

# Herman & Cormany

## Certified Public Accountants, A.C.

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Accountants & Consultants

### Independent Auditors' Report

To the Board of Directors  
West Virginia Bar Foundation, Inc.

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of West Virginia Bar Foundation, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of support, revenue, and expenses– modified cash basis and cash flows – modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from West Virginia Bar Foundation, Inc.'s 2010 financial statements and, in our report dated October 27, 2010, we expressed an unqualified opinion on those financial statements.

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 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 audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared on the cash basis of accounting, except that the statements include a provision for depreciation of buildings, reports unrealized gains and losses on investments, and records liabilities for accrued payroll taxes and withholdings. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of West Virginia Bar Foundation, Inc. as of June 30, 2011, and its support, revenue, and expenses for the year then ended, on the basis of accounting described in Note A.



Charleston, WV  
November 11, 2011

**West Virginia Bar Foundation, Inc.**  
**Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis**  
**June 30, 2011, with Comparative Totals**  
**as of June 30, 2010**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash and cash equivalents	\$242,842	\$339,997
Land and buildings	<u>601,307</u>	<u>620,335</u>
<b>Total Assets</b>	<u>\$844,149</u>	<u>\$960,332</u>
 <b>Liabilities and Net Assets</b>		
Accrued payroll and other liabilities	\$ 610	\$ 2,010
Notes payable	<u>282,308</u>	<u>303,724</u>
<b>Total Liabilities</b>	<u>282,918</u>	<u>305,734</u>
 <b>Net Assets</b>		
Unrestricted	561,231	561,634
Temporarily restricted	<u>-0-</u>	<u>92,964</u>
<b>Total Net Assets</b>	<u>561,231</u>	<u>654,598</u>
 <b>Total Liabilities and Net Assets</b>	<u>\$844,149</u>	<u>\$960,332</u>

See independent auditors' report and notes to financial statements.

# West Virginia Bar Foundation, Inc.

## Statement of Support, Revenue and Expenses – Modified Cash Basis

For the Year Ended June 30, 2011, with Comparative Totals  
for the Year Ended June 30, 2010

	2011			2010
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<b>Revenues Collected</b>				
Membership fees	\$ 3,596	\$ -0-	\$ 3,596	\$ 5,750
Contributions	15,600	-0-	15,600	15,875
Fellows dinner and program	49,508	-0-	49,508	39,694
Interest and dividends	1,455	69,338	70,793	457,754
Unrealized gain (loss) on investments	-0-	-0-	-0-	632
Rental income	<u>74,748</u>	<u>-0-</u>	<u>74,748</u>	<u>114,063</u>
<b>Total Revenues Collected</b>	<u>144,907</u>	<u>69,338</u>	<u>214,245</u>	<u>633,768</u>
<b>Expenses and Losses</b>				
Grants awarded	32,923	-0-	32,923	456,300
Salaries and payroll taxes	41,723	-0-	41,723	80,833
Deferred compensation	-0-	-0-	-0-	10,000
Office supplies and expense	4,711	-0-	4,711	9,632
Depreciation	19,028	-0-	19,028	19,028
Interest	18,913	-0-	18,913	20,263
Fellows dinner and program	11,787	-0-	11,787	16,640
Professional services	9,609	-0-	9,609	8,661
Insurance	1,610	-0-	1,610	1,555
Travel and meetings	4,531	-0-	4,531	6,266
Dues and fees	475	-0-	475	977
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>37</u>
<b>Total Expenses and Losses</b>	<u>145,310</u>	<u>-0-</u>	<u>145,310</u>	<u>630,192</u>
<b>Change in Net Assets</b>	(403)	69,338	68,935	3,576
<b>Transfer of IOLTA Funds to the WV State Bar</b>	-0-	(162,302)	(162,302)	-0-
<b>Net Assets, Beginning of Year</b>	<u>561,634</u>	<u>92,964</u>	<u>654,598</u>	<u>651,022</u>
<b>Net Assets, End of Year</b>	<u>\$561,231</u>	<u>\$ -0-</u>	<u>\$ 561,231</u>	<u>\$654,598</u>

See independent auditors' report and notes to financial statements.

**West Virginia Bar Foundation, Inc.**

**Statement of Cash Flows – Modified Cash Basis**

**For the Year Ended June 30, 2011, with Comparative Totals  
for the Year Ended June 30, 2010**

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$68,935	\$ 3,576
Adjustments to Reconcile Change in Net Assets To		
Net Cash Provided By (Used In) Operating Activities:		
Depreciation	19,028	19,028
Transfer of IOLTA funds to WV State Bar	(162,302)	-0-
Unrealized (gain) loss on investments	-0-	(632)
(Decrease) increase in accrued payroll and other liabilities	<u>(1,400)</u>	<u>42</u>
<b>Net Cash (Used In) Provided By Operating Activities</b>	<u>(75,739)</u>	<u>22,014</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	<u>-0-</u>	<u>4,486</u>
<b>Net Cash Provided By Investing Activities</b>	<u>-0-</u>	<u>4,486</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	<u>(21,416)</u>	<u>(20,066)</u>
<b>Net Cash Used in Financing Activities</b>	<u>(21,416)</u>	<u>(20,066)</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(97,155)	6,434
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>339,997</u>	<u>333,563</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$242,842</u>	<u>\$339,997</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for:		
Interest	<u>\$ 18,913</u>	<u>\$ 20,263</u>

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