

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended September 30, 2013
Performed as Special Assistant Auditors
For the Auditor General, State of Illinois

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

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ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

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ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

BOARD OFFICIALS

Director of Administration	Ms. Regina Kwan Peterson
Deputy Director of Administration	Ms. Lillian Leskera
Members of the Board	
President	Mr. Lawrence N. Hill
Vice-President	Mr. James R. Carroll
Secretary/Treasurer	Mr. Donald H. Funk
Member of the Board	Mr. John P. Long
Member of the Board	Ms. Sheila Berner Kennedy
Member of the Board	Mr. Randy K. Johnson
Member of the Board	Mr. Brian J. Towne

Board offices are located at:

625 South College Street
Springfield, Illinois 62704-2521



MEMBERS OF THE BOARD

LAWRENCE N. HILL, PRESIDENT, CHICAGO
JAMES R. CARROLL, VICE-PRESIDENT, CHICAGO
DONALD H. FUNK, SEC.-TREAS., SPRINGFIELD
JOHN P. LONG, O'FALLON
SHEILA BERNER KENNEDY, KENILWORTH
RANDY K. JOHNSON, WEST DUNDEE
BRIAN J. TOWNE, OTTAWA

ILLINOIS BOARD OF ADMISSIONS
TO THE BAR

REGINA KWAN PETERSON
DIRECTOR OF ADMINISTRATION
625 SOUTH COLLEGE STREET
SPRINGFIELD, ILLINOIS 62704-2521
TELEPHONE (217) 522-6445
FACSIMILE (217) 522-9327

March 25, 2014

Doehring, Winders & Co, LLP
1601 Lafayette Avenue
Mattoon, Illinois 61938

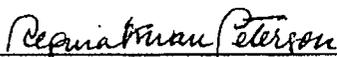
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, and contracts that could have a material effect on the operations of the Illinois Board of Admissions to the Bar (IBAB). We are responsible for and have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of IBAB's compliance with the following assertions during the two-year period ended September 30, 2013. Based on this evaluation, we assert that during the years ended September 30, 2012, and September 30, 2013, IBAB has materially complied with the assertions below.

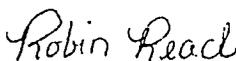
- A. IBAB has obligated, expended, received, and used funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. IBAB has obligated, expended, received, and used funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. IBAB has complied in all material respects with applicable laws and regulations in its financial and fiscal operations.
- D. Revenues and receipts collected by IBAB are in accordance with applicable laws and regulations, and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by IBAB, or held in trust by IBAB, have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours very truly,

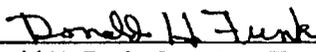
Illinois Board of Admissions to the Bar



Regina Kwan Peterson, Director of Administration



Robin Read, Bookkeeper



Donald H. Funk, Secretary-Treasurer and
Counsel to the Board

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with the Illinois State Auditing Act.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	1	1
Repeated Findings	0	1
Prior recommendations implemented or not repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDING			
2013-001	6	Inadequate Segregation of Duties	Significant Deficiency
PRIOR FINDING NOT REPEATED			
A	7	Financial Budget Not Prepared on a Timely Basis	

EXIT CONFERENCE

The Board waived a formal exit conference in correspondence from Regina Kwan Peterson, Director of Administration on March 19, 2014. The response to the recommendation was provided by Ms. Peterson in correspondence dated March 24, 2014.

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61938

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable William G. Holland
Auditor General
State of Illinois

Board of Directors
Illinois Board of Admissions to the Bar
Springfield, Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Illinois Board of Admissions to the Bar's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended September 30, 2013. The management of the Illinois Board of Admissions to the Bar is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Board of Admissions to the Bar's compliance based on our examination.

- A. The Illinois Board of Admissions to the Bar has obligated, expended, received and used funds in accordance with the purpose for which such funds have been collected or otherwise authorized by law.
- B. The Illinois Board of Admissions to the Bar has obligated, expended, received and used funds in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois Board of Admissions to the Bar has complied, in all material respects, with all applicable laws and regulations, in its financial and fiscal operations.
- D. Revenues and receipts collected by the Illinois Board of Admissions to the Bar are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois Board of Admissions to the Bar or held in trust by the Illinois Board of Admissions to the Bar have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Board of Admissions to the Bar's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois Board of Admissions to the Bar's compliance with specified requirements.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER COMPLIANCE (Continued)

In our opinion, the Illinois Board of Admissions to the Bar complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended September 30, 2013.

Internal Control

Management of the Illinois Board of Admissions to the Bar is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Illinois Board of Admissions to the Bar's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Illinois Board of Admissions to the Bar's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois Board of Admissions to the Bar's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings as item 2013-001, that we consider to be a significant deficiency.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The Illinois Board of Admissions to the Bar's response to the finding identified in our examination is described in the accompanying schedule of findings. We did not examine the Illinois Board of Admissions to the Bar's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Illinois Supreme Court, and the Illinois Board of Admissions to the Bar and its management, and is not intended to be and should not be used by anyone other than these specified parties.

Doehring, Winders & Co. LLP

Mattoon, Illinois
March 25, 2014

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

CURRENT FINDING

2013-001 INADEQUATE SEGREGATION OF DUTIES

The Illinois Board of Admissions to the Bar (Board) did not adequately segregate duties with respect to the record keeping and custody over the cash receipts and disbursements function.

During our testing, we noted the Board's accountant prepares and records checks and electronic transfers, receives unopened bank statements, and also prepares monthly bank reconciliations. We also noted the Board's accountant prepares the deposit slip, records deposits in the general ledger, and takes deposits to the bank. The Board processed receipts and reported expenditures totaling \$7.6 million and \$6.6 million, respectively, during the two years ended September 30, 2013.

Good internal controls require duties related to the record keeping and custody of assets be segregated among multiple employees, or adequate compensating controls exist when segregation is not possible.

According to Board personnel, the above noted duties were not segregated due to the limited staffing of the Board.

Not having an adequate segregation of duties increases the risk of errors or irregularities occurring and not being prevented, or detected and corrected in a timely manner. (Finding Code No. 2013-001)

RECOMMENDATION

For cash disbursements, we recommend that an employee other than the accountant receive the unopened bank statements. We also recommend management consider using another employee for preparation of monthly bank reconciliations, and, at a minimum, management should review the monthly bank reconciliations performed by the accountant. For cash receipts we recommend that another employee prepare the deposit or have the employee who runs a tape of the checks verify the deposit made by the accountant.

BOARD RESPONSE

We agree with the auditors' comments, and, in line with the recommendation, the following actions have been taken to improve the situation. For cash disbursements, the Board's accountant no longer receives the unopened bank statements. Unopened bank statements are now received by the Director of Administration, who opens, reviews, and initials the bank statements before forwarding them to the accountant. With regard to the monthly bank reconciliations, the Board's accountant will continue to prepare the reconciliations, and the Director of Administration will review them on a monthly basis. For cash receipts, the Deputy Director of Character and Fitness will run a tape of the checks and verify the deposit made by the accountant.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

PRIOR FINDING NOT REPEATED

A FINANCIAL BUDGET NOT PREPARED ON A TIMELY BASIS

During the prior examination, the Board did not prepare and submit its annual financial budget in a timely manner in accordance with Board policies.

During the current examination, the Board prepared budgets in a timely manner in accordance with Board policy. (Finding Code No. 11-1, 09-1)

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

For the Two Years Ended September 30, 2013

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the Illinois Board of Admissions to the Bar was performed by Doebling, Winders & Co. LLP.

Based on their audit, the auditors expressed an unmodified opinion on the Board's financial statements.

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the Illinois Board of Admissions to the Bar which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Board of Admissions to the Bar as of September 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information

Our audits for the years ended September 30, 2013 and 2012 were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Illinois Board of Admissions to the Bar's basic financial statements. The accompanying supplementary information in the statements of functional expenses, the Compliance Schedules 1 through 5, and the Analysis of Operations Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information for the years ended September 30, 2013 and 2012, in the statements of functional expenses and the Compliance Schedules 1 through 5 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the years ended September 30, 2013 and 2012, in the statements of functional expenses and the Compliance Schedules 1 through 5 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years ended September 30, 2013 and 2012, in the statements of functional expenses and the Compliance Schedules 1 through 5 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Illinois Board of Admissions to the Bar's basic financial statements for the year ended September 30, 2011, were audited by other auditors whose report thereon dated April 3, 2012, expressed an unqualified opinion on the respective statement of financial position, and the related statements of activities and cash flows. The report of the other auditors dated April 3, 2012, stated that the supplementary information in Schedules 2, 4, and 5 for the year ended September 30, 2011, was subjected to the auditing procedures applied in the audit of the 2011 basic financial statements and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2011.

The accompanying supplementary information in the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Doehring, Winders & Co. LLP

Mattoon, Illinois
March 25, 2013

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

STATEMENTS OF FINANCIAL POSITION

September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 331,411	\$ 373,218
Investments	2,697,165	1,449,724
Interest receivable	2,328	469
Prepaid expenses	<u>51,619</u>	<u>58,164</u>
Total current assets	<u>3,082,523</u>	<u>1,881,575</u>
Building and improvements	1,286,200	1,283,059
Office equipment and furniture	596,956	548,296
Less accumulated depreciation	<u>(872,152)</u>	<u>(837,256)</u>
Building and equipment, net	<u>1,011,004</u>	<u>994,099</u>
Land	<u>189,729</u>	<u>189,729</u>
Investments, long-term	<u>2,003,578</u>	<u>2,686,932</u>
Total assets	<u>\$ 6,286,834</u>	<u>\$ 5,752,335</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 59,638	\$ 85,551
Accrued expenses	14,937	14,570
Deferred fees	<u>99,950</u>	<u>98,500</u>
Total current liabilities	<u>174,525</u>	<u>198,621</u>
Net assets		
Unrestricted	<u>6,112,309</u>	<u>5,553,714</u>
Total liabilities and net assets	<u>\$ 6,286,834</u>	<u>\$ 5,752,335</u>

The accompanying notes are an integral part of these financial statements.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Examination fees	\$ 2,070,760	\$ 1,895,422
Character and fitness fees	1,228,100	1,234,900
Admission on motion fees	324,100	253,200
House counsel fees and legal service fees	103,550	68,750
MBE transfer fees	12,550	4,235
Credit card fees	59,910	58,965
Investment income	8,082	28,544
Unrealized gain (loss) on investments	<u>2,603</u>	<u>(24,259)</u>
Total revenues	<u>3,809,655</u>	<u>3,519,757</u>
Expenses:		
Program services:		
Committee on character and fitness	881,387	924,805
Bar exam administration	<u>1,602,059</u>	<u>1,549,415</u>
Total program services	<u>2,483,446</u>	<u>2,474,220</u>
Support services:		
General and administrative expenses	<u>767,614</u>	<u>908,015</u>
Total expenses	<u>3,251,060</u>	<u>3,382,235</u>
Change in net assets	558,595	137,522
Net assets, beginning of year	<u>5,553,714</u>	<u>5,416,192</u>
Net assets, end of year	<u>\$ 6,112,309</u>	<u>\$ 5,553,714</u>

The accompanying notes are an integral part of these financial statements.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 558,595	\$ 137,522
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	77,443	88,484
Unrealized (gain) loss on investments	(2,603)	24,259
Loss on disposition of equipment	616	-
Accretion of investments	(5,825)	(11,315)
Premium amortization	26	9,910
Changes in operating assets and liabilities		
(Increase) decrease in interest receivable	(1,859)	4,015
Decrease in prepaid expenses	6,545	16,603
Increase (decrease) in accounts payable	(25,913)	1,680
Increase in accrued expenses	367	364
Increase in deferred fees	1,450	36,350
	<u>608,842</u>	<u>307,872</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of improvements to real estate	(3,141)	(1,208)
Purchase of office equipment and furnishings	(91,823)	(34,129)
Purchase of investments	(2,003,531)	(3,885,459)
Maturities of investments	1,447,846	3,854,001
	<u>(650,649)</u>	<u>(66,795)</u>
Net cash (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(41,807)	241,077
Cash and cash equivalents at beginning of year	<u>373,218</u>	<u>132,141</u>
Cash and cash equivalents at end of year	<u>\$ 331,411</u>	<u>\$ 373,218</u>

The accompanying notes are an integral part of these financial statements.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

NOTES TO FINANCIAL STATEMENTS

For the Years Ended September 30, 2013 and 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES -- The Illinois Board of Admissions to the Bar (the Board) was established by the Illinois Supreme Court (Supreme Court) and authorized to operate under Illinois Supreme Court rules 701 through 713 and 715 through 717. The Board's primary function is to conduct the Illinois Bar examination. This includes the processing of examination applications; the collection of examination and law student registration fees; and the administration and grading of the exams. Additionally the Board has responsibility for approval of applications on motion; foreign legal consultant, house counsel and legal service program licenses; and the collection of related fees.

The Illinois Supreme Court also established the Committee on Character and Fitness (Committee). The Committee has the responsibility of determining whether law students registering for the examination are of good moral character and general fitness to practice law in the State of Illinois. The operations and related expenses of the Committee are administered by the Board.

ORGANIZATIONAL STRUCTURE -- The Board consists of seven members of the Illinois Bar (Bar) who are appointed by the Supreme Court for staggered three-year terms.

The Committee currently consists of ninety-six members of the Bar who are appointed by the Supreme Court for staggered three-year terms. The Committee of the 1st judicial district (Cook County) must not have less than thirty members and the remaining four judicial districts must not have less than fifteen members each.

BASIS OF ACCOUNTING -- The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

CASH EQUIVALENTS -- The Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS -- Investments with maturity dates of one year or less as of the date of the statement of financial position are classified as short-term. All unrestricted investments with maturity dates beyond one year from the date of the statement of financial position are classified as long-term.

PROPERTY AND EQUIPMENT -- Property and equipment are stated at cost. The cost of property and equipment are charged against income over their estimated useful lives, using the straight-line method of depreciation. Repairs and maintenance, which are not considered betterments and do not extend the useful life of property and equipment, are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the assets and accumulated depreciation are removed from the accounts and the resulting profit or loss is reflected in income. Assets recorded under capital leases are amortized over the shorter of their useful lives or the term of the related leases by use of the straight-line method.

The estimated useful lives of property and equipment are as follows:

Buildings and improvements	15 to 40 years
Office equipment and furniture	5 to 10 years

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended September 30, 2013 and 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION -- Examination fees from applicants for the bar exam are recognized as revenue during the period in which the exam is taken. Exam fees received in advance of this period are reported as deferred fees on the statement of financial position.

Other fees, including character and fitness fees, admission on motion fees, and legal service fees, are recognized as revenue during the period in which they are received. These fees represent nonrefundable revenue to the Board.

USE OF ESTIMATES -- The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FAIR VALUE -- The Board follows the Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) 820-10 "Fair Value Measurements," which provides a framework for measuring fair value under U.S. generally accepted accounting principles. FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. FASB ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels as described below.

- Level 1 Inputs to the valuation methodology derived from unadjusted quoted prices for identical assets or liabilities in active markets.

- Level 2 Other observable inputs including quoted prices for similar assets or liabilities in active or inactive markets, and inputs that are principally derived from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs to the valuation methodology which are unobservable and significant to the fair value measurements. These inputs are only used when Level 1 or Level 2 inputs are not available.

INCOME TAXES -- The Board is exempt from federal income taxes under Internal Revenue Code Section 501(c)(6) and therefore has made no provision for federal income taxes. The federal tax exemption also exempts the Board from income taxation in the State of Illinois.

FUNCTIONAL ALLOCATION OF EXPENSES -- The costs of providing the programs and general and administrative expenses have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support service benefited when reasonably determinable. Any cost for which the allocation is not reasonably determinable, has been reported as a general and administrative expense.

2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking accounts maintained at U.S. Bank and a money market mutual fund. The money market mutual fund is considered a level 1 investment. The cash and cash equivalents balance at September 30, 2013 consists of \$92,017 maintained in checking accounts and \$239,394 maintained in a money market mutual fund. At September 30, 2012, the cash and cash equivalents balance consisted of \$100,890 maintained in checking accounts and \$272,328 maintained in a money market mutual fund.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended September 30, 2013 and 2012

3 INVESTMENT SECURITIES

Investments are stated at fair value and consist primarily of U.S. Treasury Bills and U.S. Treasury Notes. Investments shown below were measured at fair value using level 2 inputs as described in Note 1.

September 30, 2013:	Cost	Market Value	Unrealized Appreciation (Depreciation)
U.S. Treasury Strips - short-term	\$ 2,693,999	\$ 2,697,165	\$ 3,166
U.S. Treasury Notes - long-term	2,003,505	2,003,578	73
	<u>\$ 4,697,504</u>	<u>\$ 4,700,743</u>	<u>\$ 3,239</u>

September 30, 2012:	Cost	Market Value	Unrealized Appreciation (Depreciation)
U.S. Treasury Strips - short-term	\$ 1,199,544	\$ 1,199,724	\$ 180
U.S. Treasury Notes - long-term	2,687,129	2,686,932	(197)
U.S. Treasury Strips - short-term	249,347	250,000	653
	<u>\$ 4,136,020</u>	<u>\$ 4,136,656</u>	<u>\$ 636</u>

Investment return is summarized as follows:

	2013	2012
Investment income	\$ 8,082	\$ 28,544
Investment fees	(7,611)	(7,057)
Unrealized gains (losses) on securities held	2,603	(24,259)
Total investment return	<u>\$ 3,074</u>	<u>\$ (2,772)</u>

4 EMPLOYEE BENEFIT PLANS

Effective October 1, 1995, the Board established a defined contribution retirement plan to benefit full time employees. Under the Plan, the Board contributed a minimum of 3% of each eligible employee's salary. For purposes of eligibility, all employees with over 1,000 hours of service during the fiscal year are considered full time employees.

In fiscal year 2012 this plan was in place through March 31, 2012, and the Board contributed 10% of each eligible employee's salary paid during the six month period. The total contribution during this period was \$54,283.

On April 1, 2012, the Board initiated a new plan to replace the old plan described above. Under the new 457(b) plan eligible employees may make contributions to the extent allowed by regulations and the Board contributes a minimum of 3% of each employee's salary plus an additional contribution that matches the employee's personal contribution, up to an additional 3%. The maximum contributed by the Board is 6%. Board contributions to the new plan totaled \$28,222 for the partial year in 2012, and \$57,616 for the 2013 fiscal year.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended September 30, 2013 and 2012

5 DONATED SERVICES

The Board receives a significant amount of donated services from Board members and other unpaid volunteers who assist in the administration of certain Board or Committee functions. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

6 CONCENTRATION OF CREDIT RISK

Illinois Board of Admissions to the Bar maintains several bank accounts at U.S. Bank which were covered by FDIC insurance. No collateral pledge agreement has been reached or deemed necessary with U.S. Bank.

7 OPERATING LEASES

The Board leases mailing equipment under operating leases that are non-cancelable. The terms require the Board to provide for insurance and maintenance on the equipment.

Minimum future lease commitments under non-cancelable lease agreements are:

Year Ended September 30:

2014	\$	17,225
2015		17,225
2016		8,613

The total rental charges under these agreements during the years ended September 30, 2013 and 2012 were \$14,586 and \$20,004, respectively.

The Board has also executed three space reservation agreements with the Board of Trustees of the University of Illinois in order to secure space for both the February and July Bar Exam sessions. The agreements run from July of 2013 through July of 2017. The Board has the right to cancel the agreement for the UIC Pavilion with 90 days notice and the agreements that reserve the UIC Forum with 60 days notice.

8 UNCERTAIN TAX POSITIONS

The Board follows the accounting standard on accounting for uncertainty in income taxes which addresses the determination of whether the benefits or expenses claimed should be recorded in the financial statements, as well as derecognition, classification, interest and penalties on income taxes.

Management has evaluated the Board's tax positions and concluded that no uncertain tax positions that require adjustment to the financial statements exist. In general, the Board is no longer subject to income tax examinations for the years before the September 30, 2011 year end and is not currently under examination by any taxing authority.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended September 30, 2013 and 2012

9 SUBSEQUENT EVENTS

Management has considered subsequent events occurring through March 25, 2014, which is when these financial statements were available to be issued. Management believes no such events require any additional disclosure.

SUPPLEMENTARY INFORMATION

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2013

	<u>Program Services</u>			<u>Total</u>
	<u>Committee on Character and Fitness</u>	<u>Examination Administration</u>	<u>General and Administrative</u>	
Salaries, wages and payroll taxes:				
Central office	\$ 494,971	\$ 331,550	\$ 345,749	\$ 1,172,270
Proctors and clerks	-	111,689	-	111,689
 Total salaries, wages and payroll taxes	 494,971	 443,239	 345,749	 1,283,959
Examinations purchased	-	353,850	-	353,850
Rent - exam facilities	-	234,310	-	234,310
Exam grading assistants	-	304,016	-	304,016
Copying expense	2,854	2,854	634	6,342
Data management expense	38,411	38,411	8,536	85,358
Postage and express delivery expense	21,191	21,191	4,708	47,090
Non-standard testing expense	-	20,345	-	20,345
Admissions ceremony	-	-	46,606	46,606
Occupancy costs	-	-	80,496	80,496
Insurance	103,000	60,508	86,308	249,816
Printing and supplies	13,230	13,230	11,341	37,801
Legal	65,758	-	5,973	71,731
Accounting	-	-	22,990	22,990
Telephone	5,942	5,942	1,321	13,205
Retirement plan expense	25,365	15,737	16,514	57,616
Retirement plan administrative fees	-	-	13,254	13,254
Meeting expense	8,074	276	27,295	35,645
Character and fitness seminar costs	37,786	-	-	37,786
Miscellaneous operating expense	-	43,877	11,081	54,958
Depreciation	-	-	77,443	77,443
Character and fitness review costs	36,055	-	-	36,055
Credit card processing fees	28,750	44,273	6,749	79,772
Loss on disposition of equipment	-	-	616	616
 Total operating expenses	 <u>\$ 881,387</u>	 <u>\$ 1,602,059</u>	 <u>\$ 767,614</u>	 <u>\$ 3,251,060</u>

See the independent auditor's report

ILLINOIS BOARD OF ADMISSIONS TO THE BAR

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2012

	Program Services			Total
	Committee on Character and Fitness	Examination Administration	General and Administrative	
Salaries, wages and payroll taxes:				
Central office	\$ 480,482	\$ 321,022	\$ 361,313	\$ 1,162,817
Proctors and clerks	-	121,164	-	121,164
Total salaries, wages and payroll taxes	480,482	442,186	361,313	1,283,981
Examinations purchased	-	321,911	-	321,911
Rent - exam facilities	-	204,068	-	204,068
Exam grading assistants	-	292,756	-	292,756
Copying expense	3,518	3,518	781	7,817
Data management expense	39,015	39,015	8,669	86,699
Postage and express delivery expense	23,341	23,341	5,187	51,869
Non-standard testing expense	-	20,186	-	20,186
Admissions ceremony	-	-	124,614	124,614
Occupancy costs	-	-	106,104	106,104
Insurance	103,857	60,967	82,896	247,720
Printing and supplies	16,902	16,902	14,486	48,290
Legal	138,715	-	5,030	143,745
Accounting	-	-	35,266	35,266
Telephone	6,810	6,810	1,514	15,134
Retirement plan expense	32,507	19,781	30,217	82,505
Retirement plan administrative fees	-	-	8,091	8,091
Meeting expense	17,804	1,378	22,786	41,968
Miscellaneous operating expense	-	49,514	12,577	62,091
Depreciation	-	-	88,484	88,484
Character and fitness review costs	33,400	-	-	33,400
Credit card processing fees	28,454	47,082	-	75,536
Total operating expenses	\$ 924,805	\$ 1,549,415	\$ 908,015	\$ 3,382,235

See the independent auditor's report

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Two Years Ended September 30, 2013

SUPPLEMENTARY INFORMATION FOR COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Changes in Property
 - Comparative Schedule of Cash Receipts
 - Comparative Schedule of Expenses
 - Expenses on a Functional Basis
 - Analysis of Significant Balance Sheet Accounts
 - Analysis of Significant Variations in Cash Receipts
 - Analysis of Significant Variations in Expenses

- Analysis of Operations (Unaudited)
 - Board Functions and Planning Program (Unaudited)
 - Average Number of Employees (Unaudited)
 - Service Efforts and Accomplishments (Unaudited)

The Independent Auditor's Report that covers the Supplementary Information for Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, it is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The Independent Auditor's Report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
 FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

SCHEDULE 1

For the Years Ended September 30, 2013 and 2012

SUPPLEMENTARY INFORMATION

Schedule of Changes in Property

	<u>Building and Improvements</u>	<u>Equipment</u>	<u>Land</u>	<u>Total</u>
Balance at October 1, 2011	\$ 1,281,851	\$ 609,506	\$ 189,729	\$ 2,081,086
Additions	1,208	34,129	-	35,337
Retirements and disposals	-	(95,339)	-	(95,339)
Balance at September 30, 2012	1,283,059	548,296	189,729	2,021,084
Additions	3,141	91,823	-	94,964
Retirements and disposals	-	(43,163)	-	(43,163)
Balance at September 30, 2013	<u>\$ 1,286,200</u>	<u>\$ 596,956</u>	<u>\$ 189,729</u>	<u>\$ 2,072,885</u>

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

SCHEDULE 2

For the Years Ended September 30,

SUPPLEMENTARY INFORMATION

Comparative Schedule of Cash Receipts	2013	2012	2011
Cash Receipts			
Examination fees	\$ 2,072,210	\$ 1,931,772	\$ 1,519,275
Admission on motion	324,100	253,200	211,050
House counsel fees	103,550	68,750	46,000
Investment income	7,694	50,030	105,921
Character and fitness fees	1,228,100	1,234,900	1,211,000
Multistate Bar Examination transfer fees	12,550	4,235	-
Credit card fees	59,910	58,965	57,910
Other income	-	-	115
Total Cash Receipts (Cash Basis)	3,808,114	3,601,852	3,151,271
Plus:			
Deferred exam fees - Beginning of year	98,500	62,150	61,700
Interest accruals and accretion - End of year	9,277	8,889	30,375
Less:			
Deferred exam fees - End of year	(99,950)	(98,500)	(62,150)
Interest accruals and accretion - Beginning of year	(8,889)	(30,375)	(59,983)
Total Revenue (Accrual Basis)	\$ 3,807,052	\$ 3,544,016	\$ 3,121,213
 Comparative Schedule of Expenses			
Expenses on an Object Basis			
Salaries, wages and payroll taxes			
Central office	\$ 1,172,270	\$ 1,162,817	\$ 1,143,727
Proctors	111,689	121,164	243,785
Examinations purchased	353,850	321,911	304,991
Exam grading assistants	304,016	292,756	302,837
Examination administration	396,569	382,081	440,526
Admissions ceremony	46,606	124,614	113,859
Occupancy costs	80,496	106,104	83,968
Insurance	249,816	247,720	235,894
General operating	444,735	527,577	540,562
Miscellaneous	54,958	62,091	39,423
Character and fitness review costs	36,055	33,400	31,361
Total Expenses (Accrual Basis)	\$ 3,251,060	\$ 3,382,235	\$ 3,480,933
 Expenses on a Functional Basis			
Committee on Character and Fitness	\$ 881,387	\$ 924,805	\$ 907,973
Examination Administration	1,602,059	1,549,415	1,701,645
General and Administrative	767,614	908,015	871,315
Total Expenses (Accrual Basis)	\$ 3,251,060	\$ 3,382,235	\$ 3,480,933

Note: Certain amounts previously reported in the 2011 column of the Comparative Schedule of Expenses have been reclassified to conform to the current presentation.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
 FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

SCHEDULE 3

For the Years Ended September 30, 2013 and 2012

SUPPLEMENTARY INFORMATION

Analysis of Significant Balance Sheet Accounts

	<u>Cost</u>	<u>Fair Value</u>
Investments		
September 30, 2012		
Short-Term Investments		
250,000 U.S. Treasury Note Due 09/30/2012	\$ 249,347	\$ 250,000
600,000 U.S. Treasury Strips Due 11/15/2012	599,902	599,958
600,000 U.S. Treasury Strips Due 02/15/2013	<u>599,642</u>	<u>599,766</u>
Total Short-Term Investments	1,448,891	1,449,724
Long-Term Investments		
2,700,000 U.S. Treasury Strips Due 08/15/2014	<u>2,687,129</u>	<u>2,686,932</u>
Total Investments - September 30, 2012	<u>\$ 4,136,020</u>	<u>\$ 4,136,656</u>
Investments		
September 30, 2013		
Short-Term Investments		
2,700,000 U.S. Treasury Strips Due 08/15/2014	<u>\$ 2,693,999</u>	<u>\$ 2,697,165</u>
Long-Term Investments		
500,000 U.S. Treasury Note Due 10/15/2014	501,938	501,915
700,000 U.S. Treasury Note Due 11/30/2014	700,760	700,791
800,000 U.S. Treasury Note Due 12/15/2014	<u>800,807</u>	<u>800,872</u>
Total Long-Term Investments	<u>2,003,505</u>	<u>2,003,578</u>
Total Investments - September 30, 2013	<u>\$ 4,697,504</u>	<u>\$ 4,700,743</u>

For the Years Ended September 30, 2013 and 2012

SUPPLEMENTARY INFORMATION

Analysis of Significant Variations in Cash Receipts

The following are explanations for cash receipts which fluctuated by at least \$9,500 and by more than 20 percent from the previous fiscal year for fiscal years 2013 and 2012 as presented in the Comparative Schedule of Cash Receipts.

Fiscal Year 2011 to 2012

Examination fees – Examination fees increased \$412,497 or 27% from Fiscal Year 2011 to Fiscal Year 2012 due to the fee increases implemented beginning with the July 2012 bar examination.

Admission on motion – Admission on motion income increased \$42,150 or 20% in Fiscal Year 2012. Effective January 1, 2011, Admission on Motion under Illinois Supreme Court Rule 705 ceased to require that an applicant attorney be licensed in a jurisdiction with which Illinois had reciprocity and commit to being present in the State of Illinois. As a result, the number of attorneys applying for Admission on Motion has increased significantly along with the fee income.

House counsel fees – House counsel fees increased \$22,750 or 50% in Fiscal Year 2012. Over the past few years, the number of in-house counsel positions in Illinois has been increasing as the result of companies opting to hire and use their own attorneys to perform legal work rather than hire outside counsel. In addition, the downturn in the economy five years ago and the accompanying loss of attorney jobs around the country has caused attorneys seeking employment to move between jurisdictions. These phenomena explain why we have seen an increase in attorneys licensed outside of Illinois applying for and filling house counsel positions in Illinois. Accordingly, the number of attorneys applying for Limited Admission of House Counsel has been increasing.

Investment income – Investment income decreased \$55,891 or 53% in Fiscal Year 2012. As the Board's long term treasury notes have matured and those that have taken their place bear close to a 0% interest rate, the Board's investment interest income has decreased dramatically.

Fiscal Year 2012 to 2013

Admission on motion – Admission on motion income increased \$70,900 or 28% in Fiscal Year 2013. Effective January 1, 2011, Admission on Motion under Illinois Supreme Court Rule 705 ceased to require that an applicant attorney be licensed in a jurisdiction with which Illinois had reciprocity and commit to being present in the State of Illinois. As a result, the number of attorneys applying for Admission on Motion has increased significantly along with the fee income.

House counsel fees – House counsel fees increased \$34,800 or 51% in Fiscal Year 2013. Over the past few years, the number of in-house counsel positions in Illinois has been increasing as the result of companies opting to hire and use their own attorneys to perform legal work rather than hire outside counsel. In addition, the downturn in the economy five years ago and the accompanying loss of attorney jobs around the country has caused attorneys seeking employment to move between jurisdictions. These phenomena explain why we have seen an increase in attorneys licensed outside of Illinois applying for and filling house counsel positions in Illinois. Accordingly, the number of attorneys applying for Limited Admission of House Counsel has been increasing.

Investment income – Investment income decreased \$42,336 or 85% in Fiscal Year 2013. As the Board's long term treasury notes have matured and those that have taken their place bear close to a 0% interest rate, the Board's investment interest income has decreased dramatically.

For the Years Ended September 30, 2013 and 2012

SUPPLEMENTARY INFORMATION

Analysis of Significant Variations in Expenses

The following are explanations for expenses which fluctuated by at least \$9,500 and by more than 20 percent from the previous fiscal year for fiscal years 2013 and 2012 as presented in the Comparative Schedule of Expenses.

Fiscal Year 2011 to 2012

Proctors expense – Proctors expense decreased \$122,621 or 50% in Fiscal Year 2012. Proctor salary expense, which includes outside exam supervisors and clerks, in addition to proctors, was halved from Fiscal Year 2011 to Fiscal Year 2012 due to two changes: (1) elimination of outside exam supervisors and clerks; and (2) change in test space for the February 2012 bar exam (multiple rooms to 2 rooms) and a reconfiguration of the non-standard testing accommodation test spaces (fewer test spaces). These changes dramatically reduced the number of outside personnel hired to administer the bar exams, resulting in the commensurate expense reduction.

Occupancy costs – Occupancy costs increased \$22,136 or 26% in Fiscal Year 2012 due to the cost of repairing clapboards and painting the exterior of the Board office building.

Miscellaneous expense – Miscellaneous expenses increased \$22,668 or 58% in Fiscal Year 2012 due to the change in personnel administering the bar exams. Prior to February 2012, the Board hired outside bar exam supervisors and clerical personnel to assist a few of our Board staff with the running of the bar exams. As of the February 2012 bar exam, additional Board staff replaced these outside employees altogether. While the expense of hiring outside employees has been eliminated from line items under “salaries, wages and payroll taxes”, the per diem and travel costs of sending Board staff to supervise the bar exam has been added to Miscellaneous expenses, thus causing the increase.

Fiscal Year 2012 to 2013

Admissions ceremony expense – Admissions ceremony expense decreased \$78,008 or 63% in Fiscal Year 2013. The admission ceremony held in the First Appellate District (Chicago) for the July bar exam class changed venues in November 2012. The ceremony is now held at a smaller, less expensive venue in two back-to-back sessions.

Occupancy costs – Occupancy costs decreased \$25,608 or 24% in Fiscal Year 2013 due to additional costs incurred in Fiscal Year 2012 for repairing clapboards and painting the exterior of the Board office building.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Years Ended September 30, 2013 and 2012

ANALYSIS OF OPERATIONS (UNAUDITED)

BOARD FUNCTIONS AND PLANNING PROGRAM (UNAUDITED)

The Illinois Board of Admissions to the Bar (the Board) was established by the Illinois Supreme Court (Supreme Court) primarily to conduct the Illinois Bar Exam. This includes the processing of exam applications, the collection of exam fees, the administration of the examination and the supervision of exam grading. Additionally, the Board has the responsibility for approval of applications on motion, the licensing of foreign legal consultants, house counsel and legal service program attorneys, and the collection of related fees.

The Supreme Court also established the Committee on Character and Fitness (the Committee), the expenses of which are paid from the receipts of the Board. The Committee has the responsibility of determining whether applicants for admission to the bar are of good moral character and general fitness to practice law in the State of Illinois.

The Board consists of seven members of the Illinois bar who are appointed by the Supreme Court for staggered terms of three years. No member may be appointed to more than three full consecutive terms. This governing board is responsible for the fiscal operations of the Board. The Board meets through the year to discuss operations, monitor its goals and objectives, make personnel decisions, review applications to write the bar exam and review applications for foreign licenses. Board members are not compensated for their service other than reimbursement of travel expenses. The appointed members at September 30, 2013 were:

Lawrence N. Hill, President
James R. Carroll, Vice President
Donald H. Funk, Secretary-Treasurer
John P. Long
Sheila Berner Kennedy
Randy K. Johnson
Brian J. Towne

The Board's administrative office is located at 625 South College Street, Springfield, Illinois.

The Committee currently consists of 96 members of the Illinois bar who are appointed by the Supreme Court for staggered terms of three years. No member may be appointed to more than three full consecutive terms. The Committee of the 1st judicial district (Cook County) must not have less than thirty members and the remaining four judicial districts must not have less than fifteen members each. The members of the Board are ex-officio members of the Committee.

The composition of the Board and the Committee as well as their overall policies and procedures, including fee schedules, are established by Supreme Court rules.

The Board adopted a cash basis budget for fiscal years 2012 and 2013 based on the Board's familiarity with the operations of the administrative office and the prior years' audited financial statements.

ILLINOIS BOARD OF ADMISSIONS TO THE BAR
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION

For the Years Ended September 30, 2013 and 2012

ANALYSIS OF OPERATIONS (UNAUDITED)
(Continued)

AVERAGE NUMBER OF EMPLOYEES (UNAUDITED)

	September 30,	
	<u>2013</u>	<u>2012</u>
Officers	3	3
Bookkeeper	1	1
Administrative Assistants	12	12
Receptionists	1	1
Building Maintenance	<u>1</u>	<u>1</u>
Total Employees	<u><u>18</u></u>	<u><u>18</u></u>

SERVICE EFFORTS AND ACCOMPLISHMENTS (UNAUDITED)

Various statistics related to the Board's operations include the following:

	<u>Examination Applications</u>	<u>Absentees</u>	<u>Number of Exams Written</u>
Fiscal 2012			
February	1,019	118	901
July	<u>2,779</u>	<u>163</u>	<u>2,616</u>
Total - 2012	<u><u>3,798</u></u>	<u><u>281</u></u>	<u><u>3,517</u></u>
Fiscal 2013			
February	1,095	110	985
July	<u>2,752</u>	<u>160</u>	<u>2,592</u>
Total - 2013	<u><u>3,847</u></u>	<u><u>270</u></u>	<u><u>3,577</u></u>