



Staff Memorandum

**HOUSE OF DELEGATES
Agenda Item # 3**

Attached for your reference are the Association's financial statements through February 28, 2018.

**NEW YORK STATE BAR ASSOCIATION
2018 OPERATING BUDGET
TWO MONTHS OF CALENDAR YEAR 2018**

REVENUE

	2,018 BUDGET	ADJUST- MENTS	2018 BUDGET AS ADJUSTED	UNAUDITED RECEIVED 2/28/2018	% RECEIVED 2/28/2018	2017 BUDGET	UNAUDITED RECEIVED 2/28/2017	% RECEIVED 2/28/2017
MEMBERSHIP DUES	10,050,000		10,050,000	8,745,309	87.02%	10,925,000	8,910,827	81.56%
SECTIONS:								
Dues	1,341,574		1,341,574	1,136,135	84.69%	1,411,600	1,143,557	81.01%
Programs	2,894,561		2,894,561	782,112	27.02%	2,763,550	768,489	27.81%
INVESTMENT INCOME	477,000		477,000	-12,910	-2.71%	345,000	-15,290	-4.43%
ADVERTISING	296,000		296,000	28,868	9.75%	133,000	8,937	6.72%
CONTINUING LEGAL EDUCATION	3,635,000		3,635,000	914,798	25.17%	3,900,000	693,296	17.78%
USI AFFINITY PAYMENT	2,262,000		2,262,000	366,128	16.19%	2,269,000	367,493	16.20%
ANNUAL MEETING	930,000		930,000	826,543	88.88%	869,500	905,447	104.13%
HOUSE OF DELEGATES & COMMITTEES	211,500		211,500	34,265	16.20%	108,100	52,395	48.47%
PUBLICATIONS, ROYALTIES AND OTHER	296,500		296,500	31,327	10.57%	274,200	14,163	5.17%
REFERENCE MATERIALS	1,310,000		1,310,000	117,906	9.00%	1,350,000	126,568	9.38%
TOTAL REVENUE	23,704,135	0	23,704,135	12,970,481	54.72%	24,348,950	12,975,882	53.29%

EXPENSE

	2,018 BUDGET	ADJUST- MENTS	2018 BUDGET AS ADJUSTED	UNAUDITED EXPENDED 2/28/2018	% EXPENDED 2/28/2018	2017 BUDGET	UNAUDITED EXPENDED 2/28/2017	% EXPENDED 2/28/2017
SALARIES & FRINGE	10,105,550		10,105,550	1,446,719	14.32%	10,409,950	1,504,350	14.45%
BAR CENTER:								
Rent	287,000		287,000	31,766	11.07%	305,000	28,477	9.34%
Building Services	238,250		238,250	27,164	11.40%	283,250	26,075	9.21%
Insurance	142,000		142,000	33,298	23.45%	142,000	24,105	16.98%
Taxes	5,250		5,250	0	0.00%	5,250	789	15.03%
Plant and Equipment	904,600		904,600	132,604	14.66%	858,500	117,911	13.73%
Administration	607,600		607,600	103,206	16.99%	543,500	247,563	45.55%
SECTIONS	4,198,850		4,198,850	568,084	13.53%	4,171,175	595,059	14.27%
PUBLICATIONS:								
Reference Materials	389,050		389,050	29,374	7.55%	430,150	76,034	17.68%
Journal	378,200		378,200	89,964	23.79%	431,200	49,152	11.40%
Law Digest	187,800		187,800	31,642	16.85%	187,800	28,591	15.22%
State Bar News	242,300		242,300	22,227	9.17%	247,300	51,822	20.96%
MEETINGS:								
Annual Meeting	345,800		345,800	1,374,874	397.59%	348,200	1,458,984	419.01%
House of Delegates, Officers and Executive Committee	526,950		526,950	107,712	20.44%	520,600	113,423	21.79%
COMMITTEES:								
Continuing Legal Education	1,711,950		1,711,950	208,615	12.19%	1,767,875	117,591	6.65%
LPM / Electronic Communication Committee	72,800		72,800	9,896	13.59%	86,250	23,217	26.92%
Marketing / Membership	798,100		798,100	142,297	17.83%	971,200	154,075	15.86%
Media Services	98,900		98,900	17,630	17.83%	115,300	23,398	20.29%
All Other Committees and Departments	2,556,410		2,556,410	310,539	12.15%	2,489,075	411,975	16.55%
TOTAL EXPENSE	23,797,360	0	23,797,360	4,687,611	19.70%	24,313,575	5,052,591	20.78%
BUDGETED SURPLUS	(93,225)	0	(93,225)	8,282,870		35,375	7,923,291	

NEW YORK STATE BAR ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF FEBRUARY 28, 2018

<u>ASSETS</u>	<u>UNAUDITED</u> <u>2/28/2018</u>	<u>UNAUDITED</u> <u>2/28/2017</u>	<u>UNAUDITED</u> <u>12/31/2017</u>
<u>Current Assets:</u>			
General Cash and Cash Equivalents	13,522,757	13,215,910	13,900,890
Accounts Receivable	162,632	155,241	139,894
Prepaid expenses	729,268	577,900	1,212,640
Royalties and Admin. Fees receivable	327,667	317,983	710,605
Total Current Assets	14,742,324	14,267,034	15,964,029
<u>Board Designated Accounts:</u>			
<u>Cromwell Fund:</u>			
Cash and Investments at Market Value	2,352,388	2,144,006	2,365,477
Accrued interest receivable	0	0	0
	2,352,388	2,144,006	2,365,477
<u>Replacement Reserve Account:</u>			
Equipment replacement reserve	1,117,056	1,116,692	1,117,002
Repairs replacement reserve	794,002	793,744	793,964
Furniture replacement reserve	219,849	219,778	219,839
	2,130,907	2,130,214	2,130,805
<u>Long-Term Reserve Account:</u>			
Cash and Investments at Market Value	22,951,474	20,656,590	22,901,794
Accrued interest receivable	0	0	123,864
	22,951,474	20,656,590	23,025,658
<u>Sections Accounts:</u>			
Section Accounts Cash equivalents and Investments at market value	3,604,633	3,540,231	3,629,262
Cash	1,350,163	1,316,987	76,245
	4,954,796	4,857,218	3,705,507
<u>Fixed Assets:</u>			
Furniture and fixtures	1,380,096	1,340,918	1,377,127
Leasehold Improvements	1,368,781	1,368,781	1,368,781
Equipment	8,292,022	8,605,338	8,270,647
Telephone	107,636	107,636	107,636
	11,148,535	11,422,673	11,124,191
Less accumulated depreciation	8,892,286	8,602,169	8,839,286
Net fixed assets	2,256,249	2,820,504	2,284,905
Total Assets	49,388,138	46,875,566	49,476,381
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Current liabilities:</u>			
Accounts Payable & other accrued expenses	1,427,572	1,273,554	1,247,871
Deferred dues	15	0	7,717,027
Deferred income special	884,615	1,115,384	923,076
Deferred grant revenue	34,630	33,725	34,630
Other deferred revenue	67,624	88,632	852,291
Unearned Income - CLE	22,441	20,883	47,819
Payable To The New York Bar Foundation	7,007	67,162	0
Total current liabilities & Deferred Revenue	2,443,904	2,599,340	10,822,714
<u>Long Term Liabilities:</u>			
Accrued Pension Costs	0	0	0
Accrued Other Postretirement Benefit Costs	7,601,026	7,262,723	7,512,723
Accrued Supplemental Plan Costs and Defined Contribution Plan Costs	369,739	427,444	309,739
Total Liabilities & Deferred Revenue	10,414,669	10,289,507	18,645,176
<u>Board designated for:</u>			
Cromwell Account	2,352,388	2,144,006	2,365,477
Replacement Reserve Account	2,130,907	2,130,214	2,130,805
Long-Term Reserve Account	14,980,709	12,966,423	15,079,332
Section Accounts	4,954,796	4,857,218	3,705,507
Invested in Fixed Assets (Less capital lease)	2,256,249	2,820,504	2,284,905
Undesignated	12,298,420	11,667,694	5,265,179
Total Net Assets	38,973,469	36,586,059	30,831,205
Total Liabilities and Net Assets	49,388,138	46,875,566	49,476,381

New York State Bar Association
Statement of Activities
For the Two Months Ending February 28, 2018

	<u>February 2018</u>	<u>February 2017</u>	<u>December 2017</u>
REVENUES AND OTHER SUPPORT			
Membership dues	\$8,745,309	\$8,910,827	\$10,053,580
Section revenues			
Dues	1,136,135	1,143,557	1,306,781
Programs	782,112	768,489	2,464,057
Continuing legal education program	914,798	693,296	3,154,300
Administrative fee and royalty revenue	391,199	379,993	2,475,953
Annual meeting	826,543	905,447	897,247
Investment income	4,181	1,166	1,034,947
Reference Books, Formbooks and Disk Products	117,906	126,568	1,204,335
Other revenue	89,495	49,891	167,602
	<u>13,007,678</u>	<u>12,979,234</u>	<u>22,758,802</u>
PROGRAM EXPENSES			
Continuing legal education program	351,184	217,742	2,449,563
Graphics	323,719	348,606	1,795,789
Government relations program	82,839	103,602	614,867
Law, youth and citizenship program	13,277	36,871	181,679
Lawyer assistance program	16,486	28,645	173,693
Lawyer referral and information services	18,977	28,034	173,154
Law practice management services	4,762	44,179	94,752
Media / public relations services	69,477	81,110	424,720
Meetings services	4,173	10,798	0
Marketing and Membership services	297,451	292,777	1,554,945
Pro bono program	41,504	31,277	222,562
Local bar program	16,804	23,216	103,500
House of delegates	105,740	111,897	480,754
Executive committee	1,972	1,526	57,647
Other committees	56,757	66,423	589,813
Sections	568,084	595,059	3,694,593
Section newsletters	20,401	25,371	144,813
Reference Books, Formbooks and Disk Products	120,055	178,604	965,600
Publications	143,832	129,564	789,495
Annual meeting expenses	1,374,874	1,458,984	338,205
	<u>3,632,368</u>	<u>3,814,285</u>	<u>14,850,144</u>
MANAGEMENT AND GENERAL EXPENSES			
Salaries and fringe benefits	499,312	509,994	3,893,223
Pension plans and other employee benefit plan costs	111,026	110,966	647,436
Rent and equipment costs	133,952	141,261	1,047,999
Consultant and other fees	170,074	284,672	1,004,809
Depreciation and amortization	112,600	92,400	722,019
Other expenses	28,276	99,026	312,701
	<u>1,055,240</u>	<u>1,238,319</u>	<u>7,628,187</u>
CHANGES IN NET ASSETS BEFORE INVESTMENT TRANSACTIONS AND OTHER ITEMS			
Realized and unrealized gain (loss) on investments	8,320,070	7,926,630	280,471
	(167,197)	920,406	2,790,613
	8,152,873	8,847,036	3,071,084
Net assets, beginning of year	<u>30,820,606</u>	<u>27,749,522</u>	<u>27,749,522</u>
Net assets, end of year	<u><u>38,973,479</u></u>	<u><u>36,596,558</u></u>	<u><u>30,820,606</u></u>