



Staff Memorandum

ANNUAL MEETING Agenda Item #4

Attached for your reference are the unaudited financial statements for the year ending December 31, 2017.

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

REVENUE

	2017 BUDGET	ADJUST- MENTS	2017 BUDGET AS ADJUSTED	UNAUDITED RECEIVED 12/31/2017	% RECEIVED 12/31/2017	2016 BUDGET	UNAUDITED RECEIVED 12/31/2016	% RECEIVED 12/31/2016
MEMBERSHIP DUES	10,925,000		10,925,000	10,049,600	91.99%	10,925,000	10,537,010	96.45%
SECTIONS:								
Dues	1,411,600		1,411,600	1,306,781	92.57%	1,416,400	1,360,835	96.08%
Programs	2,763,550		2,763,550	2,464,082	89.16%	2,606,550	2,223,618	85.31%
INVESTMENT INCOME	345,000		345,000	480,953	139.41%	390,000	472,795	121.23%
ADVERTISING	133,000		133,000	87,732	65.96%	125,000	154,429	123.54%
CONTINUING LEGAL EDUCATION	3,900,000		3,900,000	3,149,481	80.76%	4,050,000	3,631,127	89.66%
USI AFFINITY PAYMENT	2,269,000		2,269,000	2,258,769	99.55%	2,025,000	2,269,769	112.09%
ANNUAL MEETING	869,500		869,500	897,247	103.19%	919,500	865,217	94.10%
HOUSE OF DELEGATES & COMMITTEES	108,100		108,100	84,021	77.73%	206,200	217,688	105.57%
PUBLICATIONS, ROYALTIES AND OTHER	274,200		274,200	229,105	83.55%	276,800	266,168	96.16%
REFERENCE MATERIALS	1,350,000		1,350,000	1,204,135	89.20%	1,450,000	1,256,740	86.67%
TOTAL REVENUE	24,348,950	0	24,348,950	22,211,906	91.22%	24,390,450	23,255,396	95.35%

EXPENSE

	2017 BUDGET	ADJUST- MENTS	2017 BUDGET AS ADJUSTED	UNAUDITED EXPENDED 12/31/2017	% EXPENDED 12/31/2017	2016 BUDGET	UNAUDITED EXPENDED 12/31/2016	% EXPENDED 12/31/2016
SALARIES & FRINGE	10,409,950		10,409,950	9,875,888	94.87%	10,365,900	9,432,133	90.99%
BAR CENTER:								
Rent	305,000		305,000	283,623	92.99%	288,000	285,078	98.99%
Building Services	283,250		283,250	205,081	72.40%	285,000	227,382	79.78%
Insurance	142,000		142,000	169,687	119.50%	150,000	141,781	94.52%
Taxes	5,250		5,250	15,044	286.55%	7,750	23,148	298.68%
Plant and Equipment	858,000		858,000	921,892	107.45%	620,000	754,395	121.68%
Administration	543,500		543,500	482,080	88.70%	539,700	523,574	97.01%
SECTIONS	4,171,175		4,171,175	3,624,531	86.89%	3,961,650	3,576,180	90.27%
PUBLICATIONS:								
Reference Materials	430,150		430,150	301,025	69.98%	491,050	377,285	76.83%
Journal	431,200		431,200	410,016	95.09%	489,200	418,138	85.47%
Law Digest	187,800		187,800	160,503	85.46%	221,000	187,721	84.94%
State Bar News	247,300		247,300	217,026	87.76%	254,300	173,259	68.13%
MEETINGS:								
Annual Meeting	348,200		348,200	338,205	97.13%	303,100	321,137	105.95%
House of Delegates, Officers and Executive Committee	520,600		520,600	537,993	103.34%	481,250	500,818	104.07%
COMMITTEES:								
Continuing Legal Education	1,767,875		1,767,875	1,661,465	93.98%	1,944,050	1,647,365	84.74%
LPM / Electronic Communication Committee	86,250		86,250	61,700	71.54%	85,300	87,380	102.44%
Marketing / Membership	971,200		971,200	759,943	78.25%	1,000,650	823,757	82.32%
Media Services	115,300		115,300	33,595	29.14%	267,750	118,578	44.29%
All Other Committees and Departments	2,489,075		2,489,075	2,283,585	91.74%	2,612,220	2,274,772	87.08%
TOTAL EXPENSE	24,313,075	0	24,313,075	22,342,882	91.90%	24,367,870	21,893,881	89.85%
BUDGETED SURPLUS	35,875	0	35,875	(130,976)		22,580	1,361,515	

NEW YORK STATE BAR ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017

<u>ASSETS</u>	<u>UNAUDITED</u> <u>12/31/2017</u>	<u>UNAUDITED</u> <u>12/31/2016</u>	<u>UNAUDITED</u> <u>12/31/2016</u>
<u>Current Assets:</u>			
General Cash and Cash Equivalents	13,830,803	14,728,435	14,728,435
Accounts Receivable	341,236	157,953	157,953
Accrued interest receivable	0	0	0
Prepaid expenses	1,225,311	1,170,385	1,170,385
Royalties and Admin. Fees receivable	507,000	705,055	705,055
Total Current Assets	15,904,350	16,761,828	16,761,828
<u>Board Designated Accounts:</u>			
<u>Cromwell Fund:</u>			
Cash and Investments at Market Value	2,365,477	2,077,752	2,077,752
Accrued interest receivable	0	0	0
	2,365,477	2,077,752	2,077,752
<u>Replacement Reserve Account:</u>			
Equipment replacement reserve	1,117,002	1,116,667	1,116,667
Repairs replacement reserve	793,964	793,726	793,726
Furniture replacement reserve	219,839	219,773	219,773
	2,130,805	2,130,166	2,130,166
<u>Long-Term Reserve Account:</u>			
Cash and Investments at Market Value	22,901,794	19,835,080	19,835,080
Accrued interest receivable	116,968	119,404	119,404
	23,018,762	19,954,484	19,954,484
<u>Sections Accounts:</u>			
Section Accounts Cash equivalents and Investments at market value	3,629,262	3,527,130	3,527,130
Cash	146,332	8,273	8,273
	3,775,594	3,535,403	3,535,403
<u>Fixed Assets:</u>			
Furniture and fixtures	1,377,127	1,340,918	1,340,918
Leasehold Improvements	1,368,781	1,366,016	1,366,016
Equipment	8,266,037	8,466,905	8,466,905
Telephone	107,636	107,636	107,636
	11,119,581	11,281,475	11,281,475
Less accumulated depreciation	8,870,169	8,548,569	8,548,569
Net fixed assets	2,249,412	2,732,906	2,732,906
Total Assets	49,444,400	47,192,539	47,192,539
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Current liabilities:</u>			
Accounts Payable & other accrued expenses	1,016,900	1,117,148	1,117,148
Deferred dues	7,709,242	7,921,620	7,921,620
Deferred income special	923,076	1,153,845	1,153,845
Deferred grant revenue	55,413	34,780	34,780
Other deferred revenue	852,291	797,941	797,941
Unearned Income - CLE	47,819	53,183	53,183
Payable To The New York Bar Foundation	37,382	35,845	35,845
Total current liabilities & Deferred Revenue	10,642,123	11,114,362	11,114,362
<u>Long Term Liabilities:</u>			
Accrued Pension Costs	0	734,372	734,372
Accrued Other Postretirement Benefit Costs	7,512,723	7,212,723	7,212,723
Accrued Supplemental Plan Costs and Defined Contribution Plan Costs	360,000	381,559	381,559
Total Liabilities & Deferred Revenue	18,514,846	19,443,016	19,443,016
<u>Board designated for:</u>			
Cromwell Account	2,365,477	2,077,752	2,077,752
Replacement Reserve Account	2,130,805	2,130,166	2,130,166
Long-Term Reserve Account	15,029,071	11,506,426	11,506,426
Section Accounts	3,775,594	3,535,403	3,535,403
Invested in Fixed Assets (Less capital lease)	2,249,412	2,732,906	2,732,906
Undesignated	5,379,195	5,766,870	5,766,870
Total Net Assets	30,929,554	27,749,523	27,749,523
Total Liabilities and Net Assets	49,444,400	47,192,539	47,192,539

New York State Bar Association
Statement of Activities
For the Twelve Months Ending December 31, 2017

	<u>December 2017</u>	<u>December 2016</u>	<u>December 2016</u>
REVENUES AND OTHER SUPPORT			
Membership dues	\$10,049,600	\$10,537,010	\$10,537,010
Section revenues			
Dues	1,306,781	1,360,835	1,360,835
Programs	2,464,082	2,223,618	2,223,618
Continuing legal education program	3,149,481	3,631,127	3,631,127
Administrative fee and royalty revenue	2,474,442	2,493,706	2,493,706
Annual meeting	897,247	865,217	865,217
Investment income	1,028,052	856,515	856,515
Reference Books, Formbooks and Disk Products	1,204,135	1,256,740	1,256,740
Other revenue	166,266	425,172	425,172
	<u>22,740,086</u>	<u>23,649,940</u>	<u>23,649,940</u>
PROGRAM EXPENSES			
Continuing legal education program	2,482,617	2,401,679	2,401,679
Graphics	1,866,244	1,856,614	1,856,614
Government relations program	637,370	591,137	591,137
Law, youth and citizenship program	195,371	193,577	193,577
Lawyer assistance program	182,796	191,929	191,929
Lawyer referral and information services	180,350	181,053	181,053
Law practice management services	101,086	194,450	194,450
Media / public relations services	442,365	360,775	360,775
Meetings services	0	253,540	253,540
Marketing and Membership services	1,597,646	1,655,277	1,655,277
Pro bono program	233,167	169,464	169,464
Local bar program	105,656	126,376	126,376
House of delegates	480,346	454,622	454,622
Executive committee	57,647	46,196	46,196
Other committees	587,314	762,377	762,377
Sections	3,624,531	3,576,180	3,576,180
Section newsletters	150,102	144,522	144,522
Reference Books, Formbooks and Disk Products	980,667	1,027,634	1,027,634
Publications	787,545	779,118	779,118
Annual meeting expenses	338,205	321,137	321,137
	<u>15,031,025</u>	<u>15,287,657</u>	<u>15,287,657</u>
MANAGEMENT AND GENERAL EXPENSES			
Salaries and fringe benefits	3,608,501	3,830,892	3,830,892
Pension plans and other employee benefit plan costs	663,897	44,928	44,928
Rent and equipment costs	1,046,817	919,372	919,372
Consultant and other fees	983,801	972,151	972,151
Depreciation and amortization	753,600	601,546	601,546
Other expenses	255,247	237,335	237,335
	<u>7,311,863</u>	<u>6,606,224</u>	<u>6,606,224</u>
CHANGES IN NET ASSETS BEFORE INVESTMENT TRANSACTIONS AND OTHER ITEMS			
	397,198	1,756,059	1,756,059
Realized and unrealized gain (loss) on investments	2,782,836	629,058	629,058
CHANGES IN NET ASSETS			
	3,180,034	2,385,117	2,385,117
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>30,929,557</u></u>	<u><u>27,749,523</u></u>	<u><u>27,749,523</u></u>