

**INDEPENDENT AUDITORS' REPORT**

The Board of Governors  
The Columbus Bar Association and Subsidiary

We have audited the accompanying consolidated statements of financial position of The Columbus Bar Association and Subsidiary (the "Association") as of June 30, 2009 and 2008, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Columbus Bar Association and Subsidiary as of June 30, 2009 and 2008 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Charles Schwab & Co.*

Columbus, Ohio  
September 29, 2009

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The Columbus Bar Association and Subsidiary  
Consolidated Statements of Financial Position  
June 30, 2009 and 2008

Assets

	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 1,236,162	891,235
Investments	1,420,722	1,767,037
Accounts receivable - trade	178,059	221,703
Accounts receivable - affiliate	27,195	31,136
Prepaid income taxes	55,189	1,298
Prepaid expenses	<u>100,793</u>	<u>103,502</u>
	<u>3,018,120</u>	<u>3,015,911</u>
Property and equipment, net	<u>667,447</u>	<u>833,841</u>
Other assets:		
Accumulated postretirement benefits	182,925	180,612
Deferred compensation plan trusts	<u>508,740</u>	<u>587,258</u>
	<u>691,665</u>	<u>767,870</u>
Total assets	<u>\$ 4,377,232</u>	<u>4,617,622</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable - trade	\$ 105,715	79,857
Accounts payable - affiliate	7,898	650
Dues paid in advance	971,093	839,172
Deferred insurance revenue	197,147	65,494
Accrued expenses	131,104	133,523
Tenant improvement liability	177,434	190,725
Accrued income taxes	<u>36,910</u>	<u>37,519</u>
	<u>1,627,301</u>	<u>1,346,940</u>
Noncurrent liabilities:		
Accumulated postretirement benefits	174,804	180,577
Deferred compensation plan trusts	<u>508,740</u>	<u>587,258</u>
	<u>683,544</u>	<u>767,835</u>
Total liabilities	2,310,845	2,114,775
Unrestricted net assets	<u>2,066,387</u>	<u>2,502,847</u>
Total liabilities and net assets	<u>\$ 4,377,232</u>	<u>4,617,622</u>

See accompanying notes to consolidated financial statements.

The Columbus Bar Association and Subsidiary  
 Consolidated Statements of Activities and Changes in Net Assets  
 Years Ended June 30, 2009 and 2008

	2009			2008		
	Revenue	Allocable Expense	Net Revenue (Expense)	Revenue	Allocable Expense	Net Revenue (Expense)
Income activities:						
Membership dues	\$ 1,000,424	187,322	813,102	1,048,038	163,251	884,787
Continuing legal education	318,154	417,536	(99,382)	377,372	386,991	(9,619)
Directory	263,604	112,625	150,979	311,455	124,182	187,273
Diversity initiative	14,659	80,192	(65,533)	15,838	79,987	(64,149)
Member services	21,549	93,356	(71,807)	27,599	30,715	(3,116)
Notary public	301,585	143,725	157,860	312,436	147,103	165,333
Ohio Notary Association, Inc.	-	1,323	(1,323)	-	3,239	(3,239)
Law office placement	69,971	93,986	(24,015)	129,596	115,964	13,632
Insurance premiums and commissions	6,034,639	5,829,582	205,057	6,719,426	6,472,539	246,887
Committee activities	27,382	328,868	(301,486)	38,374	424,944	(386,570)
Ethics and admissions	269,961	352,951	(82,990)	277,334	341,919	(64,585)
Lawyer referral	660,056	279,939	380,117	535,904	329,118	206,786
Investments	(331,483)	-	(331,483)	(64,335)	-	(64,335)
Publications	44,658	140,650	(95,992)	46,341	134,780	(88,439)
Lawyers for Justice	27,145	33,234	(6,089)	31,062	37,383	(6,321)
Columbus Lawyer Finder	75,210	117,891	(42,681)	108,580	182,989	(74,409)
Real estate services	-	80	(80)	-	4,221	(4,221)
Other	275,642	73,956	201,686	169,046	59,237	109,809
	\$ 9,073,156	8,287,216	785,940	10,084,066	9,038,562	1,045,504

General, administrative, and indirect expenses:

Personnel	\$ 642,329	689,970
Equipment and occupancy	366,518	342,528
Contributions	31,000	21,050
Other	73,991	75,465
	1,113,838	1,129,013

Change in net assets before income tax expense

	(83,509)
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Income tax expense

	37,489
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Change in net assets

	(120,998)
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Net assets - beginning of year

	2,623,845
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Net assets - end of year

	2,502,847
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See accompanying notes to consolidated financial statements.

The Columbus Bar Association and Subsidiary  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ (436,460)	(120,998)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	236,721	189,938
Loss on disposal of property and equipment	-	2,454
Realized and unrealized loss on investments	408,531	226,213
Effects of changes in operating assets and liabilities:		
Accounts receivable	47,585	(35,124)
Prepaid income taxes	(53,891)	100,430
Prepaid expenses	(591)	204,647
Accumulated postretirement benefits	(2,313)	(5,270)
Deferred compensation plan trusts	78,518	2,568
Accounts payable	33,106	(24,111)
Dues paid in advance	131,921	60,200
Deferred insurance revenue	131,653	(128,863)
Accrued expenses	(2,419)	23,040
Tenant improvement liability	(13,291)	(11,522)
Accrued income taxes	(609)	28,759
Accumulated postretirement benefits	(5,773)	6,013
Deferred compensation plan trusts	(78,518)	(2,568)
Net cash provided by operating activities	474,170	515,806
Cash flows from investing activities:		
Proceeds from the sale of investments	193,229	226,887
Purchases of property and equipment	(67,027)	(313,301)
Purchase of investments	(255,445)	(350,403)
Net cash used by investing activities	(129,243)	(436,817)
Net increase in cash and cash equivalents	344,927	78,989
Cash and cash equivalents - beginning of year	891,235	812,246
Cash and cash equivalents - end of year	\$ 1,236,162	891,235
Supplemental disclosures-		
Cash paid during the year for Income taxes	\$ 162,983	7,215

See accompanying notes to consolidated financial statements.