



# Staff Memorandum

## **HOUSE OF DELEGATES Agenda Item #2**

Attached for your reference are the Association's financial statements through September 30, 2017.

**NEW YORK STATE BAR ASSOCIATION  
2017 OPERATING BUDGET  
NINE MONTHS OF CALENDAR YEAR 2017**

**REVENUE**

	<b>2017 BUDGET</b>	<b>ADJUST- MENTS</b>	<b>2017 BUDGET AS ADJUSTED</b>	<b>UNAUDITED RECEIVED 9/30/2017</b>	<b>% RECEIVED 9/30/2017</b>	<b>2016 BUDGET</b>	<b>UNAUDITED RECEIVED 9/30/2016</b>	<b>% RECEIVED 9/30/2016</b>
<b>MEMBERSHIP DUES</b>	10,925,000		10,925,000	10,040,712	91.91%	10,925,000	10,419,895	95.38%
<b>SECTIONS:</b>								
Dues	1,411,600		1,411,600	1,306,494	92.55%	1,416,400	1,346,825	95.09%
Programs	2,763,550		2,763,550	2,282,974	82.61%	2,606,550	2,080,396	79.81%
<b>INVESTMENT INCOME</b>	345,000		345,000	263,221	76.30%	390,000	255,816	65.59%
<b>ADVERTISING</b>	133,000		133,000	33,940	25.52%	125,000	115,982	92.79%
<b>CONTINUING LEGAL EDUCATION</b>	3,900,000		3,900,000	2,318,872	59.46%	4,050,000	2,748,205	67.86%
<b>USI AFFINITY PAYMENT</b>	2,269,000		2,269,000	1,653,717	72.88%	2,025,000	1,702,327	84.07%
<b>ANNUAL MEETING</b>	869,500		869,500	897,247	103.19%	919,500	865,567	94.13%
<b>HOUSE OF DELEGATES &amp; COMMITTEES</b>	108,100		108,100	64,221	59.41%	206,200	193,805	93.99%
<b>PUBLICATIONS, ROYALTIES AND OTHER</b>	274,200		274,200	116,957	42.65%	276,800	160,995	58.16%
<b>REFERENCE MATERIALS</b>	1,350,000		1,350,000	725,435	53.74%	1,450,000	778,295	53.68%
<b>TOTAL REVENUE</b>	<b>24,348,950</b>	<b>0</b>	<b>24,348,950</b>	<b>19,703,790</b>	<b>80.92%</b>	<b>24,390,450</b>	<b>20,668,108</b>	<b>84.74%</b>

**EXPENSE**

	<b>2017 BUDGET</b>	<b>ADJUST- MENTS</b>	<b>2017 BUDGET AS ADJUSTED</b>	<b>UNAUDITED EXPENDED 9/30/2017</b>	<b>% EXPENDED 9/30/2017</b>	<b>2016 BUDGET</b>	<b>UNAUDITED EXPENDED 9/30/2016</b>	<b>% EXPENDED 9/30/2016</b>
<b>SALARIES &amp; FRINGE</b>	10,409,950		10,409,950	7,158,693	68.77%	10,365,900	7,490,701	72.26%
<b>BAR CENTER:</b>								
Rent	305,000		305,000	208,066	68.22%	288,000	214,453	74.46%
Building Services	283,250		283,250	155,037	54.74%	285,000	182,530	64.05%
Insurance	142,000		142,000	124,242	87.49%	150,000	103,155	68.77%
Taxes	5,250		5,250	4,949	94.27%	7,750	13,378	172.62%
Plant and Equipment	858,000		858,000	683,066	79.61%	620,000	563,417	90.87%
Administration	543,500		543,500	398,802	73.38%	539,700	403,918	74.84%
<b>SECTIONS</b>	4,171,175		4,171,175	3,128,675	75.01%	3,961,650	2,916,859	73.63%
<b>PUBLICATIONS:</b>								
Reference Materials	430,150		430,150	222,543	51.74%	491,050	209,617	42.69%
Journal	431,200		431,200	324,713	75.30%	489,200	336,197	68.72%
Law Digest	187,800		187,800	121,218	64.55%	221,000	127,582	57.73%
State Bar News	247,300		247,300	169,848	68.68%	254,300	155,972	61.33%
<b>MEETINGS:</b>								
Annual Meeting	348,200		348,200	337,841	97.02%	303,100	320,924	105.88%
House of Delegates, Officers and Executive Committee	520,600		520,600	404,448	77.69%	481,250	403,666	83.88%
<b>COMMITTEES:</b>								
Continuing Legal Education	1,767,875		1,767,875	1,128,996	63.86%	1,944,050	1,105,279	56.85%
LPM / Electronic Communication Committee	86,250		86,250	60,207	69.81%	85,300	70,126	82.21%
Marketing / Membership	971,200		971,200	464,132	47.79%	1,000,650	535,456	53.51%
Media Services	115,300		115,300	30,397	26.36%	267,750	78,099	29.17%
All Other Committees and Departments	2,489,075		2,489,075	1,818,846	73.07%	2,612,220	1,773,666	67.90%
<b>TOTAL EXPENSE</b>	<b>24,313,075</b>	<b>0</b>	<b>24,313,075</b>	<b>16,944,719</b>	<b>69.69%</b>	<b>24,367,870</b>	<b>17,004,995</b>	<b>69.78%</b>
<b>BUDGETED SURPLUS</b>	<b>35,875</b>	<b>0</b>	<b>35,875</b>	<b>2,759,071</b>		<b>22,580</b>	<b>3,663,113</b>	

NEW YORK STATE BAR ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2017

<u>ASSETS</u>	<u>UNAUDITED</u> <u>9/30/2017</u>	<u>UNAUDITED</u> <u>9/30/2016</u>	<u>UNAUDITED</u> <u>12/30/2016</u>
<b><u>Current Assets:</u></b>			
General Cash and Cash Equivalents	8,656,898	9,202,388	14,728,435
Accounts Receivable	95,822	142,024	157,953
Accrued interest receivable	0	0	0
Prepaid expenses	537,397	774,417	1,170,385
Royalties and Admin. Fees receivable	466,640	509,750	705,055
Total Current Assets	9,756,757	10,628,579	16,761,828
<b><u>Board Designated Accounts:</u></b>			
<b><u>Cromwell Fund:</u></b>			
Cash and Investments at Market Value	2,281,755	2,089,908	2,077,752
Accrued interest receivable	0	0	0
	2,281,755	2,089,908	2,077,752
<b><u>Replacement Reserve Account:</u></b>			
Equipment replacement reserve	1,116,917	1,116,583	1,116,667
Repairs replacement reserve	793,904	793,666	793,726
Furniture replacement reserve	219,822	219,756	219,773
	2,130,643	2,130,005	2,130,166
<b><u>Long-Term Reserve Account:</u></b>			
Cash and Investments at Market Value	22,042,948	19,835,582	19,835,080
Accrued interest receivable	0	0	119,404
	22,042,948	19,835,582	19,954,484
<b><u>Sections Accounts:</u></b>			
Section Accounts Cash equivalents and Investments at market value	3,630,987	3,559,250	3,527,130
Cash	460,793	510,362	8,273
	4,091,780	4,069,612	3,535,403
<b><u>Fixed Assets:</u></b>			
Furniture and fixtures	1,344,474	1,332,511	1,340,918
Leasehold Improvements	1,368,781	1,363,251	1,366,016
Equipment	8,352,125	8,494,289	8,466,905
Telephone	107,636	107,636	107,636
	11,173,016	11,297,687	11,281,475
Less accumulated depreciation	8,789,769	8,468,459	8,548,569
Net fixed assets	2,383,247	2,829,228	2,732,906
Total Assets	42,687,130	41,582,914	47,192,539
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Current liabilities:</u></b>			
Accounts Payable & other accrued expenses	580,583	672,060	1,117,148
Deferred dues	124,027	347,614	7,921,620
Deferred income special	980,769	1,211,538	1,153,845
Deferred grant revenue	55,413	34,780	34,780
Other deferred revenue	179,019	111,640	797,941
Unearned Income - CLE	54,864	24,878	53,183
Payable To The New York Bar Foundation	970	5,394	35,845
Total current liabilities & Deferred Revenue	1,975,645	2,407,904	11,114,362
<b><u>Long Term Liabilities:</u></b>			
Accrued Pension Costs	0	1,352,046	734,372
Accrued Other Postretirement Benefit Costs	7,437,723	7,080,303	7,212,723
Accrued Supplemental Plan Costs and Defined Contribution Plan Costs	299,200	379,399	381,559
Total Liabilities & Deferred Revenue	9,712,568	11,219,652	19,443,016
<b><u>Board designated for:</u></b>			
Cromwell Account	2,281,755	2,089,908	2,077,752
Replacement Reserve Account	2,130,643	2,130,005	2,130,166
Long-Term Reserve Account	14,306,025	11,023,834	11,506,426
Section Accounts	4,091,780	4,069,612	3,535,403
Invested in Fixed Assets (Less capital lease)	2,383,247	2,829,228	2,732,906
Undesignated	7,781,112	8,220,675	5,766,870
Total Net Assets	32,974,562	30,363,262	27,749,523
Total Liabilities and Net Assets	42,687,130	41,582,914	47,192,539

**New York State Bar Association**  
**Statement of Activities**  
**For the Nine Months Ending September 30, 2017**

	<u>September 2017</u>	<u>September 2016</u>	<u>December 2016</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Membership dues	\$10,040,712	\$10,419,895	\$10,537,010
Section revenues			
Dues	1,306,494	1,346,825	1,360,835
Programs	2,282,974	2,080,396	2,223,618
Continuing legal education program	2,318,872	2,748,205	3,631,127
Administrative fee and royalty revenue	1,773,390	1,826,753	2,493,706
Annual meeting	897,247	865,567	865,217
Investment income	512,712	438,644	856,515
Reference Books, Formbooks and Disk Products	725,435	778,295	1,256,740
Other revenue	<u>92,272</u>	<u>385,762</u>	<u>425,172</u>
 Total revenue and other support	 19,950,108	 20,890,342	 23,649,940
<b>PROGRAM EXPENSES</b>			
Continuing legal education program	1,713,195	1,710,978	2,401,679
Graphics	1,397,781	1,471,493	1,856,614
Government relations program	478,721	465,058	591,137
Law, youth and citizenship program	150,896	158,074	193,577
Lawyer assistance program	154,232	173,555	191,929
Lawyer referral and information services	138,906	143,076	181,053
Law practice management services	84,991	154,039	194,450
Media / public relations services	325,276	267,311	360,775
Meetings services	0	228,168	253,540
Marketing and Membership services	1,029,816	1,186,829	1,655,277
Pro bono program	162,993	138,168	169,464
Local bar program	78,124	103,227	126,376
House of delegates	357,575	371,327	454,622
Executive committee	46,874	32,338	46,196
Other committees	495,685	645,711	762,377
Sections	3,128,675	2,916,859	3,576,180
Section newsletters	111,842	117,349	144,522
Reference Books, Formbooks and Disk Products	726,715	740,551	1,027,634
Publications	615,780	619,750	779,118
Annual meeting expenses	<u>337,841</u>	<u>320,924</u>	<u>321,137</u>
 Total program expenses	 <u>11,535,918</u>	 <u>11,964,785</u>	 <u>15,287,657</u>
<b>MANAGEMENT AND GENERAL EXPENSES</b>			
Salaries and fringe benefits	2,595,447	2,475,590	3,830,892
Pension plans and other employee benefit plan costs	498,252	498,185	44,928
Rent and equipment costs	764,542	686,686	919,372
Consultant and other fees	749,530	712,524	972,151
Depreciation and amortization	565,200	455,355	601,546
Other expenses	<u>235,834</u>	<u>211,867</u>	<u>237,335</u>
 Total management and general expenses	 <u>5,408,805</u>	 <u>5,040,207</u>	 <u>6,606,224</u>
<b>CHANGES IN NET ASSETS BEFORE INVESTMENT TRANSACTIONS AND OTHER ITEMS</b>			
Realized and unrealized gain (loss) on investments	3,005,385	3,885,350	1,756,059
	2,219,582	1,113,508	629,058
 <b>CHANGES IN NET ASSETS</b>	 <b>5,224,967</b>	 <b>4,998,858</b>	 <b>2,385,117</b>
Net assets, beginning of year	<u>27,749,523</u>	<u>25,364,406</u>	<u>25,364,406</u>
Net assets, end of year	<u><u>32,974,490</u></u>	<u><u>30,363,264</u></u>	<u><u>27,749,523</u></u>