

ACCESS TO JUSTICE, INC.
Board Roster
(12/01/2020)

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

COMBINED FINANCIAL REPORT

JULY 31, 2020

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PALMER, CURRIER & HOFFERT, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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, 2020 and 2019, 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, 2020 and 2019, 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.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Bar and Corporations adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. The Bar and Corporations have elected to apply the modified retrospective method to adopt the new standard. Our opinion is not modified with respect to this matter.

Palmer, Currier and Hoffert LLP

Pierre, South Dakota
January 26, 2021

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

COMBINED STATEMENTS OF FINANCIAL POSITION
JULY 31, 2020 AND 2019

	2020		
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 2)	\$ 729,937	\$ 286,639	\$ 40,768
Accounts receivable (Note 5)	176	4,252	-
Prepaid expenses	7,073	3,997	-
Due from South Dakota Bar Foundation	126	-	-
Income taxes receivable	-	834	-
Due from S.D. Continuing Legal Education, Inc.	36,568 *	-	-
Due from Access to Justice, Inc.	2,877 *	-	-
Total current assets	<u>776,757</u>	<u>295,722</u>	<u>40,768</u>
PROPERTY AND EQUIPMENT			
Furniture and equipment	82,117	69,045	5,434
Less accumulated depreciation	50,391	43,869	4,738
	<u>31,726</u>	<u>25,176</u>	<u>696</u>
	<u>\$ 808,483</u>	<u>\$ 320,898</u>	<u>\$ 41,464</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current maturities of capital lease obligations (Note 3)	\$ 1,794	\$ -	\$ -
Accounts payable	12,416	18,334	-
Accrued expenses	30,505	70	11,631
Income taxes payable	894	-	-
Deferred revenue	-	-	-
Due to State Bar of South Dakota	-	36,568 *	2,877 *
Total current liabilities	<u>45,609</u>	<u>54,972</u>	<u>14,508</u>
CAPITAL LEASE OBLIGATIONS, LESS CURRENT MATURITIES (NOTE 3)	<u>3,061</u>	<u>-</u>	<u>-</u>
NET ASSETS (NOTE 5)			
Without donor restrictions	759,813	265,926	26,956
	<u>\$ 808,483</u>	<u>\$ 320,898</u>	<u>\$ 41,464</u>

See Notes to Combined Financial Statements.

* Eliminated in the combined column.

2019

<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>
\$ 1,057,344	\$ 610,944	\$ 190,855	\$ 14,283	\$ 816,082
4,428	308	2,002	-	2,310
11,070	13,403	3,846	-	17,249
126	-	-	-	-
834	-	33	-	33
-	59,523 *	-	-	-
-	2,877 *	-	-	-
<u>1,073,802</u>	<u>687,055</u>	<u>196,736</u>	<u>14,283</u>	<u>835,674</u>
156,596	97,729	78,147	20,274	196,150
98,998	61,631	52,380	19,001	133,012
57,598	36,098	25,767	1,273	63,138
<u>\$ 1,131,400</u>	<u>\$ 723,153</u>	<u>\$ 222,503</u>	<u>\$ 15,556</u>	<u>\$ 898,812</u>
\$ 1,794	\$ 1,693	\$ -	\$ -	\$ 1,693
30,750	18,031	33,607	-	51,638
42,206	36,111	122	8,195	44,428
894	5,354	-	-	5,354
-	-	1,107	-	1,107
-	-	59,523 *	2,877 *	-
<u>75,644</u>	<u>61,189</u>	<u>94,359</u>	<u>11,072</u>	<u>104,220</u>
3,061	4,855	-	-	4,855
1,052,695	657,109	128,144	4,484	789,737
<u>\$ 1,131,400</u>	<u>\$ 723,153</u>	<u>\$ 222,503</u>	<u>\$ 15,556</u>	<u>\$ 898,812</u>

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

COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED JULY 31, 2020 AND 2019

	2020		
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenues collected:			
Dues	\$ 895,903	\$ 260,260	\$ -
Program services	45,478	160,808	109,500
Administration fees	5,741	-	-
Gain (loss) on disposal of equipment	(1,586)	(241)	-
Interest	6,378 *	4,977	9
Donations	-	-	51,550 *
Miscellaneous	3,308	619	-
Total revenues, gains and other support	955,222	426,423	161,059
Expenses paid:			
Supporting activities (Notes 4, 6 and 7)	481,590	121,043 *	8,181
Program services (Note 4)	370,928 *	167,598	130,406
Total expenses paid	852,518	288,641	138,587
Change in net assets without donor restrictions	102,704	137,782	22,472
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	<u>657,109</u>	<u>128,144</u>	<u>4,484</u>
NET ASSETS AT END OF YEAR	<u>\$ 759,813</u>	<u>\$ 265,926</u>	<u>\$ 26,956</u>

See Notes to Combined Financial Statements

*Interorganizational interest of \$177 in 2020 and \$633 in 2019 and interorganizational contributions of \$50,000 in 2020 and \$50,000 in 2019 are eliminated in the combined column.

2019

<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>
\$ 1,156,163	\$ 898,814	\$ 263,244	\$ -	\$ 1,162,058
315,786	27,485	196,074	70,074	293,633
5,741	9,021	-	-	9,021
(1,827)	5,755	5,755	-	11,510
11,187	9,053 *	683	12	9,115
1,550	2,760	-	52,000 *	4,760
<u>3,927</u>	<u>90</u>	<u>2,670</u>	<u>-</u>	<u>2,760</u>
<u>1,492,527</u>	<u>952,978</u>	<u>468,426</u>	<u>122,086</u>	<u>1,492,857</u>
610,637	501,028	132,071 *	10,256	642,722
<u>618,932</u>	<u>392,505 *</u>	<u>207,749</u>	<u>112,235</u>	<u>662,489</u>
<u>1,229,569</u>	<u>893,533</u>	<u>339,820</u>	<u>122,491</u>	<u>1,305,211</u>
262,958	59,445	128,606	(405)	187,646
<u>789,737</u>	<u>597,664</u>	<u>(462)</u>	<u>4,889</u>	<u>602,091</u>
<u>\$ 1,052,695</u>	<u>\$ 657,109</u>	<u>\$ 128,144</u>	<u>\$ 4,484</u>	<u>\$ 789,737</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, 2020 AND 2019

	2020			2019		
	Supporting Activities	Program Services	Total	Supporting Activities	Program Services	Total
Personnel and other expenses	\$ 395,026	\$ -	\$ 395,026	\$ 341,384	\$ -	\$ 341,384
Disciplinary board	-	115,678	115,678	-	117,237	117,237
Legal services coordinator	-	50,000	50,000	-	50,000	50,000
Lobbyist	-	32,030	32,030	-	32,070	32,070
Bar commissioners	-	25,227	25,227	-	25,666	25,666
Socius	-	23,655	23,655	-	27,538	27,538
ABA and State Bar delegates	-	18,803	18,803	-	14,962	14,962
President's office	-	17,715	17,715	-	32,741	32,741
Young lawyers	-	17,493	17,493	-	24,681	24,681
Depreciation	16,398	-	16,398	22,928	-	22,928
Legal and accounting	14,910	-	14,910	16,534	-	16,534
Rent	14,466	-	14,466	13,530	-	13,530
Strategic planning committee	-	13,034	13,034	-	20,091	20,091
Lawyer assistance program	-	12,126	12,126	-	-	-
Publications	9,660	-	9,660	22,842	-	22,842
State and federal taxes	8,040	-	8,040	6,887	-	6,887
Pattern jury instructions-civil	-	7,500	7,500	-	6,000	6,000
Contribution expense	-	4,999	4,999	-	4,999	4,999
Managed IT	4,394	-	4,394	-	-	-
Public information	-	4,277	4,277	-	6,298	6,298
Equipment expense	3,880	-	3,880	-	-	-
Pattern jury instructions-criminal	-	3,515	3,515	-	5,134	5,134
Ethics	-	3,465	3,465	-	2,469	2,469
iStream fees	3,363	-	3,363	3,179	-	3,179
Office supplies	3,094	-	3,094	1,918	-	1,918
Lawyers concerned for lawyers	-	3,063	3,063	-	988	988
Lawyer referral	-	3,017	3,017	-	3,504	3,504
Lawyer assistance committee	-	2,418	2,418	-	881	881
Travel	2,343	-	2,343	1,813	-	1,813
Phone/internet service	2,180	-	2,180	1,889	-	1,889
Professional liability insurance	-	2,098	2,098	-	2,263	2,263
Veterans committee	-	1,742	1,742	-	1,054	1,054
Law school - moot court	-	1,500	1,500	-	1,500	1,500
Law school committee	-	1,478	1,478	-	1,767	1,767
Project rural practice	-	1,321	1,321	-	2,541	2,541
Stress/depression treatment	-	1,300	1,300	-	1,735	1,735
Website committee	-	1,256	1,256	-	2,111	2,111
Annual meeting	1,091	-	1,091	64,012	-	64,012
Postage	729	-	729	1,243	-	1,243
Family law	-	708	708	-	795	795
Business law	-	459	459	-	517	517
Legal services	-	420	420	-	253	253
Dues	380	-	380	380	-	380
Interest expense	336	-	336	1,303	-	1,303
Copies	329	-	329	169	-	169
Real property, probate and trust	-	265	265	-	461	461
Administrative law	-	119	119	-	154	154
Law practice management	-	119	119	-	-	-
Diversity and inclusion	-	52	52	-	828	828
Women in law	-	46	46	-	1,036	1,036
Alternative dispute resolution	-	19	19	-	-	-
Sole practitioner and small office	-	-	-	-	483	483
Debtor-creditor	-	-	-	-	123	123
Agricultural law	-	-	-	-	123	123
Judicial-Bar liaison	-	-	-	-	113	113
Labor and employment law	-	-	-	-	55	55
Immigration	-	-	-	-	33	33
Transition committee	-	-	-	-	(711)	(711)
Miscellaneous	971	11	982	1,017	12	1,029
	<u>\$ 481,590</u>	<u>\$ 370,928</u>	<u>\$ 852,518</u>	<u>\$ 501,028</u>	<u>\$ 392,505</u>	<u>\$ 893,533</u>

See Notes to Combined 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, 2020 AND 2019

	2020			2019		
	Supporting Activities	Program Services	Total	Supporting Activities	Program Services	Total
Fastcase	\$ -	\$ 119,007	\$ 119,007	\$ -	\$ 109,472	\$ 109,472
Personnel and other expenses	51,850	24,754	76,604	48,427	25,031	73,458
Rent	14,466	-	14,466	13,530	-	13,530
Depreciation	12,102	-	12,102	15,727	-	15,727
Supreme court opinions	-	9,451	9,451	-	9,749	9,749
Phone/Internet service	7,495	-	7,495	8,230	-	8,230
Office supplies	7,327	-	7,327	3,056	-	3,056
Staff travel	6,941	-	6,941	10,181	-	10,181
Insurance	4,263	-	4,263	3,963	-	3,963
Rackspace	-	3,575	3,575	-	3,486	3,486
Pattern jury instruction	-	3,389	3,389	-	3,542	3,542
Equipment expense	3,266	-	3,266	2,300	-	2,300
Postage	2,842	-	2,842	3,269	-	3,269
Program travel and expenses	-	2,243	2,243	-	9,911	9,911
CLE speaker program fee	-	2,000	2,000	-	2,900	2,900
Coffee and pop	1,743	-	1,743	10,369	-	10,369
Federal taxes	1,699	-	1,699	2,098	-	2,098
Audio - CLE program	-	1,672	1,672	-	1,888	1,888
Legal and accounting	1,438	-	1,438	1,438	-	1,438
Books and printing	-	875	875	-	11,914	11,914
CLE Speaker	-	650	650	-	8,350	8,350
Copies	287	-	287	83	-	83
Remote deposit/cc fees	275	-	275	498	-	498
Interest expense	177	-	177	633	-	633
Committee travel	142	-	142	850	-	850
Trial Academy	-	-	-	-	20,878	20,878
Lease agreements	-	-	-	-	646	646
Tape lending library expense	-	-	-	-	-	-
Capital acquisitions fund	-	-	-	-	-	-
Miscellaneous	4,730	(18)	4,712	7,419	(18)	7,401
	<u>\$ 121,043</u>	<u>\$ 167,598</u>	<u>\$ 288,641</u>	<u>\$ 132,071</u>	<u>\$ 207,749</u>	<u>\$ 339,820</u>

See Notes to Combined 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, 2020 AND 2019

	2020			2019		
	Supporting Activities	Program Services	Total	Supporting Activities	Program Services	Total
Personnel and other expenses	\$ -	\$ 110,466	\$ 110,466	\$ -	\$ 99,361	\$ 99,361
Judicare	-	10,873	10,873	-	-	-
Statewide intake	-	7,100	7,100	-	6,904	6,904
Software	3,709	-	3,709	612	-	612
Phone/Internet service	2,186	-	2,186	2,714	-	2,714
Bill Day Pro Bono award exp.	-	1,000	1,000	-	1,000	1,000
Program travel and expenses	-	967	967	-	2,800	2,800
Legal and accounting	761	-	761	761	-	761
Depreciation	577	-	577	2,797	-	2,797
Office supplies	458	-	458	791	-	791
VOCA grant	-	-	-	-	2,170	2,170
Equipment maintenance	-	-	-	472	-	472
Training	-	-	-	454	-	454
Miscellaneous	490	-	490	1,655	-	1,655
	<u>\$ 8,181</u>	<u>\$ 130,406</u>	<u>\$ 138,587</u>	<u>\$ 10,256</u>	<u>\$ 112,235</u>	<u>\$ 122,491</u>

See Notes to Combined Financial Statements.

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

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JULY 31, 2020 AND 2019

	2020		
	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 102,704	\$ 137,782	\$ 22,472
Adjustment to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	16,398	12,102	577
(Gain) loss on disposal of equipment	1,586	241	-
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	132	(2,250)	-
(Increase) decrease in prepaid expenses	6,330	(151)	-
Increase in SD Bar Foundation receivable	(126)	-	-
(Increase) decrease in income taxes receivable	-	(801)	-
Increase (decrease) in accounts payable	(5,615)	(15,273)	-
Increase (decrease) in accrued expenses	(5,606)	(52)	3,436
Increase (decrease) in income taxes payable	(4,460)	-	-
Decrease in deferred revenue	-	(1,107)	-
Change in intercompany receivables/payables	22,955	(22,955)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	134,298	107,536	26,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the disposal of equipment	-	-	-
Purchase of equipment	(13,612)	(11,752)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(13,612)	(11,752)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on capital lease obligations	(1,693)	-	-
NET CASH USED IN FINANCING ACTIVITIES	(1,693)	-	-
INCREASE IN CASH AND CASH EQUIVALENTS	118,993	95,784	26,485
CASH AND CASH EQUIVALENTS			
Beginning	610,944	190,855	14,283
Ending	<u>\$ 729,937</u>	<u>\$ 286,639</u>	<u>\$ 40,768</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash payments for:			
Interest	\$ 336	\$ 300 *	\$ -
Income taxes	12,500	2,500	-

See Notes to Combined Financial Statements.

* Eliminated interorganizational interest of \$300 in 2020 and \$694 in 2019 in the combined column.

2019				
Combined	State Bar of South Dakota	S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined
\$ 262,958	\$ 59,445	\$ 128,606	\$ (405)	\$ 187,646
29,077	22,928	15,727	2,797	41,452
1,827	(5,755)	(5,755)	-	(11,510)
(2,118)	19,000	558	-	19,558
6,179	(457)	(1,316)	-	(1,773)
(126)	-	-	-	-
(801)	1,533	2,098	-	3,631
(20,888)	4,454	(8,708)	-	(4,254)
(2,222)	(38,231)	73	114	(38,044)
(4,460)	5,354	-	-	5,354
(1,107)	-	(329)	-	(329)
<u>-</u>	<u>81,260</u>	<u>(81,260)</u>	<u>-</u>	<u>-</u>
<u>268,319</u>	<u>149,531</u>	<u>49,694</u>	<u>2,506</u>	<u>201,731</u>
-	9,000	9,000	-	18,000
<u>(25,364)</u>	<u>(3,433)</u>	<u>(3,434)</u>	<u>-</u>	<u>(6,867)</u>
<u>(25,364)</u>	<u>5,567</u>	<u>5,566</u>	<u>-</u>	<u>11,133</u>
<u>(1,693)</u>	<u>(4,635)</u>	<u>-</u>	<u>-</u>	<u>(4,635)</u>
<u>(1,693)</u>	<u>(4,635)</u>	<u>-</u>	<u>-</u>	<u>(4,635)</u>
241,262	150,463	55,260	2,506	208,229
<u>816,082</u>	<u>460,481</u>	<u>135,595</u>	<u>11,777</u>	<u>607,853</u>
<u>\$ 1,057,344</u>	<u>\$ 610,944</u>	<u>\$ 190,855</u>	<u>\$ 14,283</u>	<u>\$ 816,082</u>
\$ 336	\$ 1,303	\$ 694 *	\$ -	\$ 1,303
15,000	-	-	-	-

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

NOTES TO COMBINED 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 combined 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. Accordingly, net assets of the Bar and Corporations are classified into the following two classes:

- 1) Net assets without donor restrictions represent funds that are available for support of operations of the Bar and Corporations, and that are not subject to donor stipulation.
- 2) Net assets with donor restrictions consist of contributions that have been restricted by the donor for a specific purpose.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

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

Method of accounting and basis of presentation (continued):

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled) are reported as reclassifications between the applicable classes of net assets.

Board-designated net assets are net assets without donor restrictions that are used only for the specific purpose passed by the Board resolution. Changes to designation require a subsequent Board resolution. The President and other staff of the Bar and Corporations may not change the purpose of any Board-designated funds without the consent of the Board.

As of July 31, 2020 and 2019, and for the years then ended, the Bar and Corporations held no net assets with donor restrictions.

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, 2020 and 2019 exceeded the insurance limits of the Federal Deposit Insurance Corporation by approximately \$405,000 and \$278,000, 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, 2020 and 2019. 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. The depreciation expense on equipment acquired under capital leases is included in depreciation expense on owned assets.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

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

Impairment of long-lived Assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances have indicated that an asset may not be recoverable and are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities (asset group). If the sum of the projected undiscounted cash flows (excluding interest charges) of an asset group is less than its carrying value and the fair value of an asset group is also less than its carrying value, the assets will be written down by the amount by which the carrying value of the asset group exceeded its fair value. However the carrying amount of a finite-lived intangible asset can never be written down below its fair value. Any loss would be recognized in income from continuing operations in the period in which the determination is made. Management has determined that there was no impairment of long-lived assets as of July 31, 2020 and 2019.

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.

Revenue recognition:

Under Accounting Standards Codification (ASC) Topic 606, revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services (i.e., the transaction price). 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, 2020 and 2019.

Functional allocation of expenses:

The Bar and Corporations allocate their expenses on a functional basis by program and supporting services. Expenses that can be identified with a specific program and support service are allocated to that program according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases as determined by management.

Fundraising Expense

The Bar and Corporations do not have any fundraising costs that they incurred during the fiscal years ended July 31, 2020 and 2019.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

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

Adoption of new accounting pronouncement:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the new guidance requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Bar and Corporations adopted the standard on August 1, 2019 utilizing the modified retrospective method. Results for reporting periods beginning August 1, 2019 are presented under Topic 606, while prior-period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period. In completing its assessment of its revenue streams within the scope of the guidance, the Bar and Corporations did not identify any revenue sources for which the timing of recognition will change under the new standard. The adoption of this standard on August 1, 2019 did not have a material impact on the Bar and Corporations' financial statements, their current accounting policies and practices or the timing or amount of revenue recognized; however, where appropriate, the Bar and Corporations evaluated necessary changes to business processes, systems, and internal controls in order to support the recognition, measurement and disclosure requirements of the new standard.

Adoption of the new revenue standard had no impact to cash provided from or used in operating, financing or investing on our statements of cash flows.

The Bar and Corporations elected to utilize the modified retrospective transition practical expedient, which allows the Bar and Corporations to evaluate the impact of contract modifications as of the adoption date rather than evaluating the impact of the modifications at the time they occurred prior to the adoption date.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies the accounting guidance for contributions received and made, including guidance to help an entity evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determine whether a contribution is conditional. As required by ASU 2018-08, the Bar and Corporations applied the requirements on a modified prospective basis to agreements that either were not completed as of August 1, 2019 or entered into after August 1, 2019. There was not a material impact on the Bar and Corporations' financial statements upon the adoption of ASU 2018-08.

Subsequent events:

The Bar and Corporations have evaluated subsequent events through January 26, 2021, the date on which the financial statements were available to be issued. With the exception of the matters discussed below, there was not material subsequent events that required recognition or additional disclosure in these financial statements.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

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

Subsequent events (continued):

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Bar and Corporations operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic.

While the event is expected to impact the world economy, the extent to which this event will impact the Bar and Corporations' financial position will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impacts, among others.

Note 2. Cash and Cash Equivalents

The composition of cash and cash equivalents is as follows:

	2020			
	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	\$ 92,192	\$ -	\$ -	\$ 92,192
Checking account	<u>24,012</u>	<u>-</u>	<u>-</u>	<u>24,012</u>
	<u>116,204</u>	<u>-</u>	<u>-</u>	<u>116,204</u>
Undesignated:				
Money market and savings accounts	592,227	85,330	-	677,557
Checking account	<u>21,506</u>	<u>201,309</u>	<u>40,768</u>	<u>263,583</u>
	<u>613,733</u>	<u>286,639</u>	<u>40,768</u>	<u>941,140</u>
	<u>\$ 729,937</u>	<u>\$ 286,639</u>	<u>\$ 40,768</u>	<u>\$ 1,057,344</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents (Continued)

	2019			
	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	\$ 92,124	\$ -	\$ -	\$ 92,124
Checking account	<u>23,981</u>	<u>-</u>	<u>-</u>	<u>23,981</u>
	<u>116,105</u>	<u>-</u>	<u>-</u>	<u>116,105</u>
Undesignated:				
Money market and savings accounts	436,444	85,794	-	522,238
Checking account	<u>58,395</u>	<u>105,061</u>	<u>14,283</u>	<u>177,739</u>
	<u>494,839</u>	<u>190,855</u>	<u>14,283</u>	<u>699,977</u>
	<u>\$ 610,944</u>	<u>\$ 190,855</u>	<u>\$ 14,283</u>	<u>\$ 816,082</u>

Note 3. Lease Commitments and Total Rental Expense

The capital lease obligations at July 31, 2020 and 2019 in the amount of \$4,855 and \$6,548, respectively, represents the present value of the lease for office equipment. Interest for the copier machine has been imputed at 5.81% to February 19, 2023. 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 \$8,788 at July 31, 2020 and 2019. Lease amortization is included with accumulated depreciation and was \$6,099 and \$4,306 at July 31, 2020 and 2019, respectively.

Maturities of capital lease obligations at July 31, 2020 are as follows:

Year Ending July 31:	Total Lease Payments	Amount Representing Interest	Principal
2021	\$ 2,028	\$ 234	\$ 1,794
2022	2,028	128	1,900
2023	<u>1,184</u>	<u>23</u>	<u>1,161</u>
	<u>\$ 5,240</u>	<u>\$ 385</u>	<u>\$ 4,855</u>

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

NOTES TO COMBINED 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 December 31, 2029. The lease provides that State Bar of South Dakota pay a monthly rental amount of \$2,567. S.D. Continuing Legal Education, Inc. is using this same office space for its operations and was paying the Bar \$1,284 per month. The total minimum rental commitment at July 31, 2020 under this lease is as follows:

<u>Year ending July 31,</u>	
2021	\$ 30,804
2022	30,804
2023	30,804
2024	30,804
2025	30,804
Thereafter	<u>136,051</u>
	<u>\$ 290,071</u>

The State Bar of South Dakota and the S.D. Continuing Legal Education, Inc. have each reported \$14,466 and \$13,530 of rent expense for the years ended July 31, 2020 and 2019, respectively, in the combined statements of activities. The total rent expense of the entities included in the combined statements of activities for the years ended July 31, 2020 and 2019 was \$28,932 and \$27,060, respectively.

Note 4. Employee Benefit Plan

State Bar of South Dakota and Access to Justice, Inc. participate 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 and Access to Justice'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 combined statements of activities for the year ended July 31, 2020 was \$27,891, of which, State Bar of South Dakota has reported \$18,879 in general operations and \$0 in program services, S.D. Continuing Legal Education, Inc. has reported \$2,565 in general operations and \$1,198 in program services and Access to Justice, Inc. has reported \$5,249 in program services and for the year ended July 31, 2019 was \$47,063, of which State Bar of South Dakota has reported \$38,435 in general operations and \$0 in program services, S.D. Continuing Legal Education, Inc. has reported \$2,322 in general operations and \$1,166 in program services and Access to Justice Inc. has reported \$5,140 in program services.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 5. Net Assets

The net assets without donor restrictions in the accompanying combined statements of financial position are either designated or undesignated. The undesignated net assets in the accompanying combined 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 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 designated net assets of \$116,204 and \$116,105 for the years ended July 31, 2020 and 2019, 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, 2020, State Bar of South Dakota does not anticipate any losses due to claims against the Client Assistance Program. During July 31, 2020 and 2019, the Client Assistance Program received \$0 and \$18,801, respectively, for reimbursement of payments made. Subsequent to July 31, 2020, the Client Assistance Program paid out \$20,000 to a client, but the balance remained above the \$80,000 limit.

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 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 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 \$8,040 and \$6,887 related to this activity have been recognized in the combined financial statements for 2020 and 2019, 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 \$1,699 and \$2,098 for S.D. Continuing Legal Education, Inc. related to this income have been included in the combined financial statements for 2020 and 2019, 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 the year ended July 31, 2016.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 7. Related Party Transactions

For each of the years ended July 31, 2020 and 2019, 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 \$65,000 and \$66,904 to Access to Justice, Inc. for the years ended July 31, 2020 and 2019, respectively.

Note 8. Recently Issued Accounting Pronouncements

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. In September 2017, the FASB issued ASU 2017-13, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs, which rescinds certain SEC Observer comments and staff announcements from the lease guidance and incorporates SEC staff announcements on the effect of a change in tax law on leveraged leases from ASC 840 into ASC 842. In January 2018, the FASB issued ASU 2018-01, Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842, which amends the new lease guidance to add an optional transition practical expedient that permits an entity to continue applying its current accounting policy for land easements that exist or expire before the ASC 842 effective date. In July 2018, the FASB issued ASU 2018-10, Codification Improvements to Topic 842, Leases, which makes narrow scope improvements to the standard for specific issues. In July 2018, the FASB also issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, which provides an optional transition method allowing the standard to be applied at the adoption date. In March 2019, the FASB issued ASU 2019-01, Leases (Topic 842) Codification Improvements, which exempts entities from having to provide the interim disclosures required by ASC 250-10-50-3 in the fiscal year in which a company adopts the new leases standard.

A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The Bar and Corporations expect to adopt the guidance retrospectively at the beginning of the period of adoption, August 1, 2021, through a cumulative-effect adjustment, and will not apply the new standard to comparative periods presented.

The new standard provides a number of practical expedients. Upon adoption, the Bar and Corporations expect to elect all the practical expedients available.

We are currently evaluating the impact of our pending adoption of the new standard on our combined financial statements. The Bar and Corporations are implementing new lease systems in connection with the adoption and are also evaluating the impact that ASU 2016-02 will have on its combined financial statements. We currently expect the adoption of this standard to result in a material increase to the assets and liabilities on the combined statements of financial position, but we do not expect a material impact on the combined statements of activities or combined statements of cash flows. Management will continue to evaluate the impact of this guidance on our combined financial statements.



PALMER, CURRIER & HOFFERT, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON 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, 2020 and 2019, 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 26, 2021

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

COMBINED SCHEDULE OF REVENUES COLLECTED
YEAR ENDED JULY 31, 2020 WITH COMPARATIVE TOTALS FOR 2019
See Auditor's Report on the Supplementary Information

	2020					2019	
	State Bar of South Dakota			S.D. Continuing Legal Education, Inc.	Access to Justice, Inc.	Combined	Combined
	General Operations	Client Security	Total				
Dues:							
Bar dues	\$ 895,903	\$ -	\$ 895,903	\$ -	\$ -	\$ 895,903	\$ 898,814
CLE dues	-	-	-	260,260	-	260,260	263,244
	<u>895,903</u>	<u>-</u>	<u>895,903</u>	<u>260,260</u>	<u>-</u>	<u>1,156,163</u>	<u>1,162,058</u>
Program services:							
Dakota Disc	-	-	-	115,998	-	115,998	117,387
Program contributions	-	-	-	-	65,000	65,000	66,904
Commission on equal access to our courts	-	-	-	-	43,500	43,500	-
Disciplinary board	24,139	-	24,139	-	-	24,139	15,342
Pattern jury instructions	-	-	-	20,101	-	20,101	22,134
Pro hac vice	19,500	-	19,500	-	-	19,500	11,700
Newsletter advertising	-	-	-	13,433	-	13,433	11,730
Supreme court opinions - paper	-	-	-	6,400	-	6,400	9,043
Lawyer referral	-	-	-	2,622	-	2,622	3,639
Supreme court weekly opinions	-	-	-	2,044	-	2,044	2,100
LawPay royalty	1,839	-	1,839	-	-	1,839	443
Bill Day Pro Bono award donations	-	-	-	-	1,000	1,000	1,000
CLE registration fees	-	-	-	200	-	200	1,250
Membership directories	-	-	-	10	-	10	646
Trial Academy registration fees	-	-	-	-	-	-	26,000
VOCA grant	-	-	-	-	-	-	2,170
Trial Academy scholarship	-	-	-	-	-	-	2,000
Labels	-	-	-	-	-	-	145
	<u>45,478</u>	<u>-</u>	<u>45,478</u>	<u>160,808</u>	<u>109,500</u>	<u>315,786</u>	<u>293,633</u>
Administration fees:							
SD Bar Foundation	5,000	-	5,000	-	-	5,000	5,000
Credit card fees	39	-	39	-	-	39	3,100
Hagan benefits	702	-	702	-	-	702	921
	<u>5,741</u>	<u>-</u>	<u>5,741</u>	<u>-</u>	<u>-</u>	<u>5,741</u>	<u>9,021</u>
Gain (loss) on disposal of equipment	(1,586)	-	(1,586)	(241)	-	(1,827)	11,510
Interest	6,270	108	6,378	4,977	9	11,187 *	9,115 *
Donations	-	-	-	-	51,550	1,550 *	4,760 *
Miscellaneous	3,308	-	3,308	619	-	3,927	2,760
	<u>\$ 955,114</u>	<u>\$ 108</u>	<u>\$ 955,222</u>	<u>\$ 426,423</u>	<u>\$ 161,059</u>	<u>\$ 1,492,527</u>	<u>\$ 1,492,857</u>

* Interorganizational interest of \$177 in 2020 and \$633 in 2019 and interorganizational contributions of \$50,000 in 2020 and \$50,000 in 2019 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, 2020

See Auditor's Report on the Supplementary Information

	2019 - 2020 Budget Allowance	Expenses Paid	Variance Under (Over)
Administration	\$ 551,350	\$ 454,116	\$ 97,234
Disciplinary board	110,000	115,678	(5,678)
Annual meeting	80,000	1,091	78,909
Legal services coordinator	50,000	50,000	-
Lobbyist	45,000	32,030	12,970
President's office	45,000	17,715	27,285
Bar commissioners	30,000	25,227	4,773
Stress/Depression treatment	26,332	1,300	25,032
ABA and State Bar delegates	25,000	18,803	6,197
Socious	24,000	23,655	345
Publications	23,500	9,660	13,840
Young lawyers	23,000	17,493	5,507
Strategic planning committee	20,000	13,034	6,966
Public information	15,000	4,277	10,723
Pattern jury instructions-civil	7,500	7,500	-
Pattern jury instructions-criminal	7,500	3,515	3,985
Lawyer assistance committee	5,000	2,418	2,582
Lawyer referral	3,500	3,017	483
Law school committee	3,200	1,478	1,722
Ethics	2,808	3,465	(657)
Lawyers concerned for lawyers	2,500	3,063	(563)
Professional liability insurance	2,300	2,098	202
Veterans committee	2,000	1,742	258
Project rural practice	2,000	1,321	679
Website committee	2,000	1,256	744
Business Law	2,000	459	1,541
Law school - moot court	1,500	1,500	-
Family law	1,000	708	292
Real property, probate and trust	1,000	265	735
Diversity and inclusion	1,000	52	948
Women in law	1,000	46	954
Public sector	1,000	-	1,000
Education	700	-	700
Legal services	500	420	80
Sole practitioner and small office	500	-	500
Administrative law	200	119	81
Law practice management	200	119	81
Alternative dispute resolution	200	19	181
Labor and employment law	200	-	200
Immigration	200	-	200
Criminal law	200	-	200
Agricultural law	200	-	200
Judicial - Bar liaison	200	-	200
Indian law	200	-	200
Elder law	200	-	200
Practice rules revision	200	-	200
Evidence	200	-	200
Liaison with SD District IRS	200	-	200
Worker's compensation	200	-	200
Natural resources	200	-	200
Negligence and tort law	200	-	200
In-House counsel	200	-	200
Debtor-Creditor	200	-	200
Consumer protection	200	-	200
Depreciation	-	16,398	(16,398)
Lawyer assistance program	-	12,126	(12,126)
Contribution expense	-	4,999	(4,999)
Interest expense	-	336	(336)
	<u>\$ 1,122,490</u>	<u>\$ 852,518</u>	<u>\$ 269,972</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, 2020

See Auditor's Report on the Supplementary Information

	2019 - 2020		
	Budget Allowance	Expenses Paid	Variance Under (Over)
Personnel and other expenses	\$ 150,000	\$ 76,604	\$ 73,396
Fastcase - contract	122,000	119,007	2,993
Staff travel	20,000	6,941	13,059
Rent	14,466	14,466	-
Books and printing	14,000	875	13,125
Supreme court opinions	12,000	9,451	2,549
Office supplies	10,000	7,327	2,673
Program travel and expenses	10,000	2,243	7,757
Coffee and pop	10,000	1,743	8,257
Capital acquisitions fund	10,000	-	10,000
Equipment	9,000	3,266	5,734
Phone/Internet service	8,000	7,495	505
Rackspace	5,000	3,575	1,425
Committee travel	5,000	142	4,858
Insurance	4,288	4,263	25
Federal taxes	4,000	1,699	2,301
Pattern jury instruction	3,500	3,389	111
Postage	3,500	2,842	658
CLE Speaker	3,500	650	2,850
CLE speaker program fee	3,000	2,000	1,000
Lease agreements	3,000	-	3,000
Audio - CLE program	2,000	1,672	328
Legal and accounting	1,500	1,438	62
Remote deposit/credit card fees	900	275	625
Copies	600	287	313
Depreciation	-	12,102	(12,102)
Interest expense	-	177	(177)
Trial Academy	-	-	-
Miscellaneous	8,500	4,712	3,788
	<u>\$ 437,754</u>	<u>\$ 288,641</u>	<u>\$ 149,113</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, 2020

See Auditor's Report on the Supplementary Information

	2019 - 2020		
	Budget	Expenses	Variance
	Allowance	Paid	Under (Over)
Personnel and other expenses	\$ 101,898	\$ 110,466	\$ (8,568)
Statewide intake	7,100	7,100	-
Software	3,600	3,709	(109)
Program travel and expenses	2,800	967	1,833
Phone/Internet service	2,700	2,186	514
Office supplies	1,000	458	542
Equipment and maintenance	1,000	-	1,000
Legal and accounting	800	761	39
Judicare	-	10,873	(10,873)
Bill Day Pro Bono award expenses	-	1,000	(1,000)
Depreciation	-	577	(577)
Miscellaneous	1,300	490	810
	<u>\$ 122,198</u>	<u>\$ 138,587</u>	<u>\$ (16,389)</u>

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12/13/21
Cash Basis

Access to Justice
Profit & Loss by Class
July through September 2021

	<u>General</u>	<u>Grants</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
49010 · Interest on checking acct	1.70	0.00	1.70
49030 · Donations - Bill Day Award	0.00	1,000.00	1,000.00
49070 · SD Bar Foundation grant	8,000.00	0.00	8,000.00
49075 · Grant- Comm on Equal Access to	0.00	25,000.00	25,000.00
49080 · State Bar payments	3,500.00	0.00	3,500.00
Total Income	<u>11,501.70</u>	<u>26,000.00</u>	<u>37,501.70</u>
Expense			
49130 · Judicare	0.00	1,000.00	1,000.00
50010 · Wages	23,623.97	0.00	23,623.97
50020 · Payroll Taxes	1,769.41	0.00	1,769.41
50030 · Eye/Dental Allowance	825.00	0.00	825.00
50040 · Travel	768.53	0.00	768.53
50060 · Office Supplies	14.74	0.00	14.74
50061 · Software	954.00	0.00	954.00
50070 · Phone/Internet	409.92	0.00	409.92
50120 · Retirement	1,417.44	0.00	1,417.44
50130 · Miscellaneous Expense	124.41	0.00	124.41
Total Expense	<u>29,907.42</u>	<u>1,000.00</u>	<u>30,907.42</u>
Net Ordinary Income	<u>-18,405.72</u>	<u>25,000.00</u>	<u>6,594.28</u>
Net Income	<u><u>-18,405.72</u></u>	<u><u>25,000.00</u></u>	<u><u>6,594.28</u></u>

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12/13/21

Accrual Basis

Access to Justice
Balance Sheet
As of September 30, 2021

	Sep 30, 21
ASSETS	
Current Assets	
Checking/Savings	
11000 · BW Checking	64,454.45
Total Checking/Savings	64,454.45
Total Current Assets	64,454.45
Fixed Assets	
11500 · Furniture and equipment	5,433.88
11510 · Accumulated depreciation	-4,737.92
Total Fixed Assets	695.96
TOTAL ASSETS	65,150.41
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	12,000.00
Total Accounts Payable	12,000.00
Other Current Liabilities	
24000 · Payroll Liabilities	
24010 · Payroll Taxes Payable	94.74
24020 · Retirement Payable	-7.15
24000 · Payroll Liabilities - Other	-7.15
Total 24000 · Payroll Liabilities	80.44
Total Other Current Liabilities	80.44
Total Current Liabilities	12,080.44
Total Liabilities	12,080.44
Equity	
32000 · Unrestricted Net Assets	85,251.87
Net Income	-32,181.90
Total Equity	53,069.97
TOTAL LIABILITIES & EQUITY	65,150.41

Address to Justice 2021-22 Approved Budget

Salaries	\$ 93,400.00
with insurance gross up*	\$ 95,620.00
Payroll Taxes	\$ 9,000.00
Retirement	\$ 6,000.00
Eye/Dental	\$ 2,000.00
Office Supplies	\$ 1,000.00
Travel	\$ 1,500.00
Audit	\$ 800.00
Software	\$ 4,200.00
Equipment Maint.	\$ 1,000.00
Phone/Internet	\$ 1,650.00
Statewide Intake	\$ 8,300.00
Owed to BAR, carryover	\$ -
Miscellaneous	\$ 1,000.00
	\$ 132,070.00

Income

Donations	
Bar Foundation	\$ 72,000.00
BAR	\$ 55,000.00
	\$ 127,000.00

CEAC Income to Date	
Carryover	\$ 84,073.00

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12/14/21

Accrual Basis

Access to Justice
Profit & Loss
 January 1 through December 14, 2021

	Jan 1 - Dec 14, 21	Jan 1 - Dec 14, 20
Ordinary Income/Expense		
Income		
49010 · Interest on checking acct	5.15	5.78
49020 · Donations	0.00	1,750.00
49030 · Donations - Bill Day Award	1,000.00	1,000.00
49070 · SD Bar Foundation grant	58,000.00	65,000.00
49075 · Grant- Comm on Equal Access to		
49075-1 · CEAC Training Grant	0.00	3,500.00
49075-2 · CEAC Operating Grant	0.00	10,000.00
49075 · Grant- Comm on Equal Access to - Other	35,000.00	37,333.32
Total 49075 · Grant- Comm on Equal Access to	35,000.00	50,833.32
49080 · State Bar payments	58,500.00	55,000.00
Total Income	152,505.15	173,589.10
Expense		
49130 · Judicare	24,500.00	14,112.12
50010 · Wages	93,810.65	89,187.71
50020 · Payroll Taxes	8,734.02	6,832.48
50030 · Eye/Dental Allowance	1,866.00	2,798.40
50040 · Travel		
50040-1 · Travel - Mileage	250.54	0.00
50040-2 · Travel - Air fare	0.00	299.00
50040-3 · Travel - Lodging	768.53	164.64
50040-4 · Travel - Food/meals	133.53	0.00
50040-5 · Travel - Registration fees	298.00	0.00
Total 50040 · Travel	1,450.60	463.64
50050 · Accounting services		
50050.1 · preparation of exempt org. ret	761.48	761.48
Total 50050 · Accounting services	761.48	761.48
50060 · Office Supplies	431.94	766.94
50061 · Software	3,816.00	4,636.01
50070 · Phone/internet	1,573.33	1,564.84
50096 · William F. Day Pro Bono Award	1,000.00	1,000.00
50120 · Retirement	5,628.63	5,351.25
50130 · Miscellaneous Expense	898.01	456.40
50135 · Statewide Intake	7,800.00	7,099.79
50140 · Owed to State Bar of South Dako	0.00	2,877.00
Total Expense	152,270.66	137,908.06
Net Ordinary Income	234.49	35,681.04
Other Income/Expense		
Other Expense		
25000 · Due to State Bar of SD - ATJ	0.00	-2,876.88
55060 · Depreciation expense	0.00	577.19
Total Other Expense	0.00	-2,299.69
Net Other Income	0.00	2,299.69
Net Income	234.49	37,980.73

SOUTH DAKOTA COMMISSION ON EQUAL ACCESS TO OUR COURTS

Summary Sheet

Legal Name of Organization	Access to Justice, Inc.
Mailing Address	111 W. Capitol Ave., Suite 1, Pierre, South Dakota 57501
Telephone Number	(855) 287-3510
Website	www.statebarofsouthdakota.com/page/access-to-justice
Director	Denise C. Langley
Director's Email Address	access.to.justice@sdbar.net
Application Contact & Title	Denise C. Langley, Coordinator/Director
Application Contact's Email Address	access.to.justice@sdbar.net
Mission Statement	To promote equal access to justice for all citizens of the State of South Dakota.
Geographic Area Served (Specific to this Proposal)	The State of South Dakota
Number of Full-Time Employees	One
Number of Part-Time Employees	n/a
Type of Grant Requested (General Operating Support; Program Support; Capital Request; or Other)	Judicare program funding
Amount of Request	CEAC grant funds in the amount of \$20,000
For requests other than general operating support, summarize what the grant will be used for	Access to Justice will use grant funds to supplement the A2J Judicare program.
Applicant's Current Budget for Fiscal Year Ending: 07/31/2022	
Income	\$127,000
Expenses	\$132,070
If other than a general operating request:	
	Dates: From: 01/01/22 – 12/31/22
Program or Capital Budget:	Income \$N/A Expenses \$N/A

By signing below, I certify that the information contained in this application is true and correct to the best of my knowledge.

Denise Langley
Director

12/14/2021
Date