

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT EXAMINATION REPORT

OF

BOARD OF LAW EXAMINERS

July 1, 2008 to June 30, 2014



FILED
07/17/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Linda L. Loepker	07-01-08 to 12-06-10
	David Remondini	12-07-10 to 07-04-11
	Bradley W. Skolnik	07-05-11 to 06-30-15
President of the Board	Steven Heiman	07-01-08 to 11-30-08
	Leslie Shively	12-01-08 to 11-30-10
	Jon Laramore	12-01-10 to 11-30-13
	Barbara Brugnax	12-01-13 to 06-30-15
Chief Justice of the Supreme Court	Honorable Randall T. Shepard	03-04-07 to 03-04-12
	Honorable Randall T. Shepard (Interim)	03-05-12 to 03-23-12
	Honorable Brent E. Dickson (Interim)	03-24-12 to 05-14-12
	Honorable Brent E. Dickson	05-15-12 to 08-17-14
	Honorable Loretta H. Rush	08-18-14 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BOARD OF LAW EXAMINERS

We have examined the accompanying financial statement of the Board of Law Examiners (Board), for the period of July 1, 2008 to June 30, 2014. The financial statement is the responsibility of the Board's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Board prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Board for the period of July 1, 2008 to June 30, 2014.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Board for the period of July 1, 2008 to June 30, 2014, on the basis of accounting described in Note 1.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

May 26, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Board. The financial statement and notes are presented as intended by the Board.

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BOARD OF LAW EXAMINERS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - REGULATORY BASIS
As of and for the Years Ended June 30, 2009, 2010, 2011, 2012, 2013, and 2014

	2009	2010	2011	2012	2013	2014
Cash and Investments , July 1	\$ 1,045,973	\$ 1,102,756	\$ 1,097,345	\$ 1,012,427	\$ 1,041,658	\$ 1,064,672
Receipts:						
Bar Exam Fees	240,250	251,500	238,750	251,500	250,451	250,379
Rule 6 Fees	45,250	39,870	50,370	49,325	47,875	32,200
Rule 27 Fees	73,800	72,355	82,685	103,170	88,920	109,791
Interest income	2,762	2,219	1,966	1,128	726	702
Miscellaneous	1,671	946	1,113	5,320	31,347	61,078
Total receipts	<u>363,733</u>	<u>366,890</u>	<u>374,884</u>	<u>410,444</u>	<u>419,319</u>	<u>454,149</u>
Disbursements:						
Board Salaries	161,333	154,418	145,337	145,329	154,664	155,989
NCBE Dues	100	100	450	200	-	200
Petty Cash	-	-	-	70	122	140
Personal Services - Monitors	14,085	17,941	16,172	14,745	14,105	14,240
Supplies	885	1,019	2,696	1,117	1,275	1,924
Misc. Office Equipment	2,664	2,634	3,887	969	6,436	76,169
Conference Calls	152	191	83	-	-	106
Lease Moving Exp.	25	-	-	-	-	-
Postage	-	2,044	540	992	632	638
Refund of Fees	7,925	8,800	8,300	8,745	9,801	7,386
Board & Staff Expenses	34,903	15,093	21,890	15,251	16,924	19,074
Professional Services	4,950	49,419	81,286	13,559	1,097	2,136
Equipment Maintenance	1,878	2,099	1,025	784	762	648
Microfilming	-	-	674	776	335	500
Copier Supply	-	-	-	11	-	-
Bar Exam Expenses	71,558	83,457	106,049	95,108	118,048	123,581
Printing	-	791	1,934	1,116	-	1,490
Ceremony	4,426	-	12,376	500	-	176
Bond Insurance	702	702	702	702	702	702
Bank Charges	1,136	1,716	1,751	1,756	1,533	2,722
Misc. Office	228	31,876	54,406	79,279	69,647	2,391
Laptop Testing	-	-	-	-	-	-
Awards/Gifts/Flowers	-	-	244	205	223	-
Total disbursements:	<u>306,950</u>	<u>372,300</u>	<u>459,802</u>	<u>381,213</u>	<u>396,305</u>	<u>410,211</u>
Excess of receipts over disbursements	<u>56,783</u>	<u>(5,410)</u>	<u>(84,918)</u>	<u>29,231</u>	<u>23,014</u>	<u>43,938</u>
Cash and Investments, June 30	<u>\$ 1,102,756</u>	<u>\$ 1,097,345</u>	<u>\$ 1,012,427</u>	<u>\$ 1,041,658</u>	<u>\$ 1,064,672</u>	<u>\$ 1,108,610</u>

The accompanying notes are an integral part of the financial information.

BOARD OF LAW EXAMINERS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Board of Law Examiners (Board) was established as a division of the Indiana Supreme Court. The Board provides the following services: oversight and general administrative services for the State Bar Examinations.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

Note 2. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Board to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

Note 3. Examination Fees

Bar examination fees are stated net of refunds.

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the Board. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.