

2016 Budget Overview

As in past years, the Greater Binghamton Association of REALTORS® 2016 Budget is drafted by GBAR staff based on membership, market and cost trends, identification of cost reduction opportunities, and input from the GBAR Finance Committee. Once preliminarily completed, the draft budget is reviewed and refined thoroughly by the GBAR Finance Committee during multiple meetings. Once finalized, the Budget is submitted to the GBAR Board of Directors, who approved the 2016 Budget at their meeting on August 18, 2015 for submission to the Membership for approval by ballot. **These ballots will be mailed to all voting GBAR Members on September 11th and are due back to the Association Offices by October 13th.**

We are providing this **2016 Budget Overview** to our Members so they can make an informed judgment as they cast their votes. In addition, a Budget Forum will be held immediately following the September 9th Luncheon at Thirsty's in Binghamton. At that time, Executive Officer David Lounsbury, and Finance/MLS Coordinator Martha Tubaugh will be available to answer Member questions regarding the Budget. We expect the Forum to begin around 1:30 pm.

2016 Budget Synopsis

We are expecting 2016 average Association Membership to remain relatively stable compared to the prior year, based on the rate of current new membership and fewer membership drops than historically seen. We also expect MLS Subscribership to remain at 2015 levels. **In summary, we are budgeting GBAR Revenues to decrease by a minimal 1.7% in 2016.** At the same time, as the result of our ongoing efforts to control and keep Association operating costs reduced or static, several key Expense lines will be lower in 2016 than was budgeted for in 2015. **As a result, we have been able to absorb normal expense increases and investments in key elements of our Association while still achieving a balanced budget, without increasing Member Dues or MLS Fees.**

2016 Budget Detail – Revenues

Based on current trends, we expect to have a net zero gain in Association Members versus our 2015 Budget. The aforementioned Revenue reduction is primarily due to more realistic budgeting of Affiliate membership, the reduction of Real Estate School profitability, and the already realized loss of website advertising which we hope to improve on all of these factors during 2016. In addition, the 2016 budget has had to address the dramatic cost increase of lockboxes, since the last rate approval, which has finally needed to be extended to the members. Hence ANNUAL lockbox charges will go from \$7 to \$12. However despite the lockbox increase we are still expecting **a net Revenue reduction of 1.7% or approximately \$7,700.**

2016 Budget Detail – Expenses

Beyond these revenue factors, many line items were reduced resulting in an overall **2016 Budgeted Expense of a 0.0% net change.** Fall 2015 saw the final payment of our mortgage responsibility and hence will allow our Association interest savings of approximately \$1,600 per year.. In addition, the Landmax subscription will not be renewed beyond May, 2016 as the MLS Committee, as well as Board of Directors, believe it has become an inefficient redundancy and will offer savings during 2016 of \$4,288. In addition, we are reserving \$3,350 to provide for future technology replacement and maintenance. The combined revenue and expense factors cited above have allowed us to invest in important elements of our Association, including the cost of meeting NAR's Core Standards for local Associations (e.g., annual financial audits/reviews.)

2016 Budget - The Bottom Line

Our budget for 2016 projects a minimal income of \$2,012 for the year which is less than one-half of 1% of projected revenues. In summary, continued Revenue stability and a continuous focus on Expense control/reduction have allowed us to invest in the value our Association brings to our Members, while maintaining financial strength and stability for the future.