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2005

***Financial Report***  
***Louisiana State Bar Association***  
***June 30, 2004***

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Release Date 4-13-05

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Bourgeois Bennett

## **INDEPENDENT AUDITOR'S REPORT**

Board of Governors,  
Louisiana State Bar Association,  
New Orleans, Louisiana.

We have audited the accompanying statements of financial position of the Louisiana State Bar Association as of June 30, 2004 and 2003, the related statement of activities for the year ended June 30, 2004, and statements of cash flows for the years ended June 30, 2004 and 2003. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. The 2004 audit was conducted in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Bar Association as of June 30, 2004 and 2003, the changes in its net assets for the year ended June 30, 2004, and its cash flows for the years ended June 30, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United State of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2003, from which the summarized information was derived.

In accordance with Government Auditing Standards, we have also issued a report dated September 29, 2004 on our consideration of Louisiana State Bar Association's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
September 29, 2004.

**STATEMENTS OF FINANCIAL POSITION****Louisiana State Bar Association**

June 30, 2004

(with comparative totals for June 30, 2003)

| <u>ASSETS</u>                            | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>2004<br/>Totals</u> | <u>2003<br/>Totals</u> |
|--|---------------------|-----------------------------------|------------------------|------------------------|
| <b>Current Assets</b>                    |                     |                                   |                        |                        |
| Cash and cash equivalents                | \$ 1,507,265        | \$ 903,706                        | \$ 2,410,971           | \$ 1,755,126           |
| Investments                              | 2,377,380           | 190,006                           | 2,567,386              | 4,015,934              |
| Receivables                              | 63,001              | 26,051                            | 89,052                 | 57,666                 |
| Accrued interest receivable              | 33,711              | -                                 | 33,711                 | 35,674                 |
| Prepaid expenses                         | 42,391              | -                                 | 42,391                 | 51,185                 |
| Total current assets                     | <u>4,023,748</u>    | <u>1,119,763</u>                  | <u>5,143,511</u>       | <u>5,915,585</u>       |
| <b>Property and Equipment</b>            |                     |                                   |                        |                        |
| Furniture and equipment                  | 954,184             | 4,063                             | 958,247                | 923,702                |
| Bar Center                               | 1,881,646           | -                                 | 1,881,646              | -                      |
|  | <u>2,835,830</u>    | <u>4,063</u>                      | <u>2,839,893</u>       | <u>923,702</u>         |
| Less accumulated depreciation            | <u>609,317</u>      | <u>2,631</u>                      | <u>611,948</u>         | <u>552,924</u>         |
| Net property and equipment               | <u>2,226,513</u>    | <u>1,432</u>                      | <u>2,227,945</u>       | <u>370,778</u>         |
| Totals                                   | <u>\$ 6,250,261</u> | <u>\$ 1,121,195</u>               | <u>\$ 7,371,456</u>    | <u>\$ 6,286,363</u>    |
| <b><u>LIABILITIES AND NET ASSETS</u></b> |                     |                                   |                        |                        |
| <b>Current Liabilities</b>               |                     |                                   |                        |                        |
| Unearned revenue                         | \$ 1,033,322        | \$ -                              | \$ 1,033,322           | \$ 1,091,142           |
| Accounts payable and accrued expenses    | 453,758             | -                                 | 453,758                | 385,554                |
| Total current liabilities                | <u>1,487,080</u>    | <u>-</u>                          | <u>1,487,080</u>       | <u>1,476,696</u>       |
| <b>Other Liabilities</b>                 |                     |                                   |                        |                        |
| Deferred rent                            | 193,564             | -                                 | 193,564                | -                      |
| Total liabilities                        | <u>1,680,644</u>    | <u>-</u>                          | <u>1,680,644</u>       | <u>1,476,696</u>       |
| <b>Net Assets</b>                        |                     |                                   |                        |                        |
| Unrestricted                             | 4,569,617           | -                                 | 4,569,617              | 3,712,550              |
| Temporarily restricted                   | -                   | 1,121,195                         | 1,121,195              | 1,097,117              |
| Total net assets                         | <u>4,569,617</u>    | <u>1,121,195</u>                  | <u>5,690,812</u>       | <u>4,809,667</u>       |
| Totals                                   | <u>\$ 6,250,261</u> | <u>\$ 1,121,195</u>               | <u>\$ 7,371,456</u>    | <u>\$ 6,286,363</u>    |

See accompanying notes to financial statements. 3

**SCHEDULES OF TEMPORARILY RESTRICTED NET ASSETS****Louisiana State Bar Association**

June 30, 2004  
(with comparative totals for June 30, 2003)

|  | <u>2004</u>         | <u>2003</u>         |
|--|---------------------|---------------------|
| Access to Justice Program Project Grants                 | \$ 43,638           | \$ 6,196            |
| Access to Justice  | -                   | -                   |
| ADA Accommodations Fund                                  | -                   | 21,379              |
| Annual Meeting Fund                                      | -                   | 38,807              |
| Exam Fee   | -                   | 15,089              |
| Legal Malpractice Insurance Trust                        | 256,461             | 250,151             |
| Legal Specialization Fund                                | 239,285             | 177,972             |
| Tax Specialization Account                               | -                   | 59,053              |
| Young Lawyers Section - Grant Fund                       | 200                 | 309                 |
| Young Lawyers Section, Bridging the Gap                  | 17,404              | 17,501              |
| Sections:  |                     |                     |
| Administrative Law                                       | 1,611               | 893                 |
| Alternative Dispute Resolution                           | 50,186              | 42,868              |
| Antitrust and Trade Regulation Law                       | 8,346               | 7,668               |
| Bench and Bar  | 3,585               | 2,220               |
| Bill of Rights   | 1,453               | 1,033               |
| Civil Law and Litigation                                 | 49,138              | 49,872              |
| Consumer Protection and Bankruptcy Law                   | 26,884              | 25,937              |
| Corporate and Business Law                               | 78,900              | 73,859              |
| Criminal Law   | 14,486              | 13,082              |
| Environmental Law  | 17,439              | 16,085              |
| Family Law   | 27,866              | 24,384              |
| Fidelity, Surety, and Construction Law                   | 18,012              | 16,277              |
| Francophone  | 898                 | 1,928               |
| Government and Public Law                                | 35,960              | 27,886              |
| Health Law   | 11,896              | 9,821               |
| Insurance, Negligence,<br>Compensation and Admiralty Law | 21,156              | 15,282              |
| Intellectual Property                                    | 16,092              | 13,414              |
| International Law  | 3,412               | 2,355               |
| Labor and Employment Law                                 | 10,756              | 9,686               |
| Mineral Law  | 41,951              | 40,066              |
| Minority Involvement                                     | 2,453               | 4,545               |
| Public Utility   | 13,906              | 6,971               |
| Solo and Small Firm                                      | 10,873              | 10,471              |
| Taxation   | 33,202              | 35,330              |
| Trusts, Estate, Probate and<br>Immovable Property Law    | 63,746              | 58,727              |
| Total temporarily restricted net assets                  | <u>\$ 1,121,195</u> | <u>\$ 1,097,117</u> |

See accompanying notes to financial statements.

**STATEMENT OF ACTIVITIES****Louisiana State Bar Association**

For the year ended June 30, 2004  
(with summarized information for the year ended June 30, 2003)

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>2004<br/>Totals</u> | <u>2003<br/>Totals</u> |
|--|---------------------|-----------------------------------|------------------------|------------------------|
| <b>Support, Revenue, Gains and<br/>Reclassifications</b> |                     |                                   |                        |                        |
| Membership dues  | \$ 1,745,175        | \$ 195,465                        | \$ 1,940,640           | \$ 1,914,533           |
| Penalties  | 20,050              | 1,350                             | 21,400                 | 24,050                 |
| Seminars, conferences and luncheons                      | 747,679             | 61,906                            | 809,585                | 867,141                |
| Royalties  | 341,875             |                                   | 341,875                | 356,573                |
| Contributions  | -                   | 278,866                           | 278,866                | 227,398                |
| MCLE fees  | 256,284             |                                   | 256,284                | 270,144                |
| Annual meetings  | 217,058             |                                   | 217,058                | 229,244                |
| Advertising  | 213,872             |                                   | 213,872                | 187,628                |
| Web site advertising                                     | 13,757              |                                   | 13,757                 | 6,240                  |
| Interest   | 112,341             | 12,588                            | 124,929                | 145,350                |
| Gain (loss) on investments, net                          | (42,034)            |                                   | (42,034)               | 38,979                 |
| Sublease income  | 64,924              |                                   | 64,924                 | 82,993                 |
| Fees and administrative services:                        |                     |                                   |                        |                        |
| Disciplinary assessment processing                       | 55,643              |                                   | 55,643                 | 53,384                 |
| Annual meeting   | -                   |                                   | -                      | 6,990                  |
| Fee arbitration program                                  | 2,600               |                                   | 2,600                  | 2,509                  |
| Sales of membership labels                               | 32,744              |                                   | 32,744                 | 26,464                 |
| Practice assistance                                      | 30,200              |                                   | 30,200                 | -                      |
| Examination, accreditation and<br>reinstatement fees     | -                   | 18,500                            | 18,500                 | 316,971                |
| Loss on disposal of property and equipment               | (4,925)             |                                   | (4,925)                | (4,050)                |
| Miscellaneous Income                                     | 22,420              |                                   | 22,420                 | -                      |
| Rent credit income                                       | 856,436             | -                                 | 856,436                | -                      |
| Net assets released from restrictions                    | 549,028             | (549,028)                         | -                      | -                      |
| Reclassifications  | (77,874)            | 77,874                            | -                      | -                      |
|  | <u>5,157,253</u>    | <u>97,521</u>                     | <u>5,254,774</u>       | <u>4,752,541</u>       |
| Total support, revenue, gains and<br>reclassifications   |                     |                                   |                        |                        |

**Exhibit B  
(Continued)**

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>2004<br/>Totals</u> | <u>2003<br/>Totals</u> |
|--|---------------------|-----------------------------------|------------------------|------------------------|
| <b>Expenses</b>  |                     |                                   |                        |                        |
| For officials, sections, committees, and services:     |                     |                                   |                        |                        |
| Annual meetings  | 197,302             |                                   | 197,302                | 200,418                |
| MCLE expense   | 177,127             |                                   | 177,127                | 192,055                |
| Travel and per diem                                    | 234,966             |                                   | 234,966                | 231,190                |
| Seminars, conferences and luncheons                    | 334,762             |                                   | 334,762                | 451,818                |
| Supplies, awards and gifts                             | 237,162             |                                   | 237,162                | 221,252                |
| Telephone  | 21,365              |                                   | 21,365                 | 26,329                 |
| Administering exams                                    | 237                 |                                   | 237                    | 109,396                |
| Publication costs of Louisiana                         |                     |                                   |                        |                        |
| Bar Journal and Bar Briefs                             | 197,620             |                                   | 197,620                | 201,780                |
| Practice Assistance Program                            | 505,484             |                                   | 505,484                | 423,515                |
| Stationery, printing and postage                       | 279,592             |                                   | 279,592                | 314,474                |
| Louisiana Client Assistance Foundation                 | -                   |                                   | -                      | 100,000                |
| Professional services                                  | 128,947             |                                   | 128,947                | 82,343                 |
| Scholarships   | 5,040               |                                   | 5,040                  | 4,990                  |
| Claims paid  | -                   |                                   | -                      | 61,224                 |
| Depreciation   | 955                 |                                   | 955                    | 777                    |
| Miscellaneous  | 29,550              |                                   | 29,550                 | 73,810                 |
|  | <u>2,350,109</u>    | <u>-</u>                          | <u>2,350,109</u>       | <u>2,695,371</u>       |
| Total officials, sections, committees,<br>and services |                     |                                   |                        |                        |
| General expense:                                       |                     |                                   |                        |                        |
| Staff compensation                                     | 991,375             |                                   | 991,375                | 975,666                |
| Accounting services                                    | 23,761              |                                   | 23,761                 | 32,488                 |
| Retirement plans                                       | 55,984              |                                   | 55,984                 | 46,698                 |
| Insurance  | 123,863             |                                   | 123,863                | 106,880                |
| Equipment and computer rental<br>and maintenance       | 106,101             |                                   | 106,101                | 103,269                |
| Office supplies  | 27,454              |                                   | 27,454                 | 32,509                 |
| Payroll taxes  | 57,039              |                                   | 57,039                 | 60,521                 |
| Stationery, printing and postage                       | 32,649              |                                   | 32,649                 | 40,778                 |
| Rent and office maintenance                            | 369,176             |                                   | 369,176                | 382,896                |
| Telephone  | 51,162              |                                   | 51,162                 | 49,810                 |
| Travel and per diem and meetings                       | 17,617              |                                   | 17,617                 | 15,230                 |
| Automobile allowance and parking                       | 22,640              |                                   | 22,640                 | 26,451                 |
| Depreciation   | 75,253              |                                   | 75,253                 | 58,091                 |
| Royalties  | 803                 |                                   | 803                    | -                      |
| Miscellaneous  | 34,007              |                                   | 34,007                 | 15,439                 |
|  | <u>1,988,884</u>    | <u>-</u>                          | <u>1,988,884</u>       | <u>1,946,726</u>       |
| Total general expense                                  |                     |                                   |                        |                        |
| Total expense  | <u>4,338,993</u>    | <u>-</u>                          | <u>4,338,993</u>       | <u>4,642,097</u>       |
| <b>Change in Net Assets</b>                            | 818,260             | 97,521                            | 915,781                | 110,444                |
| <b>Net Assets</b>                                      |                     |                                   |                        |                        |
| Beginning of year                                      | 3,712,550           | 1,097,117                         | 4,809,667              | 4,929,223              |
| Program distributions                                  | 38,807              | (73,443)                          | (34,636)               | (230,000)              |
| End of year  | <u>\$ 4,569,617</u> | <u>\$ 1,121,195</u>               | <u>\$ 5,690,812</u>    | <u>\$ 4,809,667</u>    |

See accompanying notes to financial statements.



**STATEMENTS OF CASH FLOWS****Louisiana State Bar Association**

For the year ended June 30, 2004  
(with comparative totals for the year ended June 30, 2003)

|   | Unrestricted        | Temporarily<br>Restricted | 2004<br>Totals      | 2003<br>Totals      |
|---|---------------------|---------------------------|---------------------|---------------------|
| <b>Cash Flows From Operating Activities</b>   |                     |                           |                     |                     |
| Change in net assets  | \$ 818,260          | \$ 97,521                 | \$ 915,781          | \$ 110,444          |
| Adjustments to reconcile change<br>in net assets to net cash provided by<br>(used in) operating activities: |                     |                           |                     |                     |
| Rent credit income  | (856,436)           | -                         | (856,436)           | -                   |
| Depreciation  | 75,253              | 955                       | 76,208              | 58,868              |
| Loss (gain) on investments  | 42,034              |                           | 42,034              | (38,979)            |
| Loss on disposal of property and equipment  | 4,925               |                           | 4,925               | 4,050               |
| Decrease (increase) in receivables  | (24,880)            | (6,506)                   | (31,386)            | 67,624              |
| Decrease (increase) in accrued interest   | 1,963               |                           | 1,963               | (332)               |
| Decrease (increase) in prepaid expenses   | 8,794               |                           | 8,794               | (4,285)             |
| Increase (decrease) in unearned revenue   | (57,820)            |                           | (57,820)            | 88,414              |
| Increase (decrease) in accounts payable<br>and accrued expenses   | 214,403             | (146,199)                 | 68,204              | (115,530)           |
| Net cash provided by (used in)<br>operating activities  | <u>226,496</u>      | <u>(54,229)</u>           | <u>172,267</u>      | <u>170,274</u>      |
| <b>Cash Flows From Investing Activities</b>   |                     |                           |                     |                     |
| Purchase of investments   | (2,394,558)         | (90,003)                  | (2,484,561)         | (2,510,378)         |
| Proceeds from sale of investments   | 3,741,072           | 150,003                   | 3,891,075           | 2,059,967           |
| Purchases of property and equipment   | (888,300)           | -                         | (888,300)           | (241,972)           |
| Net cash provided by (used in)<br>investing activities  | <u>458,214</u>      | <u>60,000</u>             | <u>518,214</u>      | <u>(692,383)</u>    |
| <b>Cash Flows From Financing Activities</b>   |                     |                           |                     |                     |
| Program distributions   | 38,807              | (73,443)                  | (34,636)            | (230,000)           |
| Net Increase (Decrease) In Cash and<br>Cash Equivalents   | 723,517             | (67,672)                  | 655,845             | (752,109)           |
| <b>Cash and Cash Equivalents</b>  |                     |                           |                     |                     |
| Beginning of year   | 783,748             | 971,378                   | 1,755,126           | 2,507,235           |
| End of year   | <u>\$ 1,507,265</u> | <u>\$ 903,706</u>         | <u>\$ 2,410,971</u> | <u>\$ 1,755,126</u> |
| <b>Supplemental Noncash Investing Activities</b>  |                     |                           |                     |                     |
| Rent credit income  | \$ 856,436          | \$ -                      | \$ 856,436          | \$ -                |
| Deferred rent liability   | 193,564             | -                         | 193,564             | -                   |
| Investment in Bar Center  | <u>\$ 1,050,000</u> | <u>\$ -</u>               | <u>\$ 1,050,000</u> | <u>\$ -</u>         |

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**Louisiana State Bar Association**

June 30, 2004 and 2003

**Note 1 - NATURE OF ACTIVITIES**

The objects and purposes of Louisiana State Bar Association (the Association) is to regulate the practice of law, advance the science of jurisprudence, promote the administration of justice, uphold the honor of the Courts and the profession of law, encourage cordial intercourse among its members, and generally, to promote the welfare of the profession in the State. The Association is self-governing and its membership is comprised of all persons who are now, or may hereafter be, licensed to practice in the state of Louisiana.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Organization and Income Taxes**

Louisiana State Bar Association is a nonprofit corporation organized under the laws of the State of Louisiana (R.S.37:211). The Association is exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code, and qualifies as *an organization that is not a private foundation as defined in Section 509(a) of the code*. Net operating profits from unrelated business income are subject to Federal income tax.

**b) Basis of Accounting**

The financial statements of the Association are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make *estimates and assumptions that affect certain reported amounts and disclosures*. Accordingly, actual results could differ from those estimates.

**d) Investments**

Investments are carried at fair market value, based on quoted market prices.

**e) Property and Equipment**

The Association records all property and equipment acquisitions at cost. Depreciation is determined using the straight-line method and is intended to allocate the cost of the assets over their estimated useful lives.

**f) Unearned Revenue**

Unearned revenue consists of dues for the following year received in advance and registration fees received as of year-end for seminars to be held in the following year.

**g) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Association considers all highly liquid investments in money market funds to be cash equivalents.

**h) Donated Services**

A portion of the Association's functions, including educational activities and publications, is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Association maintains its accounting records using separate funds to account for specific assets, liabilities, and transactions as follows:

**Unrestricted Net Assets** - Receives membership dues and other revenues and expends funds for the general operation of the Association. This fund accounts for all activities other than those specifically authorized to be conducted from the various temporarily restricted funds.

**Temporarily Restricted Net Assets** - Receives membership dues, conference fees and other revenues which are to be expended and accounted for by the following specific accounts: Access to Justice Program Project Grants, Access to Justice, ADA Accommodations, Annual Meeting (see Note 2j), Clients' Protection, Exam Fee, Legal Malpractice Insurance Trust, Legal Specialization, Tax Specialization, Young Lawyers Section - Grant Fund, Young Lawyers Section, Bridging the Gap, and each of the other Section accounts created by the House of Delegates.

The Association does not have any permanently restricted net assets.

**j. Reclassifications**

Certain reclassifications were made to the 2003 financial statement presentation in order to conform to the 2004 financial statement presentation. Also, beginning with the year ended June 30, 2004, revenues and expenses related to the "Annual Meeting" are accounted for as unrestricted.

**Note 3 - CONCENTRATION OF CREDIT RISK**

The Association maintains its cash balances and certificates of deposits at several financial institutions located in New Orleans, Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of June 30, 2004, uninsured balances totaled approximately \$1,290,000.

**Note 4 - INVESTMENTS**

Investments are summarized as follows:

|                              | <u>June 30, 2004</u>      |                           | <u>June 30, 2003</u>      |                           |
|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                              | <u>Cost</u>               | <u>Market</u>             | <u>Cost</u>               | <u>Market</u>             |
| Federal Mortgage Obligations | \$1,178,030               | \$1,195,021               | \$1,352,636               | \$1,415,847               |
| United States Treasury Notes | 134,611                   | 142,942                   | 199,291                   | 214,773                   |
| United States Treasury Bonds | -                         | -                         | 99,946                    | 121,719                   |
| Certificates of Deposit      | 490,015                   | 490,015                   | 1,450,030                 | 1,450,030                 |
| Common stock                 | 520,585                   | 538,620                   | -                         | -                         |
| Corporate Bonds              | 203,516                   | 200,788                   | -                         | -                         |
| Fixed Annuity                | -                         | -                         | 813,565                   | 813,565                   |
| <b>Totals</b>                | <u><b>\$2,526,757</b></u> | <u><b>\$2,567,386</b></u> | <u><b>\$3,915,468</b></u> | <u><b>\$4,015,934</b></u> |

|                                | <u>Cost</u>        | <u>Market Value</u> | <u>Excess of Market Over Cost</u> |
|--------------------------------|--------------------|---------------------|-----------------------------------|
| Balance at June 30, 2004       | <u>\$2,526,757</u> | <u>\$2,567,386</u>  | \$ 40,629                         |
| Balance at June 30, 2003       | <u>\$3,915,468</u> | <u>\$4,015,934</u>  | <u>100,466</u>                    |
| Unrealized loss on investments |                    |                     | (59,837)                          |
| Realized gain for the year     |                    |                     | <u>17,803</u>                     |
| Net loss for the year          |                    |                     | <u><b>\$ (42,034)</b></u>         |

**Note 4 - INVESTMENTS (Continued)**

|                                | <u>Cost</u>        | <u>Market<br/>Value</u> | <u>Excess<br/>of<br/>Market<br/>Over Cost</u> |
|--------------------------------|--------------------|-------------------------|---|
| Balance at June 30, 2003       | <u>\$3,915,468</u> | <u>\$4,015,934</u>      | \$100,466                                     |
| Balance at June 30, 2002       | <u>\$3,466,217</u> | <u>\$3,526,544</u>      | <u>60,327</u>                                 |
| Unrealized gain on investments |                    |                         | 40,139  |
| Realized loss for the year     |                    |                         | <u>(1,160)</u>                                |
| Net gain for the year          |                    |                         | <u>\$ 38,979</u>                              |

**Note 5 - LOUISIANA BAR CENTER**

The Association, as lessee, had a noncancelable operating lease agreement with the Louisiana Bar Foundation for office facilities known as the "Louisiana Bar Center". This lease agreement was recorded on the books of the Association as an operating lease. As amended, the "Bar Center" lease provided for a primary term which was to expire on December 31, 2005 and successive five-year renewal options for a maximum lease term of 99 years.

On June 23, 2004, the lease was terminated and the Association purchased the Bar Center from the Louisiana Bar Foundation. Through this date, the Association paid the Foundation \$17,642 per month plus operating expenses as rent for this facility. Further, under the terms of the lease dated September 7, 1987, the First Amendment to Lease dated March 30, 1990, the Second Amendment to Lease dated December 19, 1990 and the Interim Letter of Agreement dated October 1, 1994, any rent in excess of fair market value paid by the Association to the Foundation is considered to be prepaid rent. After repayment of building-related debt by the Foundation, this prepaid rent was to be used to reduce the rental payments by the Association to the Foundation.

**Note 5 - LOUISIANA BAR CENTER (Continued)**

As of June 30, 2003, prepaid rent totaled \$1,005,067. Also as of this date, management of the Association had concluded that this amount should not be recorded as an asset of the Association because of the uncertainty of when the benefit would be realized. However, during the year ended June 30, 2004, a significant part of this benefit was realized and recorded as other income and was part of the consideration of the Bar Center purchase as follows:

|   |                    |
|---|--------------------|
| Rent credits previously disclosed                 | \$1,005,067        |
| Less amount not realized                          | <u>(148,631)</u>   |
| Rent credits realized                             | 856,436            |
| Cash paid   | 800,000            |
| Present value of Foundation's rent-free occupancy | <u>193,564</u>     |
| Fair value - Bar Center                           | 1,850,000          |
| Other acquisition costs                           | <u>31,646</u>      |
| Total - Bar Center                                | <u>\$1,881,646</u> |

Office space not used by the Association was subleased to the Louisiana Bar Foundation and the Judiciary Commission of Louisiana. The New Orleans Pro Bono Project sublease was considered a month-to-month rental, but was cancelled in December 2002. The Judiciary Commission of Louisiana lease expires June 30, 2005. Rental payments under this lease were \$2,625 per month, but due to added space the lease payments increased to \$2,650 per month in November 2002. Prior to the Bar Center purchase, the Louisiana Bar Foundation had not executed a sublease agreement and was considered a month-to-month rental. Rental payments under this sublease were \$2,777 per month. Sublease rental income totaled \$64,924 and \$82,993 for the years ended June 30, 2004 and 2003, respectively. Included in the total for the year ended June 30, 2003 is \$10,000 received for granting of servitudes to a neighboring building.

**Note 5 - LOUISIANA BAR CENTER (Continued)**

Also, effective June 23, 2004, the Association entered into a lease agreement with the Foundation as part of the sale transaction previously described. The lease provides for the Foundation's rent-free use of a portion of the building's third floor office space for a 10-year period ending June 22, 2014.

**Note 6 - RETIREMENT PLANS**

The Association had a money purchase plan which covered all full-time employees who met certain eligibility requirements. The Association's funding policy was to make annual contributions to the plan equal to 10% of the basic salary of each eligible employee. The Association contributed \$26,357 for the six-month period ended December 31, 2002.

Effective January 1, 1998, the Association adopted a new defined contribution plan covering substantially all employees who meet certain eligibility requirements. The Plan is a profit-sharing plan with a cash or deferred arrangement. Effective December 31, 2002 the Association merged the money purchase pension plan into the profit sharing plan. The actual transfer of the assets took place on January 24, 2003. The contribution to this plan for the six-months ended June 30, 2003 and the year ended June 30, 2004 was \$29,600 and \$55,984, respectively.





Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT**  
**ON ADDITIONAL INFORMATION**

Board of Governors,  
Louisiana State Bar Association,  
New Orleans, Louisiana.

Our report on the audits of the financial statements of Louisiana State Bar Association for the years ended June 30, 2004 and 2003 appears on page 1. The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, based on our audits, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certified Public Accountants.

New Orleans, Louisiana,  
September 29, 2004.

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | Access to Justice<br>Program Project Grants |                 | Access to Justice |                | ADA<br>Accommodations |                  |
|--|---|-----------------|-------------------|----------------|-----------------------|------------------|
|  | 2004  | 2003            | 2004              | 2003           | 2004                  | 2003             |
| <b>Revenue</b>   |   |                 |                   |                |                       |                  |
| Membership dues  | \$ -  | \$ -            | \$ -              | \$ -           | \$ -                  | \$ -             |
| Penalties  | -   | -               | -                 | -              | -                     | -                |
| Seminars, conferences and<br>luncheons                 | -   | -               | -                 | -              | -                     | -                |
| Interest   | -   | -               | -                 | -              | -                     | -                |
| Contributions  | 166,395                                     | 101,381         | 106,238           | 100,028        | -                     | -                |
| Examination fees                                       | -   | -               | -                 | -              | 1,350                 | 44,750           |
| Total revenue  | <u>166,395</u>                              | <u>101,381</u>  | <u>106,238</u>    | <u>100,028</u> | <u>1,350</u>          | <u>44,750</u>    |
| <b>Expense</b>   |   |                 |                   |                |                       |                  |
| Travel and per diem                                    | -   | -               | 11,586            | 6,062          | -                     | -                |
| Printing and postage                                   | -   | 98              | 1,580             | 1,488          | -                     | -                |
| Supplies, awards and gifts                             | -   | -               | 2,956             | 1,965          | -                     | -                |
| Seminars, conferences and<br>luncheons                 | -   | 216             | 20,455            | 17,134         | -                     | -                |
| Scholarships   | -   | -               | -                 | -              | -                     | -                |
| Professional services                                  | 127,317                                     | 82,343          | -                 | -              | -                     | -                |
| Administering exams                                    | -   | -               | -                 | -              | -                     | -                |
| Staff administration                                   | -   | 2,801           | 158,273           | 145,579        | -                     | -                |
| Claims paid  | -   | -               | -                 | -              | -                     | -                |
| Telephone  | 50  | 913             | 1,317             | 1,152          | -                     | -                |
| Depreciation   | -   | -               | -                 | -              | -                     | -                |
| Miscellaneous  | 1,586                                       | 9,900           | 5,656             | 1,913          | -                     | 34,385           |
| Total expense  | <u>128,953</u>                              | <u>96,271</u>   | <u>201,823</u>    | <u>175,293</u> | <u>-</u>              | <u>34,385</u>    |
| <b>Change In Net Assets</b>                            | 37,442                                      | 5,110           | (95,585)          | (75,265)       | 1,350                 | 10,365           |
| <b>Net Assets</b>                                      |   |                 |                   |                |                       |                  |
| Beginning of year                                      | 6,196                                       | 1,086           | -                 | -              | 21,379                | 161,014          |
| Program distributions                                  | -   | -               | -                 | -              | (22,729)              | (150,000)        |
| Reclassifications (to)/from<br>unrestricted net assets | -   | -               | 95,585            | 75,265         | -                     | -                |
| End of year  | <u>\$ 43,638</u>                            | <u>\$ 6,196</u> | <u>\$ -</u>       | <u>\$ -</u>    | <u>\$ -</u>           | <u>\$ 21,379</u> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|   | <u>Annual Meeting Fund</u> |                  | <u>Clients' Protection Fund</u> |                 | <u>Exam Fee</u> |                  |
|---|----------------------------|------------------|---------------------------------|-----------------|-----------------|------------------|
|   | <u>2004</u>                | <u>2003</u>      | <u>2004</u>                     | <u>2003</u>     | <u>2004</u>     | <u>2003</u>      |
| <b>Revenue</b>                                      |                            |                  |                                 |                 |                 |                  |
| Membership dues                                     | \$ -                       | \$ -             | \$ -                            | \$ -            | \$ -            | \$ -             |
| Penalties   | -                          | -                | -                               | -               | -               | -                |
| Seminars, conferences and luncheons                 | -                          | 229,244          | -                               | -               | -               | -                |
| Interest  | -                          | 241              | -                               | 162             | -               | -                |
| Contributions                                       | -                          | -                | -                               | 20,179          | -               | -                |
| Examination fees                                    | -                          | -                | -                               | -               | -               | 95,200           |
| <b>Total revenue</b>                                | <b>-</b>                   | <b>229,485</b>   | <b>-</b>                        | <b>20,341</b>   | <b>-</b>        | <b>95,200</b>    |
| <b>Expense</b>                                      |                            |                  |                                 |                 |                 |                  |
| Travel and per diem                                 | -                          | 8,015            | -                               | -               | -               | -                |
| Printing and postage                                | -                          | 7,319            | -                               | -               | -               | -                |
| Supplies, awards and gifts                          | -                          | 20,014           | -                               | -               | -               | -                |
| Seminars, conferences and luncheons                 | -                          | 156,789          | -                               | -               | -               | -                |
| Scholarships  | -                          | -                | -                               | -               | -               | -                |
| Professional services                               | -                          | -                | -                               | -               | -               | -                |
| Administering exams                                 | -                          | -                | -                               | -               | -               | -                |
| Staff administration                                | -                          | 7,619            | -                               | -               | -               | -                |
| Claims paid   | -                          | -                | -                               | 61,224          | -               | -                |
| Telephone   | -                          | 662              | -                               | -               | -               | -                |
| Depreciation  | -                          | -                | -                               | -               | -               | -                |
| Miscellaneous                                       | -                          | -                | -                               | -               | 3,182           | 111              |
| <b>Total expense</b>                                | <b>-</b>                   | <b>200,418</b>   | <b>-</b>                        | <b>61,224</b>   | <b>3,182</b>    | <b>111</b>       |
| <b>Change In Net Assets</b>                         | <b>-</b>                   | <b>29,067</b>    | <b>-</b>                        | <b>(40,883)</b> | <b>(3,182)</b>  | <b>95,089</b>    |
| <b>Net Assets</b>                                   |                            |                  |                                 |                 |                 |                  |
| Beginning of year                                   | 38,807                     | 9,740            | -                               | 40,883          | 15,089          | -                |
| Program distributions                               | (38,807)                   | -                | -                               | -               | (11,907)        | (80,000)         |
| Reclassifications (to)/from unrestricted net assets | -                          | -                | -                               | -               | -               | -                |
| <b>End of year</b>                                  | <b>\$ -</b>                | <b>\$ 38,807</b> | <b>\$ -</b>                     | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 15,089</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|   | Legal Malpractice<br>Insurance Trust |                   | Legal<br>Specialization Fund |                   | Tax Specialization<br>Account |                  |
|---|--------------------------------------|-------------------|------------------------------|-------------------|-------------------------------|------------------|
|   | 2004                                 | 2003              | 2004                         | 2003              | 2004                          | 2003             |
| <b>Revenue</b>  |                                      |                   |                              |                   |                               |                  |
| Membership dues   | \$ -                                 | \$ -              | \$ 73,150                    | \$ 61,350         | \$ -                          | \$ -             |
| Penalties   | -                                    | -                 | 1,350                        | 2,900             | -                             | -                |
| Seminars, conferences and<br>luncheons                        | -                                    | -                 | -                            | -                 | -                             | -                |
| Interest  | 6,310                                | 3,635             | 4,083                        | 3,624             | 952                           | 1,866            |
| Contributions   | -                                    | -                 | -                            | -                 | -                             | -                |
| Examination fees  | -                                    | -                 | 17,150                       | 13,750            | -                             | -                |
| <b>Total revenue</b>  | <b>6,310</b>                         | <b>3,635</b>      | <b>95,733</b>                | <b>81,624</b>     | <b>952</b>                    | <b>1,866</b>     |
| <b>Expense</b>  |                                      |                   |                              |                   |                               |                  |
| Travel and per diem   | -                                    | -                 | 3,458                        | 5,144             | -                             | -                |
| Printing and postage  | -                                    | -                 | 3,152                        | 2,768             | -                             | -                |
| Supplies, awards and gifts                                    | -                                    | -                 | 898                          | -                 | -                             | -                |
| Seminars, conferences and<br>luncheons                        | -                                    | -                 | 5,188                        | 2,703             | 523                           | 280              |
| Scholarships  | -                                    | -                 | -                            | -                 | -                             | -                |
| Professional services   | -                                    | -                 | -                            | -                 | -                             | -                |
| Administering exams   | -                                    | -                 | 237                          | 818               | -                             | -                |
| Staff administration  | -                                    | -                 | 73,224                       | 67,296            | -                             | -                |
| Claims paid   | -                                    | -                 | -                            | -                 | -                             | -                |
| Telephone   | -                                    | -                 | 1,847                        | 1,282             | -                             | -                |
| Depreciation  | -                                    | -                 | 955                          | 777               | -                             | -                |
| Miscellaneous   | -                                    | -                 | 4,883                        | 3,349             | 60                            | 145              |
| <b>Total expense</b>  | <b>-</b>                             | <b>-</b>          | <b>93,842</b>                | <b>84,137</b>     | <b>583</b>                    | <b>425</b>       |
| <b>Change In Net Assets</b>                                   | <b>6,310</b>                         | <b>3,635</b>      | <b>1,891</b>                 | <b>(2,513)</b>    | <b>369</b>                    | <b>1,441</b>     |
| <b>Net Assets</b>   |                                      |                   |                              |                   |                               |                  |
| Beginning of year   | 250,151                              | 246,516           | 177,972                      | 180,485           | 59,053                        | 57,612           |
| Program distributions   | -                                    | -                 | 59,422                       | -                 | (59,422)                      | -                |
| Reclassifications (to)/from<br><i>unrestricted net assets</i> | -                                    | -                 | -                            | -                 | -                             | -                |
| <b>End of year</b>  | <b>\$ 256,461</b>                    | <b>\$ 250,151</b> | <b>\$ 239,285</b>            | <b>\$ 177,972</b> | <b>\$ -</b>                   | <b>\$ 59,053</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | Young<br>Lawyers Section -<br>Grant Fund |               | Young Lawyers Section,<br>Bridging The Gap |                  | SECTIONS ON<br>Administrative<br>Law |               |
|--|--|---------------|--|------------------|--------------------------------------|---------------|
|  | 2004                                     | 2003          | 2004                                       | 2003             | 2004                                 | 2003          |
|  |  |               |  |                  |                                      |               |
| <b>Revenue</b>   |  |               |  |                  |                                      |               |
| Membership dues  | \$ -                                     | \$ -          | \$ -                                       | \$ -             | \$ 1,230                             | \$ 1,095      |
| Penalties  | -  | -             | -  | -                | -                                    | -             |
| Seminars, conferences and<br>luncheons                 | -  | -             | -  | -                | -                                    | 150           |
| Interest   | -  | -             | -  | -                | -                                    | -             |
| Contributions  | 5,793                                    | 5,810         | -  | -                | -                                    | -             |
| Examination fees                                       | -  | -             | -  | -                | -                                    | -             |
| <b>Total revenue</b>                                   | <b>5,793</b>                             | <b>5,810</b>  | <b>-</b>                                   | <b>-</b>         | <b>1,230</b>                         | <b>1,245</b>  |
| <b>Expense</b>   |  |               |  |                  |                                      |               |
| Travel and per diem                                    | -  | -             | -  | -                | -                                    | -             |
| Printing and postage                                   | -  | -             | -  | -                | 291                                  | -             |
| Supplies, awards and gifts                             | 5,902                                    | 6,732         | -  | -                | -                                    | -             |
| Seminars, conferences and<br>luncheons                 | -  | -             | -  | -                | -                                    | 117           |
| Scholarships   | -  | -             | -  | -                | -                                    | -             |
| Professional services                                  | -  | -             | -  | -                | -                                    | -             |
| Administering exams                                    | -  | -             | -  | -                | -                                    | -             |
| Staff administration                                   | -  | -             | -  | -                | -                                    | -             |
| Claims paid  | -  | -             | -  | -                | -                                    | -             |
| Telephone  | -  | -             | -  | -                | 16                                   | 150           |
| Depreciation   | -  | -             | -  | -                | -                                    | -             |
| Miscellaneous  | -  | -             | 97   | 31               | -                                    | 50            |
| <b>Total expense</b>                                   | <b>5,902</b>                             | <b>6,732</b>  | <b>97</b>                                  | <b>31</b>        | <b>307</b>                           | <b>317</b>    |
| <b>Change In Net Assets</b>                            | <b>(109)</b>                             | <b>(922)</b>  | <b>(97)</b>                                | <b>(31)</b>      | <b>923</b>                           | <b>928</b>    |
| <b>Net Assets</b>                                      |  |               |  |                  |                                      |               |
| Beginning of year                                      | 309                                      | 1,231         | 17,501                                     | 17,532           | 893                                  | 145           |
| Program distributions                                  | -  | -             | -  | -                | -                                    | -             |
| Reclassifications (to)/from<br>unrestricted net assets | -  | -             | -  | -                | (205)                                | (180)         |
| <b>End of year</b>                                     | <b>\$ 200</b>                            | <b>\$ 309</b> | <b>\$ 17,404</b>                           | <b>\$ 17,501</b> | <b>\$ 1,611</b>                      | <b>\$ 893</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON                       |                  |                                       |                 |                 |                 |
|--|-----------------------------------|------------------|---------------------------------------|-----------------|-----------------|-----------------|
|  | Alternative<br>Dispute Resolution |                  | Antitrust and Trade<br>Regulation Law |                 | Bench and Bar   |                 |
|  | 2004                              | 2003             | 2004                                  | 2003            | 2004            | 2003            |
| <b>Revenue</b>   |                                   |                  |                                       |                 |                 |                 |
| Membership dues  | \$ 12,425                         | \$ 9,250         | \$ 890                                | \$ 970          | \$ 1,820        | \$ 2,180        |
| Penalties  | -                                 | -                | -                                     | -               | -               | -               |
| Seminars, conferences and<br>luncheons                 | 473                               | -                | -                                     | -               | -               | -               |
| Interest   | 109                               | 301              | 11                                    | 26              | 1               | 5               |
| Contributions  | -                                 | -                | -                                     | -               | -               | -               |
| Examination fees                                       | -                                 | -                | -                                     | -               | -               | -               |
| <b>Total revenue</b>                                   | <b>13,007</b>                     | <b>9,551</b>     | <b>901</b>                            | <b>996</b>      | <b>1,821</b>    | <b>2,185</b>    |
| <b>Expense</b>   |                                   |                  |                                       |                 |                 |                 |
| Travel and per diem                                    | -                                 | 6,039            | -                                     | -               | -               | -               |
| Printing and postage                                   | 433                               | 131              | -                                     | -               | -               | -               |
| Supplies, awards and gifts                             | -                                 | -                | -                                     | -               | -               | -               |
| Seminars, conferences and<br>luncheons                 | -                                 | 598              | -                                     | -               | -               | 95              |
| Scholarships   | -                                 | -                | -                                     | -               | -               | -               |
| Professional services                                  | -                                 | -                | -                                     | -               | -               | -               |
| Administering exams                                    | -                                 | -                | -                                     | -               | -               | -               |
| Staff administration                                   | -                                 | -                | -                                     | -               | -               | -               |
| Claims paid  | -                                 | -                | -                                     | -               | -               | -               |
| Telephone  | 38                                | 47               | -                                     | -               | -               | 45              |
| Depreciation   | -                                 | -                | -                                     | -               | -               | -               |
| Miscellaneous  | 4,720                             | 3,095            | -                                     | -               | 228             | 20              |
| <b>Total expense</b>                                   | <b>5,191</b>                      | <b>9,910</b>     | <b>-</b>                              | <b>-</b>        | <b>228</b>      | <b>160</b>      |
| <b>Change In Net Assets</b>                            | <b>7,816</b>                      | <b>(359)</b>     | <b>901</b>                            | <b>996</b>      | <b>1,593</b>    | <b>2,025</b>    |
| <b>Net Assets</b>                                      |                                   |                  |                                       |                 |                 |                 |
| Beginning of year                                      | 42,868                            | 43,727           | 7,668                                 | 6,912           | 2,220           | 455             |
| Program distributions                                  | -                                 | -                | -                                     | -               | -               | -               |
| Reclassifications (to)/from<br>unrestricted net assets | (498)                             | (500)            | (223)                                 | (240)           | (228)           | (260)           |
| <b>End of year</b>                                     | <b>\$ 50,186</b>                  | <b>\$ 42,868</b> | <b>\$ 8,346</b>                       | <b>\$ 7,668</b> | <b>\$ 3,585</b> | <b>\$ 2,220</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON     |                 |                             |                  |   |                  |
|--|-----------------|-----------------|-----------------------------|------------------|---|------------------|
|  | Bill of Rights  |                 | Civil Law and<br>Litigation |                  | Consumer Protection<br>and Bankruptcy Law |                  |
|  | 2004            | 2003            | 2004                        | 2003             | 2004                                      | 2003             |
| <b>Revenue</b>   |                 |                 |                             |                  |   |                  |
| Membership dues  | \$ 450          | \$ 470          | \$ 7,540                    | \$ 8,120         | \$ 1,850                                  | \$ 1,950         |
| Penalties  | -               | -               | -                           | -                | -   | -                |
| Seminars, conferences and<br>luncheons                 | -               | -               | -                           | -                | -   | -                |
| Interest   | -               | -               | 137                         | 339              | 63  | 156              |
| Contributions  | 90              | -               | -                           | -                | -   | -                |
| Examination fees                                       | -               | -               | -                           | -                | -   | -                |
| <b>Total revenue</b>                                   | <b>540</b>      | <b>470</b>      | <b>7,677</b>                | <b>8,459</b>     | <b>1,913</b>                              | <b>2,106</b>     |
| <b>Expense</b>   |                 |                 |                             |                  |   |                  |
| Travel and per diem                                    | -               | -               | -                           | 1,236            | -   | -                |
| Printing and postage                                   | -               | -               | -                           | -                | -   | -                |
| Supplies, awards and gifts                             | -               | -               | -                           | -                | -   | -                |
| Seminars, conferences and<br>luncheons                 | -               | -               | 3                           | 470              | 457                                       | 201              |
| Scholarships   | -               | -               | 4,790                       | 4,490            | -   | -                |
| Professional services                                  | -               | -               | -                           | -                | -   | -                |
| Administering exams                                    | -               | -               | -                           | -                | -   | -                |
| Staff administration                                   | -               | -               | -                           | -                | -   | -                |
| Claims paid  | -               | -               | -                           | -                | -   | -                |
| Telephone  | -               | -               | 223                         | 619              | 46  | -                |
| Depreciation   | -               | -               | -                           | -                | -   | -                |
| Miscellaneous  | -               | -               | 1,500                       | 833              | -   | -                |
| <b>Total expense</b>                                   | <b>-</b>        | <b>-</b>        | <b>6,516</b>                | <b>7,648</b>     | <b>503</b>                                | <b>201</b>       |
| <b>Change In Net Assets</b>                            | <b>540</b>      | <b>470</b>      | <b>1,161</b>                | <b>811</b>       | <b>1,410</b>                              | <b>1,905</b>     |
| <b>Net Assets</b>                                      |                 |                 |                             |                  |   |                  |
| Beginning of year                                      | 1,033           | 655             | 49,872                      | 51,051           | 25,937                                    | 24,512           |
| Program distributions                                  | -               | -               | -                           | -                | -   | -                |
| Reclassifications (to)/from<br>unrestricted net assets | (120)           | (92)            | (1,895)                     | (1,990)          | (463)                                     | (480)            |
| <b>End of year</b>                                     | <b>\$ 1,453</b> | <b>\$ 1,033</b> | <b>\$ 49,138</b>            | <b>\$ 49,872</b> | <b>\$ 26,884</b>                          | <b>\$ 25,937</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON                   |                  |                  |                  |                   |                  |
|--|-------------------------------|------------------|------------------|------------------|-------------------|------------------|
|  | Corporate and<br>Business Law |                  | Criminal Law     |                  | Environmental Law |                  |
|  | 2004                          | 2003             | 2004             | 2003             | 2004              | 2003             |
| <b>Revenue</b>   |                               |                  |                  |                  |                   |                  |
| Membership dues  | \$ 6,990                      | \$ 7,020         | \$ 1,840         | \$ 1,930         | \$ 6,120          | \$ 5,800         |
| Penalties  | -                             | -                | -                | -                | -                 | -                |
| Seminars, conferences and<br>luncheons                 | -                             | -                | -                | -                | 5,095             | 4,580            |
| Interest   | 213                           | 501              | 27               | 67               | 47                | 91               |
| Contributions  | -                             | -                | -                | -                | -                 | -                |
| Examination fees                                       | -                             | -                | -                | -                | -                 | -                |
| <b>Total revenue</b>                                   | <u>7,203</u>                  | <u>7,521</u>     | <u>1,867</u>     | <u>1,997</u>     | <u>11,262</u>     | <u>10,471</u>    |
| <b>Expense</b>   |                               |                  |                  |                  |                   |                  |
| Travel and per diem                                    | -                             | -                | -                | -                | 696               | -                |
| Printing and postage                                   | -                             | 233              | -                | -                | 723               | -                |
| Supplies, awards and gifts                             | -                             | -                | -                | -                | 1,750             | 1,750            |
| Seminars, conferences and<br>luncheons                 | -                             | -                | -                | -                | 5,024             | 4,233            |
| Scholarships   | 250                           | 500              | -                | -                | -                 | -                |
| Professional services                                  | -                             | -                | -                | -                | -                 | -                |
| Administering exams                                    | -                             | -                | -                | -                | -                 | -                |
| Staff administration                                   | -                             | -                | -                | -                | -                 | -                |
| Claims paid  | -                             | -                | -                | -                | -                 | -                |
| Telephone  | -                             | 111              | -                | -                | 417               | 316              |
| Depreciation   | -                             | -                | -                | -                | -                 | -                |
| Miscellaneous  | 169                           | 3,325            | -                | -                | 525               | 50               |
| <b>Total expense</b>                                   | <u>419</u>                    | <u>4,169</u>     | <u>-</u>         | <u>-</u>         | <u>9,135</u>      | <u>6,349</u>     |
| <b>Change In Net Assets</b>                            | 6,784                         | 3,352            | 1,867            | 1,997            | 2,127             | 4,122            |
| <b>Net Assets</b>                                      |                               |                  |                  |                  |                   |                  |
| Beginning of year                                      | 73,859                        | 72,235           | 13,082           | 11,563           | 16,085            | 12,671           |
| Program distributions                                  | -                             | -                | -                | -                | -                 | -                |
| Reclassifications (to)/from<br>unrestricted net assets | (1,743)                       | (1,728)          | (463)            | (478)            | (773)             | (708)            |
| <b>End of year</b>                                     | <u>\$ 78,900</u>              | <u>\$ 73,859</u> | <u>\$ 14,486</u> | <u>\$ 13,082</u> | <u>\$ 17,439</u>  | <u>\$ 16,085</u> |



**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON      |                  |  |                  |               |                 |
|--|------------------|------------------|--|------------------|---------------|-----------------|
|  | Family Law       |                  | Fidelity, Surety,<br>and<br>Construction Law |                  | Francophone   |                 |
|  | 2004             | 2003             | 2004   | 2003             | 2004          | 2003            |
| <b>Revenue</b>   |                  |                  |  |                  |               |                 |
| Membership dues  | \$ 7,575         | \$ 7,950         | \$ 2,250                                     | \$ 2,355         | \$ 1,775      | \$ 1,600        |
| Penalties  | -                | -                | -  | -                | -             | -               |
| Seminars, conferences and<br>luncheons                 | -                | 8,225            | -  | -                | 16,829        | 5,000           |
| Interest   | 65               | 96               | 32   | 80               | -             | -               |
| Contributions  | -                | -                | -  | -                | 350           | -               |
| Examination fees                                       | -                | -                | -  | -                | -             | -               |
| <b>Total revenue</b>                                   | <b>7,640</b>     | <b>16,271</b>    | <b>2,282</b>                                 | <b>2,435</b>     | <b>18,954</b> | <b>6,600</b>    |
| <b>Expense</b>   |                  |                  |  |                  |               |                 |
| Travel and per diem                                    | 2,226            | -                | -  | -                | 1,506         | 926             |
| Printing and postage                                   | 38               | -                | 101  | -                | 471           | (38)            |
| Supplies, awards and gifts                             | -                | -                | -  | -                | -             | -               |
| Seminars, conferences and<br>luncheons                 | 701              | 3,432            | 81   | -                | 17,797        | 3,655           |
| Scholarships   | -                | -                | -  | -                | -             | -               |
| Professional services                                  | -                | -                | -  | -                | -             | -               |
| Administering exams                                    | -                | -                | -  | -                | -             | -               |
| Staff administration                                   | -                | -                | -  | -                | -             | -               |
| Claims paid  | -                | -                | -  | -                | -             | -               |
| Telephone  | 152              | 2,076            | -  | -                | -             | -               |
| Depreciation   | -                | -                | -  | -                | -             | -               |
| Miscellaneous  | 293              | 50               | -  | -                | 40            | -               |
| <b>Total expense</b>                                   | <b>3,410</b>     | <b>5,558</b>     | <b>182</b>                                   | <b>-</b>         | <b>19,814</b> | <b>4,543</b>    |
| <b>Change In Net Assets</b>                            | <b>4,230</b>     | <b>10,713</b>    | <b>2,100</b>                                 | <b>2,435</b>     | <b>(860)</b>  | <b>2,057</b>    |
| <b>Net Assets</b>                                      |                  |                  |  |                  |               |                 |
| Beginning of year                                      | 24,384           | 14,442           | 16,277                                       | 14,224           | 1,928         | 22              |
| Program distributions                                  | -                | -                | -  | -                | -             | -               |
| Reclassifications (to)/from<br>unrestricted net assets | (748)            | (771)            | (365)  | (382)            | (170)         | (151)           |
| <b>End of year</b>                                     | <b>\$ 27,866</b> | <b>\$ 24,384</b> | <b>\$ 18,012</b>                             | <b>\$ 16,277</b> | <b>\$ 898</b> | <b>\$ 1,928</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON                  |                  |                  |                 |   |                  |
|--|------------------------------|------------------|------------------|-----------------|---|------------------|
|  | Government and<br>Public Law |                  | Health Law       |                 | Insurance, Negligence,<br>Compensation and<br>Admiralty Law |                  |
|  | 2004                         | 2003             | 2004             | 2003            | 2004  | 2003             |
| <b>Revenue</b>   |                              |                  |                  |                 |   |                  |
| Membership dues  | \$ 3,720                     | \$ 3,295         | \$ 3,885         | \$ 3,855        | \$ 20,660   | \$ 20,100        |
| Penalties  | -                            | -                | -                | -               | -   | -                |
| Seminars, conferences and<br>luncheons                 | 8,100                        | 5,510            | 1,865            | 3,295           | 232   | 332              |
| Interest   | 47                           | 117              | 24               | 32              | 49  | 60               |
| Contributions  | -                            | -                | -                | -               | -   | -                |
| Examination fees                                       | -                            | -                | -                | -               | -   | -                |
| Total revenue  | <u>11,867</u>                | <u>8,922</u>     | <u>5,774</u>     | <u>7,182</u>    | <u>20,941</u>   | <u>20,492</u>    |
| <b>Expense</b>   |                              |                  |                  |                 |   |                  |
| Travel and per diem                                    | -                            | -                | -                | 18              | 6,807   | 6,398            |
| Printing and postage                                   | 1,992                        | 23               | 379              | -               | -   | -                |
| Supplies, awards and gifts                             | -                            | -                | 428              | 465             | -   | -                |
| Seminars, conferences and<br>luncheons                 | 1,089                        | 2,131            | 1,456            | 697             | 5,009   | 5,468            |
| Scholarships   | -                            | -                | -                | -               | -   | -                |
| Professional services                                  | -                            | -                | 375              | -               | -   | -                |
| Administering exams                                    | -                            | -                | -                | -               | -   | -                |
| Staff administration                                   | -                            | -                | -                | -               | -   | -                |
| Claims paid  | -                            | -                | -                | -               | -   | -                |
| Telephone  | 42                           | 70               | 361              | 794             | -   | 184              |
| Depreciation   | -                            | -                | -                | -               | -   | -                |
| Miscellaneous  | 50                           | 50               | 50               | 338             | 678   | 165              |
| Total expense  | <u>3,173</u>                 | <u>2,274</u>     | <u>3,049</u>     | <u>2,312</u>    | <u>12,494</u>   | <u>12,215</u>    |
| <b>Change In Net Assets</b>                            | 8,694                        | 6,648            | 2,725            | 4,870           | 8,447   | 8,277            |
| <b>Net Assets</b>                                      |                              |                  |                  |                 |   |                  |
| Beginning of year                                      | 27,886                       | 21,794           | 9,821            | 5,582           | 15,282  | 9,485            |
| Program distributions                                  | -                            | -                | -                | -               | -   | -                |
| Reclassifications (to)/from<br>unrestricted net assets | (620)                        | (556)            | (650)            | (631)           | (2,573)   | (2,480)          |
| End of year  | <u>\$ 35,960</u>             | <u>\$ 27,886</u> | <u>\$ 11,896</u> | <u>\$ 9,821</u> | <u>\$ 21,156</u>  | <u>\$ 15,282</u> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON           |                  |                   |                 |                             |                 |
|--|-----------------------|------------------|-------------------|-----------------|-----------------------------|-----------------|
|  | Intellectual Property |                  | International Law |                 | Labor and<br>Employment Law |                 |
|  | 2004                  | 2003             | 2004              | 2003            | 2004                        | 2003            |
| <b>Revenue</b>   |                       |                  |                   |                 |                             |                 |
| Membership dues  | \$ 4,525              | \$ 4,050         | \$ 1,260          | \$ 1,365        | \$ 5,820                    | \$ 6,075        |
| Penalties  | -                     | -                | -                 | -               | -                           | -               |
| Seminars, conferences and<br>luncheons                 | 1,900                 | 340              | -                 | -               | -                           | -               |
| Interest   | 30                    | 74               | 2                 | 22              | 12                          | 33              |
| Contributions  | -                     | -                | -                 | -               | -                           | -               |
| Examination fees                                       | -                     | -                | -                 | -               | -                           | -               |
| Total revenue  | <u>6,455</u>          | <u>4,464</u>     | <u>1,262</u>      | <u>1,387</u>    | <u>5,832</u>                | <u>6,108</u>    |
| <b>Expense</b>   |                       |                  |                   |                 |                             |                 |
| Travel and per diem                                    | -                     | 38               | -                 | -               | -                           | -               |
| Printing and postage                                   | 61                    | 9                | -                 | -               | 21                          | 53              |
| Supplies, awards and gifts                             | -                     | -                | -                 | -               | 98                          | 91              |
| Seminars, conferences and<br>luncheons                 | 2,506                 | -                | -                 | -               | 3,678                       | 3,332           |
| Scholarships   | -                     | -                | -                 | -               | -                           | -               |
| Professional services                                  | 755                   | -                | -                 | -               | -                           | -               |
| Administering exams                                    | -                     | -                | -                 | -               | -                           | -               |
| Staff administration                                   | -                     | -                | -                 | -               | -                           | -               |
| Claims paid  | -                     | -                | -                 | -               | -                           | -               |
| Telephone  | -                     | 384              | -                 | -               | -                           | 30              |
| Depreciation   | -                     | -                | -                 | -               | -                           | -               |
| Miscellaneous  | 35                    | 4,322            | -                 | 5,000           | -                           | -               |
| Total expense  | <u>3,357</u>          | <u>4,753</u>     | <u>-</u>          | <u>5,000</u>    | <u>3,797</u>                | <u>3,506</u>    |
| <b>Change In Net Assets</b>                            | 3,098                 | (289)            | 1,262             | (3,613)         | 2,035                       | 2,602           |
| <b>Net Assets</b>                                      |                       |                  |                   |                 |                             |                 |
| Beginning of year                                      | 13,414                | 14,100           | 2,355             | 6,190           | 9,686                       | 8,089           |
| Program distributions                                  | -                     | -                | -                 | -               | -                           | -               |
| Reclassifications (to)/from<br>unrestricted net assets | (420)                 | (397)            | (205)             | (222)           | (965)                       | (1,005)         |
| End of year  | <u>\$ 16,092</u>      | <u>\$ 13,414</u> | <u>\$ 3,412</u>   | <u>\$ 2,355</u> | <u>\$ 10,756</u>            | <u>\$ 9,686</u> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|   | SECTIONS ON      |                  |                      |                 |                  |                 |
|---|------------------|------------------|----------------------|-----------------|------------------|-----------------|
|   | Mineral Law      |                  | Minority Involvement |                 | Public Utility   |                 |
|   | 2004             | 2003             | 2004                 | 2003            | 2004             | 2003            |
| <b>Revenue</b>                                      |                  |                  |                      |                 |                  |                 |
| Membership dues                                     | \$ 2,370         | \$ 2,430         | \$ 1,620             | \$ 1,770        | \$ 1,900         | \$ 2,100        |
| Penalties   | -                | -                | -                    | -               | -                | -               |
| Seminars, conferences and luncheons                 | -                | -                | 2,505                | 1,733           | 6,080            | 7,912           |
| Interest  | 110              | 255              | -                    | -               | -                | -               |
| Contributions                                       | -                | -                | -                    | -               | -                | -               |
| Examination fees                                    | -                | -                | -                    | -               | -                | -               |
| Total revenue                                       | <u>2,480</u>     | <u>2,685</u>     | <u>4,125</u>         | <u>3,503</u>    | <u>7,980</u>     | <u>10,012</u>   |
| <b>Expense</b>                                      |                  |                  |                      |                 |                  |                 |
| Travel and per diem                                 | -                | -                | -                    | -               | -                | -               |
| Printing and postage                                | -                | -                | 1,664                | 1,229           | 57               | -               |
| Supplies, awards and gifts                          | -                | -                | 120                  | 221             | -                | -               |
| Seminars, conferences and luncheons                 | -                | -                | 1,503                | 2,352           | 798              | 3,634           |
| Scholarships  | -                | -                | -                    | -               | -                | -               |
| Professional services                               | -                | -                | -                    | -               | -                | -               |
| Administering exams                                 | -                | -                | -                    | -               | -                | -               |
| Staff administration                                | -                | -                | -                    | -               | -                | -               |
| Claims paid   | -                | -                | -                    | -               | -                | -               |
| Telephone   | -                | -                | 606                  | 432             | -                | -               |
| Depreciation  | -                | -                | -                    | -               | -                | -               |
| Miscellaneous                                       | -                | -                | 2,124                | (38)            | -                | -               |
| Total expense                                       | <u>-</u>         | <u>-</u>         | <u>6,017</u>         | <u>4,196</u>    | <u>855</u>       | <u>3,634</u>    |
| <b>Change In Net Assets</b>                         | 2,480            | 2,685            | (1,892)              | (693)           | 7,125            | 6,378           |
| <b>Net Assets</b>                                   |                  |                  |                      |                 |                  |                 |
| Beginning of year                                   | 40,066           | 37,974           | 4,545                | 5,447           | 6,971            | 792             |
| Program distributions                               | -                | -                | -                    | -               | -                | -               |
| Reclassifications (to)/from unrestricted net assets | <u>(595)</u>     | <u>(593)</u>     | <u>(200)</u>         | <u>(209)</u>    | <u>(190)</u>     | <u>(199)</u>    |
| End of year   | <u>\$ 41,951</u> | <u>\$ 40,066</u> | <u>\$ 2,453</u>      | <u>\$ 4,545</u> | <u>\$ 13,906</u> | <u>\$ 6,971</u> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | SECTIONS ON         |                  |                  |                  |  |                  |
|--|---------------------|------------------|------------------|------------------|--|------------------|
|  | Solo and Small Firm |                  | Taxation         |                  | Trusts, Estate,<br>Probate and Immovable<br>Property Law |                  |
|  | 2004                | 2003             | 2004             | 2003             | 2004   | 2003             |
| <b>Revenue</b>   |                     |                  |                  |                  |  |                  |
| Membership dues  | \$ 8,460            | \$ 9,790         | \$ 8,850         | \$ 9,510         | \$ 6,490   | \$ 6,470         |
| Penalties  | -                   | -                | -                | -                | -  | -                |
| Seminars, conferences and<br>luncheons                 | 4,030               | 3,015            | 14,797           | 11,565           | -  | -                |
| Interest   | 16                  | 39               | 96               | 235              | 152  | 377              |
| Contributions  | -                   | -                | -                | -                | -  | -                |
| Examination fees                                       | -                   | -                | -                | -                | -  | -                |
| <b>Total revenue</b>                                   | <b>12,506</b>       | <b>12,844</b>    | <b>23,743</b>    | <b>21,310</b>    | <b>6,642</b>   | <b>6,847</b>     |
| <b>Expense</b>   |                     |                  |                  |                  |  |                  |
| Travel and per diem                                    | 3,233               | 819              | 4,045            | 4,647            | -  | -                |
| Printing and postage                                   | 1,469               | 3,550            | 2,179            | 1,822            | -  | -                |
| Supplies, awards and gifts                             | -                   | -                | 1,716            | 5,000            | -  | -                |
| Seminars, conferences and<br>luncheons                 | 3,035               | 3,910            | 15,391           | 13,104           | -  | -                |
| Scholarships   | -                   | -                | -                | -                | -  | -                |
| Professional services                                  | 500                 | -                | -                | -                | -  | -                |
| Administering exams                                    | -                   | -                | -                | -                | -  | -                |
| Staff administration                                   | -                   | -                | -                | -                | -  | -                |
| Claims paid  | -                   | -                | -                | -                | -  | -                |
| Telephone  | -                   | -                | 957              | 588              | -  | -                |
| Depreciation   | -                   | -                | -                | -                | -  | -                |
| Miscellaneous  | 2,829               | 1,558            | 845              | 1,180            | -  | -                |
| <b>Total expense</b>                                   | <b>11,066</b>       | <b>9,837</b>     | <b>25,133</b>    | <b>26,341</b>    | <b>-</b>   | <b>-</b>         |
| <b>Change In Net Assets</b>                            | <b>1,440</b>        | <b>3,007</b>     | <b>(1,390)</b>   | <b>(5,031)</b>   | <b>6,642</b>   | <b>6,847</b>     |
| <b>Net Assets</b>                                      |                     |                  |                  |                  |  |                  |
| Beginning of year                                      | 10,471              | 8,562            | 35,330           | 41,144           | 58,727   | 53,468           |
| Program distributions                                  | -                   | -                | -                | -                | -  | -                |
| Reclassifications (to)/from<br>unrestricted net assets | (1,038)             | (1,098)          | (738)            | (783)            | (1,623)  | (1,588)          |
| <b>End of year</b>                                     | <b>\$ 10,873</b>    | <b>\$ 10,471</b> | <b>\$ 33,202</b> | <b>\$ 35,330</b> | <b>\$ 63,746</b>   | <b>\$ 58,727</b> |

**SUPPLEMENTARY SCHEDULE OF REVENUE  
AND EXPENSE AND CHANGES IN NET ASSETS -  
TEMPORARILY RESTRICTED**

**Louisiana State Bar Association**

For the years ended June 30, 2004 and 2003

|  | Totals              |                     |
|--|---------------------|---------------------|
|  | 2004                | 2003                |
| <b>Revenue</b>   |                     |                     |
| Membership dues  | \$ 195,465          | \$ 182,850          |
| Penalties  | 1,350               | 2,900               |
| Seminars, conferences and<br>luncheons                 | 61,906              | 280,901             |
| Interest   | 12,588              | 12,434              |
| Contributions  | 278,866             | 227,398             |
| Examination fees                                       | 18,500              | 153,700             |
| Total revenue  | <u>568,675</u>      | <u>860,183</u>      |
| <b>Expense</b>   |                     |                     |
| Travel and per diem                                    | 33,557              | 39,342              |
| Printing and postage                                   | 14,611              | 18,685              |
| Supplies, awards and gifts                             | 13,868              | 36,238              |
| Seminars, conferences and<br>luncheons                 | 84,694              | 224,551             |
| Scholarships   | 5,040               | 4,990               |
| Professional services                                  | 128,947             | 82,343              |
| Administering exams                                    | 237                 | 818                 |
| Staff administration                                   | 231,497             | 223,295             |
| Claims paid  | -                   | 61,224              |
| Telephone  | 6,072               | 9,855               |
| Depreciation   | 955                 | 777                 |
| Miscellaneous  | 29,550              | 69,832              |
| Total expense  | <u>549,028</u>      | <u>771,950</u>      |
| <b>Change In Net Assets</b>                            | 19,647              | 88,233              |
| <b>Net Assets</b>                                      |                     |                     |
| Beginning of year                                      | 1,097,117           | 1,181,340           |
| Program distributions                                  | (73,443)            | (230,000)           |
| Reclassifications (to)/from<br>unrestricted net assets | <u>77,874</u>       | <u>57,544</u>       |
| End of year  | <u>\$ 1,121,195</u> | <u>\$ 1,097,117</u> |

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
Louisiana State Bar Association,  
New Orleans, Louisiana.

We have audited the financial statements of Louisiana State Bar Association as of and for the year ended June 30, 2004, and have issued our report thereon dated September 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Louisiana State Bar Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Louisiana State Bar Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting



that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assisted functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and the *Legislative Auditor for the State of Louisiana*, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
September 29, 2004.

## SCHEDULE OF FINDINGS

### Louisiana State Bar Association

For the year ended June 30, 2004

#### Section I - Summary of Auditor's Results

##### a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                    \_\_\_ yes        X no
- Reportable condition(s) identified that are  
not considered to be material weakness?                    \_\_\_ yes        X none reported

Noncompliance material to financial statements noted?                    \_\_\_ yes        X no

##### b) Federal Awards

Louisiana State Bar Association did not receive any Federal awards during the year ended June 30, 2004.

#### Section II - Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2004.

#### Section III - Federal Award Findings and Questioned Cost

Not applicable.

**REPORTS BY MANAGEMENT**

**SCHEDULE OF PRIOR YEAR FINDINGS**

**Louisiana State Bar Association**

For the year ended June 30, 2004

The 2003 audit was not conducted in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Louisiana State Bar Association**

For the year ended June 30, 2004

#### **Section I - Internal Control and Compliance Material to the Financial Statements**

##### **Internal Control**

No material weaknesses were noted during the audit of the financial statements for the year ended June 30, 2004.

No reportable conditions were reported during the audit of the financial statements for the year ended June 30, 2004.

##### **Compliance**

No compliance findings material to the financial statements were noted during the audit of the financial statements for the year ended June 30, 2004.

#### **Section II - Internal Control and Compliance Material To Federal Awards**

Louisiana State Bar Association did not receive any Federal awards during the year ended June 30, 2004.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2004.