

Treasurer's Report
Annual Meeting 2015
Tom Halter

I am Tom Halter, CFO of the City Bar, and I'll be presenting the Treasurer's report for Allan Gropper, who cannot be here tonight.

For our April 30, 2015 Year-end, the Association finished the year approximately \$12,000 better than budget. Revenue was \$13,552,000 and expenses were \$13,790,000, resulting in a deficit of \$238,000 a 1.8% shortfall of revenue. Revenue has fallen short of budget by \$611,000 offset by a savings on expenses of \$623,000. The 2015-16 Budget is projecting a slight gain of \$3,000. The City bar staff will seek to achieve this goal through a variety of ways including a Membership Dues adjustment, a new LRS rate structure and increased utilization of our space through rentals. In addition, staff will continue to strive for efficiencies through cost containment.

Critical to our financial well-being has been the mix of revenue streams that support the Association. Revenue from Membership dues is supplemented by revenue from CLE, our Meeting Services Department, our Legal Referral Service, sponsorships and royalties. This year all of our major funding streams were improved from a year ago but have fallen short of budget.

Almost half of the Association's revenue comes from membership dues and I am pleased to report that our membership is rising. The membership count is 25,085 as of April 30, 2015, compared to 24,917 at April 30, 2014, a gain of 168.

The Association also had a successful auction of rare books and collectables through Doyle of New York. The net was approximately \$1,900,000 .

Our capital expenses last year, as in recent years, were focused on maintaining our beautiful landmark House and keeping pace with technological changes. We are upgrading computers in the Library for our Membership. This was funded from the proceeds of our recent rare books auction. We are also using these proceeds to move ahead with upgrades to our website and audio video (AV) equipment. I am happy to report that the Association's investment portfolio increased \$732,000 over the past year, from \$14,027,000 to \$14,759,000. This increase factors in our withdrawal of 4.75% of a rolling average value of the portfolio, which was in the amount of \$556,000. As in prior years, we used that withdrawal for Association operations, which is a common practice in the not-for-profit world. Just to give you some sense of our investment portfolio, it consists of managed accounts as well as the investment in the purchase of the 2nd Floor condominium of the Bar Building, which is valued at depreciated cost. The Association's managed investments include funds invested

in a diversified mix of assets, which are actively monitored by the Association's investment consultant, Colonial Consulting, and by the Committee on Investment of Funds, chaired by John Baumgardner. Management also moved \$1.0 million of the auction proceeds to the investment portfolio for future use.

The assets of the Association have decreased in value slightly due partly to the depreciation of existing fixed assets including the condominium. The preliminary balance sheet of the Association as of April 30, 2015 shows assets of approximately \$26,935,699 and total liabilities of \$7,227,467 as compared to \$26,942,123 and \$7,089,213 last year, resulting in net assets being somewhat lower than last year.

Any member who wishes can obtain a copy of the Association's audited financial statements from the Office of the Chief Financial Officer. The audited financials will also be available on the Association's website.

The Executive Committee and Management will continue to monitor income, expenses and cash to assure that the Association can maintain its critical programs.

I want to publicly thank Allan Gropper, who will be concluding his four years as Treasurer, for his wonderful guidance, judgment and leadership.