

Medical Society of New Jersey  
BALANCE SHEET  
For the Eight Months Ending January 31, 2007

**ASSETS**

|  |                  |                  |
|--|------------------|------------------|
| Cash   |                  | \$1,522          |
| Investment in Money Market Fund                    |                  | 430,628          |
| Marketable Securities                              | 3,503,618        |                  |
| Adjust to Market Value                             | <u>(67,593)</u>  |                  |
|  |                  | 3,436,024        |
| Accounts Receivable - Member Dues                  |                  | 694,888          |
| MRAC, Inc. Loan                                    | 40,000           |                  |
| Medical Student Loans                              | 123,890          |                  |
| Less Allowance for Doubtful Loans                  | <u>(38,500)</u>  |                  |
|  |                  | 125,390          |
| Property, Plant, and Equipment                     |                  |                  |
| Furniture and Fixtures                             | <u>622,028</u>   |                  |
|  | 622,028          |                  |
| Less Allowance for Depreciation                    | <u>(487,812)</u> |                  |
|  |                  | 134,215          |
| Prepaid Expenses                                   |                  | 52,670           |
| Deferred Tax - Current                             |                  | 16,488           |
| Other Assets                                       |                  | 185,417          |
| Deferred Tax - Non-Current                         |                  | 274,057          |
| Investment in Lawrenceville Realty Associates, LLC |                  | 570,000          |
| Investment in Subsidiaries                         |                  | <u>(166,610)</u> |
| Total Assets                                       |                  | \$5,754,687      |

**LIABILITIES AND FUND BALANCE**

|                                       |                 |                  |
|---------------------------------------|-----------------|------------------|
| Accounts Payable                      |                 | \$9,985          |
| Accrued Annual Meeting Costs          |                 | 61,717           |
| Other Accrued Expenses                |                 | 359,398          |
| Unfunded Pension Liability            |                 | 226,286          |
| Deferred Rev. from Member Assessments |                 | 2,178,000        |
| Deferred Revenue/Other                |                 | 234,812          |
| Deferred Gain on Sale of Building     |                 | 1,598,757        |
| Deferred Revenue-Advocacy Educational |                 | 47,717           |
| Deferred Revenue-Advocacy Political   |                 | 23,902           |
| Fund Balance - Prior Years            | 1,088,470       |                  |
| Fund Balance - Current                | <u>(74,358)</u> |                  |
|                                       |                 | <u>1,014,112</u> |
| Total Liabilities and Fund Balance    |                 | \$5,754,687      |

**MEDICAL SOCIETY OF NEW JERSEY**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the Eight Months Ending January 31, 2007

|   | F/Y '05-06         | F/Y '06-07         |
|---|--------------------|--------------------|
| <b>Revenue</b>  |                    |                    |
| Membership Dues   | \$1,461,374        | \$1,566,101        |
| NJ Medicine Subscriptions   | 75                 |                    |
| NJ Medicine Grant re: Supplement & Misc.                                | 15                 |                    |
| Physicians' Health Program Revenue                                      | 57,904             | 722                |
| Investment Income   | 139,851            | 132,256            |
| Equity Ownership Income   | 32,700             | 39,900             |
| Royalty Income/Corporate Partner Program                                | 43,110             | 100,165            |
| Annual Meeting Contributions  | 39,480             | 16,850             |
| Contribution from MSLF  | 133,333            | 166,667            |
| Advocacy Income   | 143,642            | 179,479            |
| Membership Directory Sales & Advertising Income                         | 565                | 100                |
| CME Fees and Registration Income  | 37,925             | 27,650             |
| Tobacco Free Kids Grant   | 1,610              |                    |
| NJ Physician Recognition Grant  | 374                | 52,600             |
| Legal Defense Fund  | 5,250              |                    |
| Management Fee re: MSLF   | 968                | 362                |
| Management Fee re: Health Ins. Trust Fund                               | 4,396              | 3,904              |
| MRAC Indirect Cost Reimbursement  | 3,333              | 3,333              |
| Medical Practice Manager Dues and Fees                                  | 12,930             | 10,650             |
| Gain on Investment  | 39,184             | 35,773             |
| Gain on Sale of Building  | 54,893             | 61,755             |
| Other Income  | 69,167             | 22,533             |
| <b>Total Revenue</b>  | <b>\$2,282,079</b> | <b>\$2,420,800</b> |
| <b>Expenses</b>   |                    |                    |
| Councils, Committees, and Communication                                 | \$150,898          | \$180,018          |
| Advocacy Expenses Educational   | 10,313             | 46,146             |
| Membership Recruitment & Retention                                      | 20,535             | 41,715             |
| Membership Services   | 105,919            | 89,169             |
| <b>Program Expenses</b>   | 287,665            | 357,048            |
| General and Administrative  | 1,784,790          | 1,786,255          |
| Reorganization Expense  | (29,000)           |                    |
| Rent Expense  | 215,550            | 206,848            |
| MSLF Contribution   | 133,333            | 166,667            |
| MSLF Operating Expenses   | 3,604              | 307                |
| NJ Physician Recognition Grant  | 374                | 52,600             |
| Tobacco Free Kids Grant   | 1,610              |                    |
| Loss on Sale of Investment  | 36,301             | 77,036             |
| Depreciation  | 25,243             | 27,929             |
|   | 2,459,471          | 2,674,689          |
| Unrealized Loss (Gain) on Investments                                   | (77,772)           | (189,339)          |
| <b>Total Expenses</b>   | <b>\$2,381,699</b> | <b>\$2,485,351</b> |
| <b>EXCESS OF REVENUE OVER EXPENSES</b><br>(Before Federal Income Taxes) | (99,620)           | (64,551)           |
| Provision for Federal Income Tax  | 9,807              | 9,807              |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                                  | <b>(\$109,428)</b> | <b>(\$74,358)</b>  |

**MEDICAL SOCIETY OF NEW JERSEY**  
**ANALYSIS OF EXPENSES**  
 Period Ending January 31, 2007

|  | <u>2006</u>               | <u>2007</u>               | <u>Budget</u>             | <u>Over<br/>(Under)<br/>Budget</u> |
|--|---------------------------|---------------------------|---------------------------|------------------------------------|
| <b>Compensation</b>                                |                           |                           |                           |                                    |
| Salaries   | \$1,101,234               | \$1,088,377               | \$1,123,333               | (\$34,956)                         |
| Pension Plan                                       | 84,893                    | 90,346                    | 100,000                   | (9,654)                            |
| Reorganization                                     | (29,000)                  |                           |                           |                                    |
|  | <u>1,157,127</u>          | <u>1,178,723</u>          | <u>1,223,333</u>          | <u>(44,610)</u>                    |
| <b>Professional Fees</b>                           |                           |                           |                           |                                    |
| Audit  | 20,000                    | 15,333                    | 15,333                    |                                    |
| Legal  | 66,236                    | 42,987                    | 83,333                    | (40,346)                           |
| Actuarial  | 11,725                    | 21,747                    | 10,000                    | 11,747                             |
| Special Consultants                                | 1,762                     | 9,361                     | 18,667                    | (9,306)                            |
|  | <u>99,723</u>             | <u>89,428</u>             | <u>127,333</u>            | <u>(37,905)</u>                    |
| <b>Councils, Committees,<br/>and Communication</b> |                           |                           |                           |                                    |
| Communications                                     | 18,721                    | 33,644                    | 30,000                    | 3,644                              |
| Internet Site                                      | 3,080                     | 1,871                     | 3,333                     | (1,462)                            |
| Legislation  | 40,170                    | 46,968                    | 53,333                    | (6,365)                            |
| President and Presidential Officers                | 2,270                     | 756                       | 10,000                    | (9,244)                            |
| AMA Delegation                                     | 52,745                    | 61,557                    | 41,333                    | 20,224                             |
| IMG Section  | 173                       |                           | 1,333                     | (1,333)                            |
| Young Physician Delegates                          |                           | 2,156                     | 2,000                     | 156                                |
| Medical Education                                  | 17,591                    | 12,143                    | 23,333                    | (11,190)                           |
| Board of Trustees                                  | 518                       | 7,183                     | 23,333                    | (16,150)                           |
| Other Councils and Committees                      | 3,397                     | 7,856                     | 10,000                    | (2,144)                            |
| Medical Student Association                        | 6,153                     | 2,251                     | 6,667                     | (4,416)                            |
| Medical Practice Managers Section                  | 6,081                     | 3,633                     | 20,000                    | (16,367)                           |
| Recruitment and Retention                          | 20,535                    | 41,715                    | 34,000                    | 7,715                              |
|  | <u>171,434</u>            | <u>221,733</u>            | <u>258,665</u>            | <u>(36,932)</u>                    |
| <b>Member Services</b>                             |                           |                           |                           |                                    |
| Membership Directory                               | (32)                      | (14)                      |                           | (14)                               |
| Annual Meeting                                     | 70,206                    | 69,904                    | 70,000                    | (96)                               |
| Newsletter   | 24,232                    | 19,226                    | 40,000                    | (20,774)                           |
| Physicians' Health Program                         | 11,348                    | 53                        |                           | 53                                 |
|  | <u>105,754</u>            | <u>89,169</u>             | <u>110,000</u>            | <u>(20,831)</u>                    |
| <b>General Admin. &amp; Operating Exp.</b>         |                           |                           |                           |                                    |
| Bldg. Operations w/Depreciation                    | 61,484                    | 82,357                    | 66,667                    | 15,690                             |
| Rent Expense                                       | 215,550                   | 206,848                   | 194,000                   | 12,848                             |
| Insurance  | 220,954                   | 209,667                   | 268,000                   | (58,333)                           |
| Payroll Taxes                                      | 76,597                    | 73,508                    | 93,333                    | (19,825)                           |
| Other General Office Costs                         | 165,149                   | 180,502                   | 170,000                   | 10,502                             |
|  | <u>739,734</u>            | <u>752,882</u>            | <u>792,000</u>            | <u>(39,118)</u>                    |
| <b>Total</b>                                       | <u><u>\$2,273,772</u></u> | <u><u>\$2,331,935</u></u> | <u><u>\$2,511,331</u></u> | <u><u>(\$179,396)</u></u>          |