	-	-	-	-	-	-	3,438	-	-	-	3,438	-	-	-	-	3,438	-	-	
Supplies	506	-	20	-	-	-	26,403	-	1,829	-	28,758	-	1,478	-	983	31,219	-	-	
Telephone	-	420	41	-	-	-	51	-	2,068	-	2,580	-	361	-	-	2,941	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	50	-	50	-	(1,141)	-	-	(1,091)	-	-	
Total direct expenses	\$ 130,004	\$ 39,070	\$ 30,208	\$ 13,900	\$ 13,900	\$ 631,223	\$ 149,558	\$ 993,963	\$ 63,003	\$ 352,680	\$ 63,003	\$ 1,409,646	\$ 63,003	\$ 1,409,646	\$ 63,003	\$ 1,409,646	\$ 63,003	\$ 1,409,646	

HAWAII STATE BAR ASSOCIATION
 SCHEDULE OF UNRESTRICTED REVENUES AND EXPENSES BY PROGRAM – MODIFIED CASH BASIS
 For the Year Ended December 31, 2008

	Supreme Court		Young Lawyers Division		Neighbor Island Bar Support		Member Services		Public Services		Total Program Services		Total Support Services		Total Fund-raising		HSBA Total	
	Mandated	3	2	1	Support	Services	Services	Services	Services	Services	Services	Services	Services	Services	Services	Services	Services	Services
Indirect expenses	\$	3	\$	1	\$	11	\$	4	\$	21	\$	12	\$	-	\$	-	\$	33
Automobile		25	12	3	-	79	29	148	98	246								
Awards and mementos		1,125	540	146	-	3,635	1,316	6,762	4,489	11,251								
Conferences and travel		1,311	629	170	-	4,233	1,534	7,877	5,230	13,107								
Depreciation		458	220	60	-	1,480	537	2,755	1,829	4,584								
Dues and subscriptions		268	129	35	-	866	314	1,612	1,070	2,682								
Employee training		820	394	107	-	2,649	959	4,929	3,273	8,202								
Equipment rent		57	27	7	-	183	66	340	226	566								
Executive director allowance		340	163	44	-	1,098	398	2,043	1,357	3,400								
Fees		1,849	888	240	-	5,972	2,162	11,111	7,377	18,488								
Insurance		17	8	2	-	54	19	100	66	166								
Meals		38	18	5	-	122	45	228	152	380								
Neighbor island travel		370	177	48	-	1,194	432	2,221	1,474	3,695								
Postage and mailing		-	-	-	-	-	-	-	-	-								
Printing		-	-	-	-	-	-	-	-	-								
Professional services		2,365	1,135	308	-	7,637	2,766	14,211	9,434	23,645								
Rent		15,163	7,278	1,971	-	48,977	17,742	91,131	60,501	151,632								
Repairs and maintenance		263	126	34	-	849	308	1,580	1,050	2,630								
Supplies		592	284	77	-	1,911	692	3,556	2,361	5,917								
Telephone		1,025	492	133	-	3,313	1,199	6,162	4,090	10,252								
Miscellaneous		27	13	4	-	88	32	164	109	273								
Total indirect expenses		26,116	12,535	3,395	-	84,351	30,554	156,951	104,198	261,149								
Total program expenses		156,120	51,605	33,603	13,900	715,574	180,112	1,150,914	456,878	1,670,795								
Total revenue over(under) expenses		\$ 1,078,671	\$ (51,605)	\$ (32,318)	\$ (13,900)	\$ (276,605)	\$ (137,510)	\$ 566,733	\$ (403,456)	\$ 13,689	\$ 176,966							

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED MEMBER SERVICES PROGRAM
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2008

	Bar			Continuing			Basic			Total			
	Bar Journal	Directory	Convention	Legal Education	Alliance	Technology	Dispute	Member Benefits	Legal Training	Products	Member Services	Goals 1,2,3	Member Services
Revenue													
CLE seminar income	\$ -	\$ -	\$ -	\$ 237,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,040
Grants and donations	-	-	-	2,500	-	-	-	-	-	-	-	-	2,500
Bar Directory income	-	4,348	-	-	-	-	-	-	-	-	-	-	4,348
CLE publication sales	-	-	-	57,929	-	-	-	-	-	-	-	-	57,929
Royalties	-	-	-	-	-	-	-	63,492	-	-	-	-	63,492
Products and services	-	-	-	-	-	-	-	-	-	23,325	-	-	23,325
Sponsorship & booth income	-	-	32,818	-	-	-	-	-	-	-	-	-	32,818
Legal secretary training	-	-	-	-	-	-	-	-	8,128	-	-	-	8,128
Mailing label income	-	-	-	-	-	-	-	-	-	8,215	-	-	8,215
Social events and other	80	-	-	919	-	-	-	175	-	-	-	-	1,174
	<u>80</u>	<u>4,348</u>	<u>32,818</u>	<u>298,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,667</u>	<u>8,128</u>	<u>31,540</u>	<u>-</u>	<u>-</u>	<u>438,969</u>
Direct expenses													
Salaries and wages	8,212	12,893	18,772	76,183	-	27,012	3,838	18,006	3,689	3,080	22,153	-	193,838
Employee benefits	1,514	2,336	3,486	14,005	-	4,929	710	2,849	678	528	4,080	-	35,115
Payroll taxes	621	975	1,420	5,760	-	2,042	290	1,364	279	213	1,675	-	14,639
Advertising	-	-	-	-	-	-	-	-	576	-	-	-	576
Automobile and transportation	-	-	-	2,276	-	-	-	-	-	-	-	-	2,276
Awards and mementos	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	-	890	-	-	-	-	-	-	-	-	-	-	890
Conferences and travel	-	-	-	2,170	-	-	-	-	-	-	-	2,279	4,449
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of products sold	-	-	-	6,299	-	-	-	-	-	24,643	-	-	30,942
Dues and subscriptions	-	-	-	909	-	85	-	-	-	-	-	-	994
Equipment Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	6,908	19,581	9,814	-	56,100	330	442	-	-	92,733
General excise taxes	-	1,059	1,814	-	-	-	-	2,836	-	-	-	-	6,151
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Meals	-	-	-	2,609	-	-	-	-	-	-	-	1,025	3,634
Meeting expenses	-	-	59,562	16,024	-	-	-	162	-	-	-	-	75,748
Neighbor island travel	-	-	-	5,615	-	-	-	-	-	-	-	495	6,110
Postage and mailing services	22,266	61	2,082	2,237	-	-	-	140	1	-	-	-	26,787
Printing	29	-	157	84,987	-	-	-	-	1,276	-	-	-	86,449
Production	1,618	-	40	408	-	-	-	-	-	-	-	-	2,026
Professional services	-	-	-	9,329	-	8,505	-	-	100	-	-	-	17,974
Repairs and maintenance	-	-	-	3,438	-	3,438	-	-	-	-	-	-	3,438
Supplies	85	-	-	9,297	-	7,914	-	3,113	332	-	-	5,662	26,403
Telephone	-	-	-	-	51	-	-	-	-	-	-	-	51
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Total direct expenses	<u>\$ 34,345</u>	<u>\$ 18,214</u>	<u>\$ 87,333</u>	<u>\$ 245,016</u>	<u>\$ 19,632</u>	<u>\$ 63,739</u>	<u>\$ 4,838</u>	<u>\$ 84,570</u>	<u>\$ 7,261</u>	<u>\$ 28,906</u>	<u>\$ 27,908</u>	<u>\$ 9,461</u>	<u>\$ 631,223</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED MEMBER SERVICES PROGRAM
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2008

	Bar		Continuing			Basic			Total				
	Journal	Directory	Convention	Legal Education	Alliance	Technology	Dispute	Benefits	Legal Training	Products	Member Services	Goals 1,2,3	Member Services
Indirect program expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	1	1	1	4	-	2	-	1	-	-	1	-	11
Automobile and transportation	4	6	8	31	-	11	1	7	1	-	9	-	79
Awards and mementos	158	248	349	1,429	-	506	67	338	68	56	416	-	3,635
Conferences and travel	183	288	406	1,665	-	590	79	393	79	65	485	-	4,233
Depreciation	64	101	142	582	-	206	27	138	27	23	170	-	1,480
Dues and subscriptions	37	59	83	341	-	121	16	80	16	14	99	-	866
Employee training	115	180	254	1,042	-	369	49	246	49	41	304	-	2,649
Equipment rent	8	12	18	72	-	26	3	17	3	3	21	-	183
Executive director allowance	48	75	105	432	-	153	20	102	20	17	126	-	1,098
Fees	259	407	573	2,348	-	832	111	554	111	93	684	-	5,972
Insurance	2	4	5	21	-	8	1	5	1	1	6	-	54
Meals	5	8	12	48	-	17	2	12	2	2	14	-	122
Neighbor island travel	52	81	115	469	-	166	22	111	22	19	137	-	1,194
Postage and mailing services	-	-	-	-	-	-	-	-	-	-	-	-	-
Printing	331	520	733	3,003	-	1,064	142	709	142	118	875	-	7,637
Professional services	2,123	3,336	4,700	19,257	-	6,824	910	4,549	910	758	5,610	-	48,977
Rent	34	58	82	334	-	119	16	79	16	13	98	-	849
Repairs and maintenance	83	130	183	751	-	266	36	177	36	30	219	-	1,911
Supplies	144	226	318	1,302	-	461	62	308	62	51	379	-	3,313
Telephone	4	6	8	35	-	12	2	8	2	1	10	-	88
Miscellaneous	3,655	5,746	8,095	33,166	-	11,753	1,566	7,834	1,567	1,306	9,663	-	84,351
Total indirect expenses	38,000	23,960	95,428	278,182	19,632	75,492	6,404	92,404	8,828	30,212	37,571	9,461	715,574
Total expenses	\$ (37,920)	\$ (19,612)	\$ (62,610)	\$ 20,206	\$ (19,632)	\$ (75,492)	\$ (6,404)	\$ (28,737)	\$ (700)	\$ 1,328	\$ (37,571)	\$ (9,461)	\$ (276,605)
Revenues over (under) expenses													

HAWAII STATE BAR ASSOCIATION
 SCHEDULE OF UNRESTRICTED PUBLIC SERVICES PROGRAM
 REVENUES AND EXPENSES – MODIFIED CASH BASIS
 For the Year Ended December 31, 2008

Revenue	Lawyer Referral	Public Svc			Goals 4,5,6	Total Public Services
		Communica-tions	Admin-istrative			
Lawyer Referral income	\$ 37,550	\$ -	\$ -	\$ -	\$ 37,550	
Grants and donations	-	-	-	-	-	
Miscellaneous	-	-	-	5,052	5,052	
	<u>37,550</u>	<u>-</u>	<u>-</u>	<u>5,052</u>	<u>42,602</u>	
Total direct program expenses						
Salaries and wages	33,505	14,882	21,528	-	69,915	
Employee benefits	6,206	2,746	3,917	-	12,869	
Payroll taxes	2,534	1,125	1,628	-	5,287	
Advertising	1,761	2,613	-	694	5,068	
Automobile and transportation	-	-	-	74	74	
Awards and mementos	-	-	-	-	-	
Conferences and travel	-	-	-	3,472	3,472	
Contributions	-	-	-	16,000	16,000	
Dues and subscriptions	50	-	-	-	50	
Equipment rent	-	-	-	-	-	
Fees	-	-	-	-	-	
Insurance	-	-	-	100	100	
Meals	-	-	-	2,686	2,686	
Meeting expenses	-	-	-	235	235	
Neighbor island travel	-	-	-	355	355	
Postage and mailing services	86	-	-	128	214	
Printing	-	-	-	307	307	
Professional services	-	28,979	-	-	28,979	
Supplies	192	208	-	1,429	1,829	
Telephone	1,283	-	-	785	2,068	
Miscellaneous	-	50	-	-	50	
Total direct expenses	<u>\$ 45,617</u>	<u>\$ 50,603</u>	<u>\$ 27,073</u>	<u>\$ 26,265</u>	<u>\$ 149,558</u>	

HAWAII STATE BAR ASSOCIATION
 SCHEDULE OF UNRESTRICTED PUBLIC-SERVICES PROGRAM
 REVENUES AND EXPENSES – MODIFIED CASH BASIS
 For the Year Ended December 31, 2008

	Lawyer Referral	Public Svc			Goals 4,5,6	Total Public Services
		Communica-tions	Admin-istrative			
Indirect expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	2	1	1	-	-	4
Automobile and transportation	14	6	9	-	-	29
Awards and mementos	630	281	405	-	-	1,316
Conferences and travel	734	328	472	-	-	1,534
Depreciation	257	115	165	-	-	537
Dues and subscriptions	150	67	97	-	-	314
Employee training	459	205	295	-	-	959
Equipment rent	32	14	20	-	-	66
Executive director allowance	191	85	122	-	-	398
Fees	1,035	462	665	-	-	2,162
Insurance	9	4	6	-	-	19
Meals	21	10	14	-	-	45
Neighbor island travel	207	92	133	-	-	432
Postage and mailing services	-	-	-	-	-	-
Printing	1,324	591	851	-	-	2,766
Professional services	8,492	3,791	5,459	-	-	17,742
Rent	147	66	95	-	-	308
Repairs and maintenance	331	148	213	-	-	692
Supplies	574	256	369	-	-	1,199
Telephone	15	7	10	-	-	32
Miscellaneous	14,624	6,529	9,401	-	-	30,554
Total indirect expenses	60,241	57,132	36,474	-	-	180,112
Total expenses	\$ (22,691)	\$ (57,132)	\$ (36,474)	\$ (21,213)	\$ (137,510)	
Revenue under expenses						

HAWAII STATE BAR ASSOCIATION
 SCHEDULE OF UNRESTRICTED FUNDRAISING
 REVENUE AND EXPENSES – MODIFIED CASH BASIS
 For the Year Ended December 31, 2008

	<u>Annual Dinner</u>
Fundraising Revenue	
Annual dinner contributions	<u>\$ 76,692</u>
Fundraising Expenses	
Awards and mementos	1,622
Contributions	13,695
Equipment rent	9,289
General excise taxes	3,468
Insurance	325
Meals	17,544
Meeting expenses	7,200
Postage and mailing services	241
Printing	1,753
Professional services	6,883
Supplies	983
Total Fundraising Expenses	<u>63,003</u>
Revenue over expenses	<u>\$ 13,689</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED SUPPORT SERVICES
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2008

	Board of Directors	Admin- istrative	Total Support Services
Revenues			
Interest income	\$ -	\$ 49,771	\$ 49,771
Donations	3,000	-	3,000
Miscellaneous	-	651	651
	<u>3,000</u>	<u>50,422</u>	<u>53,422</u>
Direct Expenses			
Employee costs			
Salaries and wages	87,827	151,569	239,396
Employee benefits	16,148	27,495	43,643
Payroll taxes	6,641	13,596	20,237
Total employee costs	<u>110,616</u>	<u>192,660</u>	<u>303,276</u>
Other direct expenses			
Awards and mementos	2,257	-	2,257
Conferences and travel	10,388	-	10,388
Contributions	3,000	-	3,000
Dues and subscriptions	-	-	-
Fees	314	-	314
Insurance	9,867	-	9,867
Meals	3,288	-	3,288
Meeting expenses	50	-	50
Neighbor island travel	7,699	-	7,699
Nominations and elections	6,850	-	6,850
Postage and mailing services	1,187	-	1,187
President's allowance	885	-	885
Printing	921	-	921
Professional services	2,000	-	2,000
Supplies	1,478	-	1,478
Telephone	361	-	361
Miscellaneous	(1,141)	-	(1,141)
Total other direct expenses	<u>49,404</u>	<u>-</u>	<u>49,404</u>
Total Direct Expenses	<u>\$ 160,020</u>	<u>\$ 192,660</u>	<u>\$ 352,680</u>

HAWAII STATE BAR ASSOCIATION
SCHEDULE OF UNRESTRICTED SUPPORT SERVICES
REVENUES AND EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2008

	Board of Directors	Admin- istrative	Total Support Services
Indirect expenses			
Advertising	\$ -	\$ -	\$ -
Automobile and transportation	4	8	12
Awards and mementos	36	62	98
Conferences and travel	1,654	2,835	4,489
Depreciation	1,927	3,303	5,230
Dues and subscriptions	674	1,155	1,829
Employee training	394	676	1,070
Equipment rent	1,206	2,067	3,273
Executive director allowance	83	143	226
Fees	500	857	1,357
Insurance	2,718	4,659	7,377
Meals	24	42	66
Neighbor island travel	56	96	152
Postage and mailing services	543	931	1,474
Printing	-	-	-
Professional services	3,476	5,958	9,434
Rent	22,290	38,211	60,501
Repairs and maintenance	387	663	1,050
Supplies	870	1,491	2,361
Telephone	1,507	2,583	4,090
Miscellaneous	40	69	109
Total indirect expenses	<u>38,389</u>	<u>65,809</u>	<u>104,198</u>
Total expenses	<u>198,409</u>	<u>258,469</u>	<u>456,878</u>
Revenue under expenses	<u>\$ (195,409)</u>	<u>\$ (208,047)</u>	<u>\$ (403,456)</u>