



# Staff Memorandum

## ANNUAL MEETING Agenda Item #4

Attached for your reference are the unaudited financial statements for the year ending December 31, 2016.

**NEW YORK STATE BAR ASSOCIATION  
2016 OPERATING BUDGET  
TWELVE MONTHS OF CALENDAR YEAR 2016**

**REVENUE**

	2016 BUDGET	ADJUST- MENTS	2016 BUDGET AS ADJUSTED	UNAUDITED RECEIVED 12/31/2016	% RECEIVED 12/31/2016	2015 BUDGET	UNAUDITED RECEIVED 12/31/2015	% RECEIVED 12/31/2015
<b>MEMBERSHIP DUES</b>	10,925,000		10,925,000	10,426,352	95.44%	11,350,000	10,879,002	95.85%
<b>SECTIONS:</b>								
Dues	1,416,400		1,416,400	1,346,750	95.08%	1,444,600	1,399,689	96.89%
Programs	2,606,550		2,606,550	2,228,618	85.50%	2,495,450	2,146,535	86.02%
<b>INVESTMENT INCOME</b>	390,000		390,000	351,743	90.19%	319,000	376,796	118.12%
<b>ADVERTISING</b>	125,000		125,000	154,426	123.54%	370,000	133,442	36.07%
<b>CLE</b>	4,050,000		4,050,000	3,630,812	89.65%	4,470,000	3,633,015	81.28%
<b>USI AFFINITY PAYMENT</b>	2,025,000		2,025,000	2,269,769	112.09%	2,025,000	2,081,758	102.80%
<b>ANNUAL MEETING</b>	919,500		919,500	865,217	94.10%	933,000	812,353	87.07%
<b>HOUSE OF DELEGATES &amp; COMMITTEES</b>	206,200		206,200	217,437	105.45%	125,200	111,800	89.30%
<b>PUBLICATIONS, ROYALTIES AND OTHER</b>	276,800		276,800	238,918	86.31%	338,500	293,339	86.66%
<b>REFERENCE MATERIALS</b>	1,450,000		1,450,000	1,256,049	86.62%	1,440,000	1,253,532	87.05%
<b>TOTAL REVENUE</b>	<b>24,390,450</b>	<b>0</b>	<b>24,390,450</b>	<b>22,986,091</b>	<b>94.24%</b>	<b>25,310,750</b>	<b>23,121,261</b>	<b>91.35%</b>

**EXPENSE**

	2016 BUDGET	ADJUST- MENTS	2016 BUDGET AS ADJUSTED	UNAUDITED EXPENDED 12/31/2016	% EXPENDED 12/31/2016	2015 BUDGET	UNAUDITED EXPENDED 12/31/2015	% EXPENDED 12/31/2015
<b>SALARIES &amp; FRINGE</b>	10,365,900		10,365,900	9,694,158	93.52%	10,742,600	9,678,528	90.09%
<b>BAR CENTER:</b>								
Rent	288,000		288,000	285,078	98.99%	288,000	285,078	98.99%
Building Services	285,000		285,000	222,093	77.93%	310,700	266,341	85.72%
Insurance	150,000		150,000	151,327	100.88%	157,000	153,194	97.58%
Taxes	7,750		7,750	21,602	278.74%	7,750	12,079	155.86%
Plant and Equipment	620,000		620,000	749,644	120.91%	725,500	675,901	93.16%
Administration	539,700		539,700	551,826	102.25%	633,500	597,527	94.32%
<b>SECTIONS</b>	3,961,650		3,961,650	3,585,095	90.49%	3,886,150	3,445,416	88.66%
<b>PUBLICATIONS:</b>								
Reference Materials	491,050		491,050	368,085	74.96%	493,500	425,832	86.29%
Journal	489,200		489,200	417,317	85.31%	523,200	464,084	88.70%
Law Digest	221,000		221,000	187,063	84.64%	239,000	145,079	60.70%
State Bar News	254,300		254,300	172,559	67.86%	294,300	256,857	87.28%
<b>MEETINGS:</b>								
Annual Meeting	303,100		303,100	321,015	105.91%	402,500	377,758	93.85%
House of Delegates, Officers and Executive Committee	481,250		481,250	486,070	101.00%	467,850	524,161	112.04%
<b>COMMITTEES:</b>								
CLE	1,944,050		1,944,050	1,631,208	83.91%	2,017,800	1,766,276	87.53%
LPM/ECTF	85,300		85,300	87,377	102.43%	89,425	70,091	78.38%
MARKETING / MEMBERSHIP	1,000,650		1,000,650	771,483	77.10%	1,017,900	704,728	69.23%
MEDIA SERVICES	267,750		267,750	115,612	43.18%	302,050	246,038	81.46%
ALL OTHERS	2,612,220		2,612,220	2,251,751	86.20%	2,582,145	2,208,376	85.52%
<b>TOTAL EXPENSE</b>	<b>24,367,870</b>	<b>0</b>	<b>24,367,870</b>	<b>22,070,363</b>	<b>90.57%</b>	<b>25,180,870</b>	<b>22,303,344</b>	<b>88.57%</b>
<b>BUDGETED SURPLUS</b>	<b>22,580</b>	<b>0</b>	<b>22,580</b>	<b>915,728</b>		<b>129,880</b>	<b>817,917</b>	

NEW YORK STATE BAR ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 30, 2016

<u>ASSETS</u>	<u>UNAUDITED</u> <u>12/31/2016</u>	<u>UNAUDITED</u> <u>12/31/2015</u>	<u>UNAUDITED</u> <u>12/31/2015</u>
<b><u>Current Assets:</u></b>			
General Cash and Cash Equivalents	14,772,245	14,491,557	14,491,557
Accounts Receivable	302,508	119,263	119,263
Accrued interest receivable	0		
Prepaid expenses	1,170,571	1,412,444	1,412,444
Royalties and Admin. Fees receivable	509,750	688,262	688,262
<b>Total Current Assets</b>	<b>16,755,074</b>	<b>16,711,526</b>	<b>16,711,526</b>
<b><u>Board Designated Accounts:</u></b>			
<b><u>Cromwell Fund:</u></b>			
Cash and Investments at Market Value	2,059,470	2,018,735	2,018,735
Accrued interest receivable	0	0	0
	<b>2,059,470</b>	<b>2,018,735</b>	<b>2,018,735</b>
<b><u>Replacement Reserve Account:</u></b>			
Equipment replacement reserve	1,116,611	1,116,332	1,116,332
Repairs replacement reserve	793,686	793,488	793,488
Furniture replacement reserve	219,762	219,707	219,707
	<b>2,130,059</b>	<b>2,129,527</b>	<b>2,129,527</b>
<b><u>Long-Term Reserve Account:</u></b>			
Cash and Investments at Market Value	19,621,129	18,827,847	18,827,847
Accrued interest receivable	0	80,859	80,859
	<b>19,621,129</b>	<b>18,908,706</b>	<b>18,908,706</b>
<b><u>Sections Accounts:</u></b>			
Section Accounts Cash equivalents and Investments at market value	3,527,130	3,472,523	3,472,523
Cash	(9,728)	100,808	100,808
	<b>3,517,402</b>	<b>3,573,331</b>	<b>3,573,331</b>
<b><u>Fixed Assets:</u></b>			
Furniture and fixtures	1,340,918	1,332,511	1,332,511
Leasehold Improvements	1,366,016	1,363,251	1,363,251
Equipment	8,443,257	7,447,657	7,447,657
Telephone	107,636	107,636	107,636
	<b>11,257,827</b>	<b>10,251,055</b>	<b>10,251,055</b>
Less accumulated depreciation	8,548,859	8,228,428	8,228,428
<b>Net fixed assets</b>	<b>2,708,968</b>	<b>2,022,627</b>	<b>2,022,627</b>
<b>Total Assets</b>	<b>46,792,102</b>	<b>45,364,452</b>	<b>45,364,452</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Current liabilities:</u></b>			
Accounts Payable & other accrued expenses	931,002	1,428,944	1,428,944
Deferred dues	8,047,848	7,755,838	7,755,838
Deferred income special	1,153,845	1,389,071	1,389,071
Deferred grant revenue	18,581	31,710	31,710
Other deferred revenue	798,838	556,344	556,344
Unearned Income - CLE	53,485	51,570	51,570
Payable To The New York Bar Foundation	35,681	35,820	35,820
<b>Total current liabilities &amp; Deferred Revenue</b>	<b>11,039,280</b>	<b>11,249,297</b>	<b>11,249,297</b>
<b><u>Long Term Liabilities:</u></b>			
Accrued Pension Costs	1,352,046	1,417,046	1,417,046
Accrued Other Postretirement Benefit Costs	7,155,303	6,855,303	6,855,303
Accrued Supplemental Plan Costs and Defined Contribution Plan Costs	440,199	478,400	478,400
<b>Total Liabilities &amp; Deferred Revenue</b>	<b>19,986,828</b>	<b>20,000,046</b>	<b>20,000,046</b>
<b><u>Board designated for:</u></b>			
Cromwell Account	2,059,470	2,018,735	2,018,735
Replacement Reserve Account	2,130,059	2,129,527	2,129,527
Long-Term Reserve Account	10,673,581	10,077,098	10,077,098
Section Accounts	3,517,402	3,573,331	3,573,331
Invested in Fixed Assets (Less capital lease)	2,708,968	2,022,627	2,022,627
Undesignated	5,715,794	5,543,088	5,543,088
<b>Total Net Assets</b>	<b>26,805,274</b>	<b>25,364,406</b>	<b>25,364,406</b>
<b>Total Liabilities and Net Assets</b>	<b>46,792,102</b>	<b>45,364,452</b>	<b>45,364,452</b>

**New York State Bar Association**  
**Statement of Activities**  
**For the Twelve Months Ending December 31, 2016**

	<u>December 2016</u>	<u>December 2015</u>	<u>December 2015</u>
<b>REVENUES AND OTHER SUPPORT</b>			
Membership dues	\$10,426,352	\$10,879,002	\$10,879,002
Section revenues			
Dues	1,346,750	1,399,689	1,399,689
Programs	2,228,618	2,146,535	2,146,535
Continuing legal education program	3,630,812	3,633,015	3,633,015
Administrative fee and royalty revenue	2,466,667	2,317,167	2,317,167
Annual meeting	865,217	812,353	812,353
Investment income	571,175	796,322	796,322
Reference Books, Formbooks and Disk Products	1,256,049	1,253,532	1,253,532
Other revenue	443,460	299,648	299,648
	<u>23,235,100</u>	<u>23,537,263</u>	<u>23,537,263</u>
<b>PROGRAM EXPENSES</b>			
Continuing legal education program	2,442,451	2,670,495	2,670,495
Graphics	1,938,992	1,896,395	1,896,395
Government relations program	623,037	586,735	586,735
Law, youth and citizenship program	208,223	206,286	206,286
Lawyer assistance program	205,263	215,609	215,609
Lawyer referral and information services	188,349	180,933	180,933
Law practice management services	207,006	207,053	207,053
Media / public relations services	377,031	529,638	529,638
Meetings services	273,523	369,936	369,936
Marketing and Membership services	1,658,916	1,388,916	1,388,916
Pro bono program	188,811	260,902	260,902
Local bar program	135,413	121,702	121,702
House of delegates	445,256	475,566	475,566
Executive committee	40,814	48,595	48,595
Other committees	755,335	652,756	652,756
Sections	3,585,095	3,445,416	3,445,416
Section newsletters	153,930	137,284	137,284
Reference Books, Formbooks and Disk Products	1,068,591	1,134,146	1,134,146
Publications	776,939	866,020	866,020
Annual meeting expenses	321,015	377,758	377,758
	<u>15,593,990</u>	<u>15,772,141</u>	<u>15,772,141</u>
<b>MANAGEMENT AND GENERAL EXPENSES</b>			
Salaries and fringe benefits	3,349,762	3,897,974	3,897,974
Pension plans and other employee benefit plan costs	663,822	(177,496)	(177,496)
Rent and equipment costs	913,696	1,004,743	1,004,743
Consultant and other fees	991,368	899,388	899,388
Depreciation and amortization	606,555	534,727	534,727
Other expenses	237,962	371,703	371,703
	<u>6,763,165</u>	<u>6,531,039</u>	<u>6,531,039</u>
<b>CHANGES IN NET ASSETS BEFORE INVESTMENT TRANSACTIONS AND OTHER ITEMS</b>			
Realized and unrealized gain (loss) on investments	877,945	1,234,083	1,234,083
	562,921	(567,227)	(567,227)
	<u>1,440,866</u>	<u>666,856</u>	<u>666,856</u>
Net assets, beginning of year	25,364,570	24,697,714	24,697,714
Net assets, end of year	<u>26,805,436</u>	<u>25,364,570</u>	<u>25,364,570</u>