



Staff Memorandum

**HOUSE OF DELEGATES
Agenda Item #2**

Attached for your reference are the financial statements for the period ending September 30, 2018.

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

REVENUE

	2018 BUDGET	ADJUST- MENTS	2018 BUDGET AS ADJUSTED	UNAUDITED RECEIVED 9/30/2018	% RECEIVED 9/30/2018	2017 BUDGET	UNAUDITED RECEIVED 9/30/2017	% RECEIVED 9/30/2017
MEMBERSHIP DUES	10,050,000		10,050,000	9,883,978	98.35%	10,925,000	10,040,712	91.91%
SECTIONS:								
Dues	1,341,574		1,341,574	1,292,391	96.33%	1,411,600	1,306,494	92.55%
Programs	2,894,561		2,894,561	2,372,794	81.97%	2,763,550	2,282,974	82.61%
INVESTMENT INCOME	477,000		477,000	261,775	54.88%	345,000	263,221	76.30%
ADVERTISING	296,000		296,000	162,791	55.00%	133,000	33,940	25.52%
CONTINUING LEGAL EDUCATION	3,635,000		3,635,000	2,542,479	69.94%	3,900,000	2,318,872	59.46%
USI AFFINITY PAYMENT	2,262,000		2,262,000	1,647,577	72.84%	2,269,000	1,653,717	72.88%
ANNUAL MEETING	930,000		930,000	838,838	90.20%	869,500	897,247	103.19%
HOUSE OF DELEGATES & COMMITTEES	211,500		211,500	177,877	84.10%	108,100	64,221	59.41%
PUBLICATIONS, ROYALTIES AND OTHER	296,500		296,500	208,388	70.28%	274,200	127,540	46.51%
REFERENCE MATERIALS	1,310,000		1,310,000	659,498	50.34%	1,350,000	725,435	53.74%
TOTAL REVENUE	23,704,135	0	23,704,135	20,048,386	84.58%	24,348,950	19,714,373	80.97%

EXPENSE

	2018 BUDGET	ADJUST- MENTS	2018 BUDGET AS ADJUSTED	UNAUDITED EXPENDED 9/30/2018	% EXPENDED 9/30/2018	2017 BUDGET	UNAUDITED EXPENDED 9/30/2017	% EXPENDED 9/30/2017
SALARIES & FRINGE	10,105,550		10,105,550	6,843,532	67.72%	10,409,950	7,158,693	68.77%
BAR CENTER:								
Rent	287,000		287,000	208,066	72.50%	305,000	208,066	68.22%
Building Services	238,250		238,250	155,309	65.19%	283,250	155,037	54.74%
Insurance	142,000		142,000	127,056	89.48%	142,000	124,242	87.49%
Taxes	5,250		5,250	260	4.95%	5,250	4,949	94.27%
Plant and Equipment	904,600		904,600	608,774	67.30%	858,500	683,066	79.57%
Administration	607,600		607,600	278,515	45.84%	543,500	398,802	73.38%
SECTIONS	4,198,850		4,198,850	3,199,271	76.19%	4,171,175	3,128,675	75.01%
PUBLICATIONS:								
Reference Materials	389,050		389,050	123,230	31.67%	430,150	222,543	51.74%
Journal	378,200		378,200	288,464	76.27%	431,200	324,713	75.30%
Law Digest	187,800		187,800	124,747	66.43%	187,800	121,218	64.55%
State Bar News	242,300		242,300	102,636	42.36%	247,300	169,848	68.68%
MEETINGS:								
Annual Meeting	345,800		345,800	269,736	78.00%	348,200	337,841	97.02%
House of Delegates, Officers and Executive Committee	526,950		526,950	401,758	76.24%	520,600	404,448	77.69%
COMMITTEES:								
Continuing Legal Education	1,711,950		1,711,950	1,154,317	67.43%	1,767,875	1,128,996	63.86%
LPM / Electronic Communication Committee	72,800		72,800	40,607	55.78%	86,250	60,207	69.81%
Marketing / Membership	798,100		798,100	438,498	54.94%	971,200	464,132	47.79%
Media Services	98,900		98,900	29,302	29.63%	115,300	30,397	26.36%
All Other Committees and Departments	2,556,410		2,556,410	1,805,035	70.61%	2,489,075	1,818,846	73.07%
TOTAL EXPENSE	23,797,360	0	23,797,360	16,199,113	68.07%	24,313,575	16,944,719	69.69%
BUDGETED SURPLUS	(93,225)	0	(93,225)	3,849,273		35,375	2,769,654	

NEW YORK STATE BAR ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2018

<u>ASSETS</u>	<u>UNAUDITED</u> <u>9/30/2018</u>	<u>UNAUDITED</u> <u>9/30/2017</u>	<u>UNAUDITED</u> <u>12/31/2017</u>
<u>Current Assets:</u>			
General Cash and Cash Equivalents	9,541,951	8,656,898	13,900,890
Accounts Receivable	164,558	95,822	135,391
Prepaid expenses	715,487	537,397	1,212,640
Royalties and Admin. Fees receivable	485,375	466,640	710,605
Total Current Assets	10,907,371	9,756,757	15,959,526
<u>Board Designated Accounts:</u>			
<u>Cromwell Fund:</u>			
Cash and Investments at Market Value	2,428,412	2,281,755	2,365,477
Accrued interest receivable	0	0	0
	<u>2,428,412</u>	<u>2,281,755</u>	<u>2,365,477</u>
<u>Replacement Reserve Account:</u>			
Equipment replacement reserve	1,117,225	1,116,890	1,117,002
Repairs replacement reserve	794,123	793,904	793,964
Furniture replacement reserve	219,882	219,822	219,839
	<u>2,131,230</u>	<u>2,130,616</u>	<u>2,130,805</u>
<u>Long-Term Reserve Account:</u>			
Cash and Investments at Market Value	24,071,357	22,042,948	22,901,794
Accrued interest receivable	0	0	123,864
	<u>24,071,357</u>	<u>22,042,948</u>	<u>23,025,658</u>
<u>Sections Accounts:</u>			
Section Accounts Cash equivalents and Investments at market value	3,634,868	3,630,987	3,629,262
Cash	487,638	460,793	76,245
	<u>4,122,506</u>	<u>4,091,780</u>	<u>3,705,507</u>
<u>Fixed Assets:</u>			
Furniture and fixtures	1,432,266	1,344,474	1,377,127
Leasehold Improvements	1,368,781	1,368,781	1,368,781
Equipment	8,240,197	8,352,125	8,298,344
Telephone	107,636	107,636	107,636
	<u>11,148,880</u>	<u>11,173,016</u>	<u>11,151,888</u>
Less accumulated depreciation	9,077,786	8,789,769	8,839,286
Net fixed assets	2,071,094	2,383,247	2,312,602
Total Assets	45,731,970	42,687,103	49,499,575
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Current liabilities:</u>			
Accounts Payable & other accrued expenses	467,832	580,583	1,247,871
Deferred dues	687,371	124,027	7,717,027
Deferred income special	749,999	980,769	923,076
Deferred grant revenue	32,406	55,413	34,630
Other deferred revenue	81,076	179,019	852,291
Unearned Income - CLE	21,487	54,864	47,819
Payable To The New York Bar Foundation	17,609	970	0
Total current liabilities & Deferred Revenue	2,057,780	1,975,645	10,822,714
<u>Long Term Liabilities:</u>			
Accrued Pension Costs	0	0	0
Accrued Other Postretirement Benefit Costs	7,776,026	7,437,723	7,551,026
Accrued Supplemental Plan Costs and Defined Contribution Plan Costs	270,000	299,200	309,739
Total Liabilities & Deferred Revenue	10,103,806	9,712,568	18,683,479
<u>Board designated for:</u>			
Cromwell Account	2,428,412	2,281,755	2,365,477
Replacement Reserve Account	2,131,230	2,130,616	2,130,805
Long-Term Reserve Account	16,025,331	14,306,025	15,041,029
Section Accounts	4,122,506	4,091,780	3,705,507
Invested in Fixed Assets (Less capital lease)	2,071,094	2,383,247	2,312,602
Undesignated	8,849,591	7,781,112	5,260,676
Total Net Assets	35,628,164	32,974,535	30,816,096
Total Liabilities and Net Assets	45,731,970	42,687,103	49,499,575

New York State Bar Association
Statement of Activities
For the Nine Months Ending September 30, 2018

	September 2018	September 2017	December 2017
REVENUES AND OTHER SUPPORT			
Membership dues	9,883,978	10,040,712	10,053,580
Section revenues			
Dues	1,292,391	1,306,494	1,306,781
Programs	2,372,794	2,282,974	2,464,057
Continuing legal education program	2,542,479	2,318,872	3,154,300
Administrative fee and royalty revenue	1,832,939	1,773,390	2,475,953
Annual meeting	838,838	897,247	897,247
Investment income	512,647	512,712	1,034,947
Reference Books, Formbooks and Disk Products	659,498	725,435	1,204,335
Other revenue	401,517	102,855	167,602
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Total revenue and other support	20,337,081	19,960,691	22,758,802
PROGRAM EXPENSES			
Continuing legal education program	1,767,243	1,713,195	2,449,563
Graphics	1,406,133	1,397,781	1,795,789
Government relations program	368,726	478,721	614,867
Law, youth and citizenship program	56,432	150,896	181,679
Lawyer assistance program	75,943	154,232	173,693
Lawyer referral and information services	92,598	138,906	173,154
Law practice management services	61,884	84,991	94,752
Media / public relations services	256,288	325,276	424,720
Marketing and Membership services	1,055,219	1,029,816	1,554,945
Pro bono program	159,239	162,993	222,562
Local bar program	79,533	78,124	103,500
House of delegates	354,052	357,575	480,754
Executive committee	47,706	46,874	57,647
Other committees	506,900	495,685	589,813
Sections	3,199,271	3,128,675	3,694,593
Section newsletters	125,629	111,842	144,813
Reference Books, Formbooks and Disk Products	548,566	726,715	965,600
Publications	515,848	615,780	789,495
Annual meeting expenses	269,736	337,841	338,205
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Total program expenses	10,946,946	11,535,918	14,850,144
MANAGEMENT AND GENERAL EXPENSES			
Salaries and fringe benefits	2,662,235	2,595,447	3,893,223
Pension plans and other employee benefit plan costs	493,917	498,252	651,939
Rent and equipment costs	819,950	764,542	1,047,999
Consultant and other fees	647,140	749,530	1,004,809
Depreciation and amortization	506,700	565,200	722,019
Other expenses	122,228	235,834	312,701
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Total management and general expenses	5,252,170	5,408,805	7,632,690
CHANGES IN NET ASSETS BEFORE INVESTMENT TRANSACTIONS AND OTHER ITEMS			
	4,137,965	3,015,968	275,968
Realized and unrealized gain (loss) on investments	674,142	2,219,582	2,790,613
CHANGES IN NET ASSETS			
	4,812,107	5,235,550	3,066,581
Net assets, beginning of year	30,816,103	27,749,522	27,749,522
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Net assets, end of year	35,628,210	32,985,072	30,816,103
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