

**STATE BAR OF SOUTH DAKOTA,
S.D. CONTINUING LEGAL EDUCATION, INC.
AND
ACCESS TO JUSTICE, INC.**

COMBINING FINANCIAL REPORT

JULY 31, 2017

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PALMER, CURRIER & HOFFERT, LLP

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Bar Commissioners and Boards of Directors
State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc.

Report on the Financial Statements

We have audited the accompanying combined financial statements of the State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc., which comprise the combined statements of financial position as of July 31, 2017 and 2016, the related combined statements of activities, functional expenses and cash flows for the three entities for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined 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 audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. as of July 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Palmer, Currier and Hoffert LLP

Pierre, South Dakota
January 18, 2018

STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.

COMBINING STATEMENTS OF FINANCIAL POSITION
JULY 31, 2017 AND 2016

	2017		
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 2)	\$ 468,732	\$ 143,186	\$ 5,386
Accounts receivable	5,128	917	-
Prepaid expenses	15,039	1,980	-
Income taxes receivable	-	3,136	-
Due from S.D. Continuing Legal Education, Inc.	223,498 *	-	-
Due from Access to Justice, Inc.	4,509 *	-	-
Total current assets	716,906	149,219	5,386
PROPERTY AND EQUIPMENT			
Furniture and equipment	114,876	124,109	20,274
Less accumulated depreciation	97,725	114,731	12,788
	<u>17,151</u>	<u>9,378</u>	<u>7,486</u>
	<u>\$ 734,057</u>	<u>\$ 158,597</u>	<u>\$ 12,872</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current maturities of capital lease obligations (Note 3)	\$ 4,401	\$ -	\$ -
Accounts payable	9,498	16,500	-
Accrued expenses	60,558	22	7,661
Income taxes payable	881	-	-
Deferred revenue	-	1,353	-
Due to State Bar of South Dakota	-	223,498 *	4,509 *
Total current liabilities	75,338	241,373	12,170
CAPITAL LEASE OBLIGATIONS, LESS CURRENT MATURITIES (NOTE 3)			
	<u>3,039</u>	<u>-</u>	<u>-</u>
NET ASSETS (DEFICIT) (NOTE 5)			
Unrestricted:			
Undesignated	558,581	(82,776)	702
Designated	97,099	-	-
	<u>655,680</u>	<u>(82,776)</u>	<u>702</u>
	<u>\$ 734,057</u>	<u>\$ 158,597</u>	<u>\$ 12,872</u>

See Notes to Combining Financial Statements.

* Eliminated in the combined column.

2016				
Combined	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined
\$ 617,304	\$ 446,541	\$ 135,538	\$ 855	\$ 582,934
6,045	2,805	3,786	-	6,591
17,019	12,546	1,561	134	14,241
3,136	172	-	-	172
-	251,783 *	-	-	-
-	- *	-	-	-
<u>643,504</u>	<u>713,847</u>	<u>140,885</u>	<u>989</u>	<u>603,938</u>
259,259	108,415	123,119	10,677	242,211
<u>225,244</u>	<u>90,193</u>	<u>110,431</u>	<u>9,764</u>	<u>210,388</u>
<u>34,015</u>	<u>18,222</u>	<u>12,688</u>	<u>913</u>	<u>31,823</u>
<u>\$ 677,519</u>	<u>\$ 732,069</u>	<u>\$ 153,573</u>	<u>\$ 1,902</u>	<u>\$ 635,761</u>
\$ 4,401	\$ 3,223	\$ -	\$ -	\$ 3,223
25,998	10,274	12,824	152	23,250
68,241	36,613	183	4,239	41,035
881	-	774	-	774
1,353	-	4,419	-	4,419
-	-	251,783 *	-	-
<u>100,874</u>	<u>50,110</u>	<u>269,983</u>	<u>4,391</u>	<u>72,701</u>
3,039	7,440	-	-	7,440
476,507	577,515	(116,410)	(2,489)	458,616
<u>97,099</u>	<u>97,004</u>	<u>-</u>	<u>-</u>	<u>97,004</u>
<u>573,606</u>	<u>674,519</u>	<u>(116,410)</u>	<u>(2,489)</u>	<u>555,620</u>
<u>\$ 677,519</u>	<u>\$ 732,069</u>	<u>\$ 153,573</u>	<u>\$ 1,902</u>	<u>\$ 635,761</u>

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**COMBINING STATEMENTS OF ACTIVITIES
YEARS ENDED JULY 31, 2017 AND 2016**

	2017		
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.
CHANGES IN UNRESTRICTED NET ASSETS			
Revenues collected:			
Dues	\$ 875,173	\$ 266,500	\$ -
Program services	14,224	163,399	81,516
Administration fees	7,815	-	-
Donations	2,307	-	35,230 *
Interest	2,972 *	411	6
Dividends	-	-	-
Net unrealized and realized gains	-	-	-
Miscellaneous	1,315	615	107
Total unrestricted revenues	903,806	430,925	116,859
Expenses paid:			
General operations (Notes 4, 6 and 7)	598,121	142,356 *	9,460
Program service (Note 4)	324,524 *	254,935	104,208
Total expenses paid	922,645	397,291	113,668
Change in unrestricted net assets	(18,839)	33,634	3,191
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	674,519	(116,410)	(2,489)
NET ASSETS (DEFICIT) AT END OF YEAR	\$ 655,680	\$ (82,776)	\$ 702

See Notes to Combining Financial Statements

*Interorganizational interest of \$2,320 in 2017 and \$1,387 in 2016 and interorganizational contributions of \$35,000 in 2017 and \$30,000 in 2016 are eliminated in the combined column.

2016				
<u>Combined</u>	<u>State Bar of South Dakota</u>	<u>S.D. Continuing Legal Education, Inc.</u>	<u>Access to Justice, Inc.</u>	<u>Combined</u>
\$ 1,141,673	\$ 864,697	\$ 255,200	\$ -	\$ 1,119,897
259,139	18,257	202,919	71,333	292,509
7,815	7,796	-	-	7,796
2,537	2,100	-	31,150 *	3,250
1,069	1,980 *	338	7	938
-	2	-	-	2
-	(2)	-	-	(2)
2,037	1,198	1,622	250	3,070
<u>1,414,270</u>	<u>896,028</u>	<u>460,079</u>	<u>102,740</u>	<u>1,427,460</u>
747,617	675,903	154,579 *	14,284	843,379
648,667	269,785 *	277,838	114,922	632,545
<u>1,396,284</u>	<u>945,688</u>	<u>432,417</u>	<u>129,206</u>	<u>1,475,924</u>
17,986	(49,660)	27,662	(26,466)	(48,464)
<u>555,620</u>	<u>724,179</u>	<u>(144,072)</u>	<u>23,977</u>	<u>604,084</u>
<u>\$ 573,606</u>	<u>\$ 674,519</u>	<u>\$ (116,410)</u>	<u>\$ (2,489)</u>	<u>\$ 555,620</u>

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES FOR THE STATE BAR OF SOUTH DAKOTA
YEARS ENDED JULY 31, 2017 AND 2016**

	2017			2016		
	Supporting Activities	Program Services	Total	Supporting Activities	Program Services	Total
Personnel and other expenses	\$ 409,246	\$ -	\$ 409,246	\$ 437,145	\$ -	\$ 437,145
Annual meeting	73,518	-	73,518	75,611	-	75,611
Disciplinary board	-	73,382	73,382	-	40,602	40,602
Publications	58,829	-	58,829	100,145	-	100,145
President's office	-	42,940	42,940	-	34,850	34,850
Legal services coordinator	-	35,000	35,000	-	30,000	30,000
Bar commissioners	-	29,391	29,391	-	19,375	19,375
Strategic planning committee	-	28,279	28,279	-	29,399	29,399
Socius	-	22,200	22,200	-	22,251	22,251
Young lawyers	-	17,885	17,885	-	20,250	20,250
ABA and State Bar delegates	-	15,447	15,447	-	5,909	5,909
Legal and accounting	14,154	-	14,154	15,409	-	15,409
Rent	13,530	-	13,530	13,530	-	13,530
Public information	-	13,400	13,400	-	12,556	12,556
Pattern jury instructions-civil	-	10,001	10,001	-	3,672	3,672
Depreciation expense	7,532	-	7,532	10,095	-	10,095
Lawyer referral	-	7,467	7,467	-	2,489	2,489
Contribution expense	-	4,999	4,999	-	4,999	4,999
Professional liability insurance	-	4,184	4,184	-	2,098	2,098
Interest expense	4,115	-	4,115	4,766	-	4,766
iStream fees	3,621	-	3,621	3,466	-	3,466
Travel	2,745	-	2,745	3,870	-	3,870
Stress/depression treatment	-	2,658	2,658	-	1,370	1,370
Project rural practice	-	2,575	2,575	-	5,332	5,332
State and federal taxes	2,503	-	2,503	1,434	-	1,434
Pattern jury instructions-criminal	-	2,313	2,313	-	335	335
Office supplies	2,161	-	2,161	916	-	916
Lawyer assistance committee	-	1,629	1,629	-	1,586	1,586
Equipment expense	1,514	-	1,514	4,710	-	4,710
Law school - moot court	-	1,500	1,500	-	1,500	1,500
Dues	1,305	-	1,305	480	-	480
Phone/internet service	1,276	-	1,276	33	-	33
Ethics	-	1,204	1,204	-	2,198	2,198
Law school committee	-	1,115	1,115	-	442	442
Transition committee	-	1,076	1,076	-	1,039	1,039
Family law	-	915	915	-	736	736
Diversity and inclusion	-	704	704	-	-	-
Real property, probate and trust	-	700	700	-	1,317	1,317
Veterans committee	-	603	603	-	-	-
Debtor-creditor	-	416	416	-	-	-
Women in law	-	405	405	-	1,188	1,188
Postage	300	-	300	1,505	-	1,505
Immigration	-	292	292	-	-	-
Negligence and tort law	-	285	285	-	-	-
Legal services	-	229	229	-	658	658
Judicial-Bar liaison	-	222	222	-	153	153
Lawyers concerned for lawyers	-	215	215	-	2,500	2,500
Sole practitioner and small office	-	201	201	-	240	240
Administrative law	-	168	168	-	-	-
Law practice management	-	135	135	-	700	700
Labor and employment law	-	98	98	-	-	-
Agricultural law	-	84	84	-	134	134
In-house counsel	-	75	75	-	843	843
Education	-	75	75	-	21	21
Alternative dispute resolution	-	33	33	-	173	173
Copies	-	-	-	327	-	327
Ask a lawyer	-	-	-	-	16,038	16,038
Business law	-	-	-	-	2,632	2,632
Natural resources	-	-	-	-	200	200
Miscellaneous	1,772	24	1,796	2,461	-	2,461
	<u>\$ 598,121</u>	<u>\$ 324,524</u>	<u>\$ 922,645</u>	<u>\$ 675,903</u>	<u>\$ 269,785</u>	<u>\$ 945,688</u>

See Notes to Combining Financial Statements.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES FOR S.D. CONTINUING LEGAL EDUCATION, INC.
YEARS ENDED JULY 31, 2017 AND 2016**

	2017			2016		
	Supporting Activities	Program Services	Total	Supporting Activities	Program Services	Total
Fastcase	\$ -	\$ 127,718	\$ 127,718	\$ -	\$ 111,502	\$ 111,502
Personnel and other expenses	54,028	24,771	78,799	58,983	24,125	83,108
Books and printing	-	49,905	49,905	-	60,026	60,026
Rackspace	-	15,922	15,922	-	19,443	19,443
Postage	14,154	-	14,154	16,050	-	16,050
Staff travel	13,869	-	13,869	15,647	-	15,647
Rent	13,530	-	13,530	13,530	-	13,530
Program travel and expenses	-	11,424	11,424	-	8,663	8,663
Supreme court opinions	-	11,250	11,250	-	11,287	11,287
Coffee and pop	10,532	-	10,532	11,070	-	11,070
Phone/Internet service	8,095	-	8,095	7,679	-	7,679
Office supplies	6,723	-	6,723	8,633	-	8,633
Tape lending library expense	-	5,000	5,000	-	5,000	5,000
Equipment expense	4,679	-	4,679	5,600	-	5,600
Depreciation	4,300	-	4,300	7,230	-	7,230
CLE speaker program fee	-	3,000	3,000	-	-	-
Pattern jury instruction	-	2,820	2,820	-	3,453	3,453
SDBF CLE speaker	-	2,450	2,450	-	3,300	3,300
Interest expense	2,320	-	2,320	1,387	-	1,387
Insurance	2,135	-	2,135	2,784	-	2,784
Legal and accounting	1,432	-	1,432	1,362	-	1,362
Audio - CLE program	-	1,107	1,107	-	3,470	3,470
Copies	638	-	638	-	-	-
Federal taxes	620	-	620	1,614	-	1,614
Committee travel	350	-	350	249	-	249
Remote deposit/cc fees	201	-	201	221	650	871
Folio Royalty Report	-	-	-	-	3,596	3,596
Capital acquisitions fund	-	-	-	-	1,272	1,272
CLE Equipment rental	-	-	-	-	145	145
Trial Academy	-	(426)	(426)	-	21,926	21,926
Miscellaneous	4,750	(6)	4,744	2,540	(20)	2,520
	<u>\$ 142,356</u>	<u>\$ 254,935</u>	<u>\$ 397,291</u>	<u>\$ 154,579</u>	<u>\$ 277,838</u>	<u>\$ 432,417</u>

See Notes to Combining Financial Statements.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES FOR ACCESS TO JUSTICE, INC.
YEARS ENDED JULY 31, 2017 AND 2016**

	2017			2016		
	Supporting Activities	Program Services	Total	Supporting Activities	Program Services	Total
Personnel and other expenses	\$ -	\$ 98,473	\$ 98,473	\$ -	\$ 113,134	\$ 113,134
Program travel and expenses	-	4,735	4,735	-	788	788
Depreciation	3,024	-	3,024	690	-	690
Phone/Internet service	2,399	-	2,399	2,680	-	2,680
Office supplies	1,577	-	1,577	1,113	-	1,113
Bill Day Pro Bono award exp.	-	1,000	1,000	-	1,000	1,000
Legal and accounting	700	-	700	695	-	695
Rent	550	-	550	6,600	-	6,600
Utilities	-	-	-	2,050	-	2,050
Postage	-	-	-	426	-	426
Miscellaneous	1,210	-	1,210	30	-	30
	<u>\$ 9,460</u>	<u>\$ 104,208</u>	<u>\$ 113,668</u>	<u>\$ 14,284</u>	<u>\$ 114,922</u>	<u>\$ 129,206</u>

See Notes to Combining Financial Statements.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**COMBINING STATEMENTS OF CASH FLOWS
YEARS ENDED JULY 31, 2017 AND 2016**

	2017		
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (18,839)	\$ 33,634	\$ 3,191
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	7,532	4,300	3,024
Unrealized and realized gains, net	-	-	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,323)	2,869	-
(Increase) decrease in prepaid expenses	(2,493)	(419)	134
(Increase) decrease in income taxes receivable	172	(3,136)	-
Decrease in contract receivable	-	-	-
Increase (decrease) in accounts payable	(776)	3,676	(152)
Increase (decrease) in accrued expenses	23,945	(161)	3,422
Increase (decrease) in income taxes payable	881	(774)	-
Increase (decrease) in deferred revenue	-	(3,066)	-
Change in intercompany receivables/payables	23,776	(28,285)	4,509
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	31,875	8,638	14,128
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(6,461)	(990)	(9,597)
Purchase of mutual fund investment	-	-	-
Sale of mutual fund investment	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(6,461)	(990)	(9,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on capital lease obligations	(3,223)	-	-
NET CASH USED IN FINANCING ACTIVITIES	(3,223)	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,191	7,648	4,531
CASH AND CASH EQUIVALENTS			
Beginning	446,541	135,538	855
Ending	<u>\$ 468,732</u>	<u>\$ 143,186</u>	<u>\$ 5,386</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash payments for:			
Interest	\$ 3,877	\$ 2,297 *	\$ -
Income taxes	1,450	4,530	-

See Notes to Combining Financial Statements.

* Eliminated interorganizational interest of \$2,297 in 2017 and \$853 in 2016 in the combined column.

2016					
Combined	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined	
\$ 17,986	\$ (49,660)	\$ 27,662	\$ (26,466)	\$ (48,464)	
14,856	10,095	7,230	690	18,015	
-	2	-	-	2	
546	(2,027)	(1,521)	-	(3,548)	
(2,778)	(1,272)	362	467	(443)	
(2,964)	(86)	-	-	(86)	
-	1	-	-	1	
2,748	(9,757)	11,283	(187)	1,339	
27,206	25,078	87	1,467	26,632	
107	-	314	-	314	
(3,066)	(1,180)	4,419	-	3,239	
-	24,160	(24,160)	-	-	
54,641	(4,646)	25,676	(24,029)	(2,999)	
(17,048)	(3,040)	(2,570)	-	(5,610)	
-	(2)	-	-	(2)	
-	521	-	-	521	
(17,048)	(2,521)	(2,570)	-	(5,091)	
(3,223)	(2,475)	-	-	(2,475)	
(3,223)	(2,475)	-	-	(2,475)	
34,370	(9,642)	23,106	(24,029)	(10,565)	
582,934	456,183	112,432	24,884	593,499	
\$ 617,304	\$ 446,541	\$ 135,538	\$ 855	\$ 582,934	
\$ 3,877	\$ 4,625	\$ 853 *	\$ -	\$ 4,625	
5,980	1,520	840	-	2,360	

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities:

The State Bar of South Dakota is organized as a public association and the S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. are organized as nonprofit corporations under the laws of the State of South Dakota.

The purpose of the State Bar of South Dakota is to obtain the cooperation of all the practicing lawyers in the State for the betterment of the administration of justice and in maintaining a high standard of professional conduct at the Bar, to furnish a legal entity through which the considered judgment of its members on matters affecting the judicial system of the State may be ascertained and made available to the courts and the State Legislature, to uphold the honor of the profession of the law and to encourage adequate preparation for its practice.

The purpose of S.D. Continuing Legal Education, Inc. is to provide, through the facilities and personnel of the Corporation and by financial support, an educational program for the study, discussion and dissemination of information relating to the laws of the State of South Dakota, United States of America, the several states thereof, and governmental units and organizations inferior to or related to any of them, and international law, for members of the State Bar of South Dakota.

The purpose of Access to Justice, Inc. is to provide, through facilities and personnel of the Corporation and by financial support, coordination of pro bono lawyers to assist poor citizens with their legal problems, thus providing access to justice for those lacking financial resources to hire a lawyer.

A summary of significant accounting policies follows:

Principles of combination:

The combining financial statements include the accounts of the State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. The commissioners of the State Bar of South Dakota are also the directors of S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. All material interorganizational balances and transactions have been eliminated in the combination.

Method of accounting and basis of presentation:

The accompanying combined financial statements of the Bar and Corporations are prepared under the accrual method of accounting. The Bar and Corporations classify their net assets, their revenue and expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Amounts for each of the three classes of net assets (permanently restricted, temporarily restricted and unrestricted) are displayed in a statement of financial position and the amounts of change in each of the three classes of net assets are displayed in the statement of activities. As of July 31, 2017 and 2016, and for the years then ended, the Bar and Corporations held no permanently or temporarily restricted net assets.

STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of reporting cash flows, the Bar and Corporations consider money market funds to be cash equivalents. The Bar and Corporations maintain their cash and cash equivalents primarily in two commercial banks in South Dakota. The balances in these accounts may, at times, exceed the federally insured limits. The amount on deposits at July 31, 2017 and 2016 exceeded the insurance limits of the Federal Deposit Insurance Corporation by approximately \$172,400 and \$189,800, respectively. The Bar has not experienced any losses in these accounts and does not expect any losses in the future.

Accounts receivable:

Accounts receivable are carried at original invoice amount less an estimate for doubtful accounts based on a review of outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition and credit history. No allowance for doubtful accounts was recorded as of July 31, 2017 and 2016. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recognized as income when received.

Property, equipment and depreciation:

Furniture and equipment are recorded at cost. Depreciation of furniture and equipment is computed using the declining-balance method over the estimated useful lives of five years to seven years.

Impairment of long-lived Assets

The Bar and Corporations review the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, and impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors. Based on this assessment there was no impairment at 2017 or 2016.

Donated services:

The Boards of Commissioners and Directors donate their time to the Bar and Corporations during their term. This time can not be quantified but is not considered material.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition:

Member dues are recognized as revenue during the period for which the membership applies. Interest income, newsletter advertising income and program services income are recognized as revenue when earned. Contributions are recognized as income at their fair value in the period in which they are received. The deferred revenue is from prepaid newsletter advertising income and will be recognized as revenue in the following year.

S. D. Continuing Legal Education, Inc. classifies all taxes collected from customers and remitted to government authorities on a net basis for the years ended July 31, 2017 and 2016.

Functional allocation of expenses:

The cost of providing various programs and supporting services is summarized on a functional basis in the statements of functional expenses. Certain costs are allocated among the program and supporting services benefited.

Subsequent events:

The Bar and Corporations have evaluated subsequent events through January 18, 2018, the date on which the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The composition of cash and cash equivalents is as follows:

	2017			
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined
Cash and cash equivalents:				
Designated for client security:				
Money market and savings accounts	\$ 91,940	\$ -	\$ -	\$ 91,940
Checking account	5,158	-	-	5,158
	<u>97,098</u>	<u>-</u>	<u>-</u>	<u>97,098</u>
Undesignated:				
Money market and savings accounts	269,744	116,547	-	386,291
Checking account	101,890	26,639	5,386	133,915
	<u>371,634</u>	<u>143,186</u>	<u>5,386</u>	<u>520,206</u>
	<u>\$ 468,732</u>	<u>\$ 143,186</u>	<u>\$ 5,386</u>	<u>\$ 617,304</u>

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents (Continued)

	2016			
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined
Cash and cash equivalents:				
Designated for client security:				
Money market and savings accounts	\$ 91,848	\$ -	\$ -	\$ 91,848
Checking account	5,156	-	-	5,156
	<u>97,004</u>	<u>-</u>	<u>-</u>	<u>97,004</u>
Undesignated:				
Money market and savings accounts	284,462	117,381	-	401,843
Checking account	65,075	18,157	855	84,087
	<u>349,537</u>	<u>135,538</u>	<u>855</u>	<u>485,930</u>
	<u>\$ 446,541</u>	<u>\$ 135,538</u>	<u>\$ 855</u>	<u>\$ 582,934</u>

Note 3. Lease Commitments and Total Rental Expense

The capital lease obligations at July 31, 2017 and 2016 in the amount of \$7,440 and \$10,663, respectively, represents the present value of the lease for office equipment. Interest for the copier machine and postage machine has been imputed at 7.71% to July 22, 2018 and 52.71% to July 7, 2019, respectively. Since the present value of the future minimum lease payments at the beginning of the lease exceeded ninety percent of the fair value of the leased asset at the date, the lease is considered to be a capital lease. Equipment includes equipment under capital lease in the amount of \$17,795 at July 31, 2017 and 2016. Lease amortization is included with accumulated depreciation and was \$15,619 and \$13,569 at July 31, 2017 and 2016, respectively.

Maturities of capital lease obligations at July 31, 2017 are as follows:

Year Ending July 31:	Total Lease Payments	Amount Representing Interest	Principal
2018	\$ 7,100	\$ 2,699	\$ 4,401
2019	3,912	873	3,039
	<u>\$ 11,012</u>	<u>\$ 3,572</u>	<u>\$ 7,440</u>

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 3. Lease Commitments and Total Rental Expense (Continued)

State Bar of South Dakota rents office space under an operating lease which expires January 1, 2022. The lease provides that State Bar of South Dakota pay a monthly rental amount of \$2,255. S.D. Continuing Legal Education, Inc. is using this same office space for its operations and was paying the Bar \$1,128 per month. The total minimum rental commitment at July 31, 2017 under this lease is as follows:

Year ending July 31,	
2018	\$ 27,060
2019	27,060
2020	27,060
2021	27,060
2022	11,275
	<u>\$ 119,515</u>

The State Bar of South Dakota and the S.D. Continuing Legal Education, Inc. have each reported \$13,530 of rent expense for each of the years ended July 31, 2017 and 2016 in the combining statements of activities. The total rent expense of the entities included in the combining statements of activities for each of the years ended July 31, 2017 and 2016 was \$27,060.

Access to Justice, Inc. rented office space under an operating lease which expired August 31, 2016. The lease provided that Access to Justice, Inc. pay a monthly rental amount of \$550. The total rent expense included in the combining statements of activities for each of the years ended July 31, 2017 and 2016 was \$550 and \$6,600, respectively.

Note 4. Employee Benefit Plan

State Bar of South Dakota participates in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for the employees of the State of South Dakota and its political subdivisions. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, PO Box 1098, Pierre, South Dakota 57501-1098 or by calling (605) 773-3731.

All of State Bar of South Dakota's full-time employees are covered by the plan. Under the plan, covered employees are required by state statute to contribute 6 percent of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contribution. State Bar of South Dakota paid the full contribution for the year under the plan and was reimbursed by S.D. Continuing Legal Education, Inc. for its share of the contributions based on State Bar of South Dakota employees time spent performing operations of S.D. Continuing Legal Education, Inc. Total contributions reported in the combining statements of activities for the year ended July 31, 2017 was \$28,537, of which, State Bar of South Dakota has reported \$24,674 in general operations and \$0 in program services and S.D. Continuing Legal Education, Inc. has reported \$2,743 in general operations and \$1,120 in program services and for the year ended July 31, 2016 was \$27,291, of which State Bar of South Dakota has reported \$23,249 in general operations and \$0 in program services and S.D. Continuing Legal Education, Inc. has reported \$2,904 in general operations and \$1,138 in program services.

The Director for Access to Justice, Inc. participates in a Simple IRA with The Vanguard Group. Under the plan, the director contributes 6 percent of her salary to the plan. The employer contributes an amount equal to the employee's contribution. Total contributions reported in the combining statement of activities for the years ended July 31, 2017 and 2016 was \$4,798 and \$5,087, respectively.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 5. Net Assets

The unrestricted, undesignated net assets in the accompanying combining statements of financial position are for the day-to-day activities of State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. The unrestricted, designated net assets are designated for client claims against State Bar of South Dakota members, for which State Bar of South Dakota's by-laws require \$80,000 of net assets be maintained. State Bar of South Dakota has unrestricted, designated net assets of \$97,099 and \$97,004 for the years ended July 31, 2017 and 2016, respectively.

The by-laws of State Bar of South Dakota approved by the Supreme Court require a \$25 surcharge to all active members of State Bar of South Dakota when the balance drops below \$80,000. The aggregate payout limit per lawyer is \$75,000. As of July 31, 2017 State Bar of South Dakota does not anticipate any losses due to claims against the Client Assistance Program.

Note 6. Unrelated Business Income Tax Matters

The Internal Revenue Service ("IRS") and certain state taxing authorities are currently revisiting what, if any, products and services provided by the Bar and Corporations are subject to unrelated business income tax ("UBIT"). There is currently very little guidance in the IRS Code on what activities should be subject to UBIT. The IRS has indicated that they are studying the issue and may issue additional guidance. As a result, at this time there is uncertainty regarding whether the Bar and Corporations should pay income tax on certain types of net taxable income from activities that may be considered by taxing authorities as unrelated to the purpose for which the Bar and Corporations were granted non-taxable status. The Bar and Corporations have not filed any tax returns in the past for potential taxable activities. The taxing authorities have the ability to assess taxes, penalties and interest for any years for which no tax return was filed. In the opinion of management, any liability resulting from taxing authorities imposing income taxes on the net taxable income from activities deemed to be unrelated to the Bar and Corporations' non-taxable status is not expected to have a material effect on the Bar and Corporations' financial position or results of operations.

State Bar of South Dakota is exempt from federal income taxes pursuant to the provisions in Section 501(c)(6) of the Internal Revenue Code. State Bar of South Dakota is subject to tax on unrelated business income and lobbying and political expenditures. Taxes of \$2,503 and \$1,434 related to this activity have been included in the combined financial statements for 2017 and 2016, respectively. S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. are exempt from federal income taxes pursuant to the provisions in Section 501(c)(3) of the Internal Revenue Code but are subject to tax on unrelated business income. Taxes of \$620 and \$1,614 for S.D. Continuing Legal Education, Inc. related to this income have been included in the combined financial statements for 2017 and 2016, respectively.

The Bar and Corporations are no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years before 2013.

Note 7. Related Party Transactions

For each of the years ended July 31, 2017 and 2016, State Bar of South Dakota received management fees of \$5,000 from the South Dakota Bar Foundation, a related party. The South Dakota Bar Foundation made contributions totaling \$63,516 and \$53,000 to Access to Justice, Inc. for the years ended July 31, 2017 and 2016, respectively.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 8. Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S.GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. ASU 2014-09, as deferred one year by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018 using either of two methods: (a) retrospective to each prior reporting period presented with the option elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect on initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. ASU 2014-09, as deferred one year by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018 using either of two methods: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Companies have not yet selected a transition method and are currently evaluating the impact of the pending adoption of ASU 2014-09 on the combining financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. We are currently evaluating the impact of our pending adoption of the new standard on our combining financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-15 is effective for annual periods beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Companies are currently evaluating the impact of this guidance will have on their combining financial statements.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

NOTES TO COMBINING FINANCIAL STATEMENTS

Note 8. Recently Issued Accounting Pronouncements (Continued)

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for annual periods, and interim periods within those years, beginning after December 15, 2018. ASU 2016-15 will be effective for the Companies on January 1, 2019. Early adoption is permitted. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. This standard will not have a material impact on the Companies' results of operations or financial position. The Companies are currently evaluating the impact the adoption of this guidance will have on their combining statement of cash flows.



PALMER, CURRIER & HOFFERT, LLP

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Bar Commissioners and Boards of Directors

State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc.

We have audited the combined financial statements of State Bar of South Dakota, S.D. Continuing Legal Education, Inc. and Access to Justice, Inc. (the Bar and Corporations) as of and for the years ended July 31, 2017 and 2016, and have issued our report thereon, which contains an unmodified opinion on those combined financial statements. See pages 1 - 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Palmer, Currier and Hoffert LLP

Pierre, South Dakota
January 18, 2018

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**COMBINING SCHEDULE OF REVENUES COLLECTED
YEAR ENDED JULY 31, 2017 WITH COMPARATIVE TOTALS FOR 2016
See Auditor's Report on the Supplementary Information**

	2017					2016
	State Bar of South Dakota			S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined
	General Operations	Client Security	Total			Combined
Dues:						
Bar dues	\$ 875,173	\$ -	\$ 875,173	\$ -	\$ -	\$ 875,173
CLE dues	-	-	-	266,500	-	266,500
	<u>875,173</u>	<u>-</u>	<u>875,173</u>	<u>266,500</u>	<u>-</u>	<u>1,141,673</u>
Program services:						
Dakota Disc	-	-	-	127,251	-	127,251
Program contributions	-	-	-	-	63,516	63,516
Pattern jury instructions	-	-	-	17,537	-	17,537
Commission on Equal Access to the Courts	-	-	-	-	17,000	17,000
Pro hac vice	12,400	-	12,400	-	-	12,400
Newsletter advertising	-	-	-	9,756	-	9,756
Trial Academy miscellaneous	-	-	-	2,500	-	2,500
Trial Academy Scholarship	-	-	-	2,000	-	2,000
Lawyer referral	-	-	-	1,528	-	1,528
Young lawyers ABA grant	1,250	-	1,250	-	-	1,250
Bill Day Pro Bono award donations	-	-	-	-	1,000	1,000
Supreme court weekly opinions	-	-	-	894	-	894
Membership directories	-	-	-	870	-	870
CLE registration fees	-	-	-	700	-	700
Disciplinary board	574	-	574	-	-	574
Labels	-	-	-	375	-	375
Trial Academy Registration Fees	-	-	-	-	-	-
Supreme court opinions - paper	-	-	-	(12)	-	(12)
	<u>14,224</u>	<u>-</u>	<u>14,224</u>	<u>163,399</u>	<u>81,516</u>	<u>259,139</u>
Administration fees:						
SD Bar Foundation	5,000	-	5,000	-	-	5,000
Hagan benefits	1,455	-	1,455	-	-	1,455
Credit card fees	1,360	-	1,360	-	-	1,360
	<u>7,815</u>	<u>-</u>	<u>7,815</u>	<u>-</u>	<u>-</u>	<u>7,815</u>
Donations	2,307	-	2,307	-	35,230	2,537 *
Interest	2,877	95	2,972	411	6	1,069 *
Dividends	-	-	-	-	-	-
Net unrealized and realized gains (losses)	-	-	-	-	-	-
Miscellaneous	1,315	-	1,315	615	107	2,037
	<u>\$ 903,711</u>	<u>\$ 95</u>	<u>\$ 903,806</u>	<u>\$ 430,925</u>	<u>\$ 116,859</u>	<u>\$ 1,414,270</u>
						<u>\$ 1,427,460</u>

* Interorganizational interest of \$2,320 in 2017 and \$1,387 in 2016 and interorganizational contributions of \$35,000 in 2017 and \$30,000 in 2016 are eliminated in the combined column.

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**SCHEDULE OF BUDGET VS. ACTUAL UNRESTRICTED FUND EXPENSES
FOR THE STATE BAR OF SOUTH DAKOTA
YEAR ENDED JULY 31, 2017**

See Auditor's Report on the Supplementary Information

	2016 - 2017 Budget Allowance	Expenses Paid	Variance Under (Over)
Administration	\$ 519,767	\$ 454,127	\$ 65,640
Publications	90,000	58,829	31,171
Annual meeting	80,000	73,518	6,482
Disciplinary board	60,000	73,382	(13,382)
President's office	45,000	42,940	2,060
Legal services coordinator	35,000	35,000	-
Stress/Depression treatment	30,951	2,658	28,293
Strategic planning committee	30,500	28,279	2,221
Bar commissioners	30,000	29,391	609
Socious	25,000	22,200	2,800
Young lawyers	22,000	17,885	4,115
Public information	15,000	13,400	1,600
ABA and State Bar delegates	13,645	15,447	(1,802)
Pattern jury instructions-civil	10,000	10,001	(1)
Project rural practice	10,000	2,575	7,425
Lawyer referral	5,200	7,467	(2,267)
Ethics	5,105	1,204	3,901
Lawyers concerned for lawyers	4,500	215	4,285
Lawyer assistance committee	4,000	1,629	2,371
Consumer protection	4,000	-	4,000
Legal services	3,500	229	3,271
Professional liability insurance	3,000	4,184	(1,184)
Pattern jury instructions-criminal	3,000	2,313	687
Family law	3,000	915	2,085
Real property, probate and trust	3,000	700	2,300
Law practice management	3,000	135	2,865
Business Law	3,000	-	3,000
Transition committee	2,500	1,076	1,424
Veterans committee	2,500	603	1,897
Women in law	2,000	405	1,595
Sole practitioner and small office	2,000	201	1,799
Law school - moot court	1,500	1,500	-
Law school committee	1,150	1,115	35
Diversity and inclusion	1,000	704	296
In-House counsel	750	75	675
Judicial - Bar liaison	500	222	278
Agricultural law	500	84	416
Elder law	500	24	476
Evidence	500	-	500
Public sector	500	-	500
Practice rules revision	500	-	500
Debtor-Creditor	450	416	34
Negligence and tort law	400	285	115
Administrative law	200	168	32
Labor and employment law	200	98	102
Education	200	75	125
Alternative dispute resolution	200	33	167
Indian law	200	-	200
Criminal law	200	-	200
Liaison with SD District IRS	200	-	200
Public service	200	-	200
Worker's compensation	200	-	200
Paralegal	200	-	200
Natural resources	200	-	200
Immigration	195	292	(97)
Depreciation	-	7,532	(7,532)
Contribution expense	-	4,999	(4,999)
Interest expense	-	4,115	(4,115)
	<u>\$ 1,080,813</u>	<u>\$ 922,645</u>	<u>\$ 158,168</u>

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

SCHEDULE OF BUDGET VS. ACTUAL UNRESTRICTED FUND EXPENSES

FOR S.D. CONTINUING LEGAL EDUCATION, INC.

YEAR ENDED JULY 31, 2017

See Auditor's Report on the Supplementary Information

	2016 - 2017 Budget Allowance	Expenses Paid	Variance Under (Over)
Personnel and other expenses	\$ 155,000	\$ 78,799	\$ 76,201
Fastcase - contract	130,000	127,718	2,282
Books and printing	40,000	49,905	(9,905)
Staff travel	20,000	13,869	6,131
Rackspace	19,000	15,922	3,078
Supreme court opinions	15,000	11,250	3,750
Office supplies	15,000	6,723	8,277
Rent	13,530	13,530	-
Postage	12,000	14,154	(2,154)
Coffee and pop	12,000	10,532	1,468
Program travel and expenses	10,000	11,424	(1,424)
Phone/Internet service	8,000	8,095	(95)
Folio Royalty Report	8,000	-	8,000
Lease agreements	8,000	-	8,000
Database/consulting/website	7,000	-	7,000
Tape lending library expense	5,000	5,000	-
Legal and accounting	5,000	1,432	3,568
Insurance	4,025	2,135	1,890
Pattern jury instruction	3,500	2,820	680
SDBF CLE speaker	3,500	2,450	1,050
Audio - CLE program	3,000	1,107	1,893
Honorariums	3,000	-	3,000
Federal taxes	1,000	620	380
Committee travel	1,000	350	650
Copies	600	638	(38)
Remote deposit/credit card fees	500	201	299
Equipment	-	4,679	(4,679)
Depreciation	-	4,300	(4,300)
CLE speaker program fee	-	3,000	(3,000)
Interest expense	-	2,320	(2,320)
Trial Academy	-	(426)	426
Miscellaneous	8,500	4,744	3,756
	<u>\$ 511,155</u>	<u>\$ 397,291</u>	<u>\$ 113,864</u>

**STATE BAR OF SOUTH DAKOTA, S.D. CONTINUING LEGAL EDUCATION, INC. AND
ACCESS TO JUSTICE, INC.**

**SCHEDULE OF BUDGET VS. ACTUAL UNRESTRICTED FUND EXPENSES
FOR ACCESS TO JUSTICE, INC.**

YEAR ENDED JULY 31, 2017

See Auditor's Report on the Supplementary Information

	2016 - 2017 Budget Allowance	Expenses Paid	Variance Under (Over)
Personnel and other expenses	\$ 117,230	\$ 98,473	\$ 18,757
Rent	6,600	550	6,050
Phone/Internet service	2,760	2,399	361
Program travel and expenses	2,000	4,735	(2,735)
Office supplies	1,700	1,577	123
Utilities	1,600	-	1,600
Bill Day Pro Bono award expenses	1,000	1,000	-
Equipment and maintenance	500	-	500
Depreciation	-	3,024	(3,024)
Legal and accounting	-	700	(700)
Miscellaneous	-	1,210	(1,210)
	<u>\$ 133,390</u>	<u>\$ 113,668</u>	<u>\$ 19,722</u>