

Louisiana REALTORS® 2012 Proposed Budget

Key Variances in Budget from 2011 to 2012

- ❖ **Revenue decreased by 4%**
 - **Membership revenue decreased by 3.5%**
 - **Professional Development revenue increased by 9.5%**
 - **Meeting revenue down by 40%**

- ❖ **Expense decreased by 2%**
 - **Human Resources decreased 3.7%**
 - **Operations expense maintained**
 - **Travel Expense increased 9%**
 - **Marketing & Member Services increased by 40%**
 - **Meeting Expense decreased by 30%**
 - **Program Packages increased 6.5%**

Methodology

Over the past 3 years the Louisiana REALTORS® membership has been trending downward with an average loss of 5% per year. Projected membership revenue was reduced in the 2011 Budget by \$62,000.00 due to a shortfall in local board projections. Additional budget cuts were enacted creating a net reduction of expenses totaling \$35,548. Membership projections for 2012 reflect a decrease of 3.5% in revenue from the prior year. The 2012 budget was developed by division leadership and staff conservatively utilizing revenue dollars available to reach the largest number of members in the delivery of services to REALTOR® members, broker offices and local boards. The 2012 budget was developed through careful analysis considering many factors including declining membership trends, worsening economic conditions, and consideration only for services and programs essential to the operation of Louisiana REALTORS®.

Staff and leadership have worked to present you with:

- **Balanced Budget**
- **No request for a dues increase**

- No request for funding from “Rainy Day Reserves”

Membership

<u>Projected Membership</u>	2010	2011	2012
Board Projections	11,443	11,002	10,614
Actual	11,465	10,592	-

Professional Development

LR Leadership – Suspended for 2012 to be reevaluated for the 2013 budgeting cycle. Budget impact: 13,680.00 savings

Sandy Lash Scholarship Fund: eliminated for 2012, Budget impact: 6,000 savings

New Programs:

Broker Price Opinion Course

Real Estate Professional Assistant Training Course

Social Media Platform Help Desk

REALTOR® Skills Improvement Course

Professional Conduct

VC Attendance for NAR Professional Standards & Mediation Training- eliminated for 2012, Budget Impact 6,000.00 savings

New Program:

Ombudsman Training Course

Legislative

LR Legislative Brochure-reduction from 6,000.00 to 2,000.00; Budget Impact 4,000.00 savings

Federal Congressional Legislative Initiative-reduction from 10,190.00 to 6,400.00; Budget Impact: 3,790.00 savings

Marketing & Member Services

Smartphone App Development eliminated; Budget Impact 5,000.00 savings

New Program:

SMS Text Updates to Members

Contract Marketing Assistance (due to vacant position in MMS)

Commercial

Commercial Attendance at Federal Legislative Events, 2,000.00 allocated to CEO travel from this program package

**New Program:
Economic Development Involvement**

Organizational Development

Office Broker reallocated to travel; Budget impact: 5,000.00

Meetings

Recommendation from result of lack of participation of the membership with the 2011 Convention with new emerging competitors for participation shift budgeting to 3 meetings geared to the business operation

Human Resources

Historically staff has received a 5% increase per year, for 2012 the recommended increases will be 3% , Health Insurance provider change with a savings of 35%; reduction of bonus line item from 25,000.00 to 15,000.00.

Travel

Per diem per day increased from 125.00 to 140.00

Office Broker Outreach, 5,000.00 reallocated from Organizational Development

Commercial Attendance at Federal Legislative Events, 2,000.00 reallocated to CEO travel from this program package

Operations

Operation expenses were maintained at the 2011 level.

Louisiana REALTORS®	2009	2010	2011	2011	2011	2012
2012 Budget	Actual	Actual	Actual	Budget	Budget	Budget
			YTD		Amended	
REVENUE			7/31/2011		5/26/2011	
Membership Revenue						
REALTOR® Member Dues	1,765,868.26	1,680,921.35	1,627,335.18	1,708,758.00	1,646,758.00	1,591,441.00
Affiliate Member Dues	1,595.83	1,640.00	1,587.50	1,500.00	1,500.00	1,500.00
New Member Fees	45,165.00	36,770.00	25,707.00	44,000.00	44,000.00	39,150.00
Board Service Fee	14,706.66	17,321.00	12,274.00	10,000.00	10,000.00	13,000.00
Total Membership Revenue	1,827,335.75	1,736,652.35	1,666,903.68	1,764,258.00	1,702,258.00	1,645,091.00
Administrative Revenue						
Interest Revenue	197.20	1,851.29	492.95	-	-	-
NAR Foreclosure Grant	44,335.00	-	-	-	-	-
Oil Spill Claim Fund	-	4,000,042.00	-	-	-	-
Total Administrative Revenue	44,532.20	4,001,893.29	492.95	-	-	-
Investment Gains/Losses	96,335.47	55,392.79	38,820.32	-	-	-
Professional Development Revenue						
Graduate REALTOR® Institute	36,730.16	9,825.00	8,650.00	11,000.00	11,000.00	9,375.00
X-Sellaration	-	7,774.00	4,756.00	9,975.00	4,935.00	9,975.00
GRI Webinar Tract	-	-	-	-	-	1,000.00
ABR Designation Course	10,735.00	17,040.00	3,200.00	12,875.00	12,875.00	8,725.00
SRS Designation Course	11,280.00	22,759.99	8,045.00	8,250.00	8,250.00	8,725.00
REBAC Elective Courses	8,332.50	14,222.00	11,814.50	10,125.00	10,125.00	15,500.00
Real Estate Professional Asst Training Pr	-	-	-	-	-	11,970.00
Broker Price Opinion Course	-	-	-	-	-	19,900.00
REALTOR® Skills Improvement Series	-	-	-	-	-	5,880.00
Commercial CE	15,352.50	5,894.00	1,040.00	7,000.00	5,600.00	5,600.00
On-Line Learning Center	5,383.11	5,848.95	360.04	8,000.00	8,000.00	2,500.00
Lunch & Learn Webinars	-	-	-	-	-	1,750.00
LR Leadership	20,700.00	20,000.00	17,500.00	20,000.00	18,000.00	-
At Home With Diversity	-	-	-	2,400.00	-	-
Master of GRI Program	-	-	13,504.00	16,800.00	13,504.00	-
ABRM Designation Course	-	-	-	6,225.00	-	-
Regional Education Outreach	-	-	-	22,500.00	-	-
GREEN Designation Course	32,850.00	8,223.00	-	-	-	-
Appraisal Course	-	1,357.52	-	-	-	-

Louisiana REALTORS®	2009	2010	2011	2011	2011	2012
2012 Budget	Actual	Actual	Actual	Budget	Budget	Budget
			YTD		Amended	
LREC Mandatory CE	8,260.00	-	-	-	-	-
Total Professional Development Revenue	149,623.27	112,944.46	68,869.54	135,150.00	92,289.00	100,900.00
Professional Conduct Revenue						
Annual PS Training	6,180.00	3,510.00	4,225.00	4,000.00	4,000.00	3,000.00
Total Professional Conduct Revenue	6,180.00	3,510.00	4,225.00	4,000.00	4,000.00	3,000.00
Legislative Revenue						
REALTOR® DC Congressional Reception	2,109.00	2,695.00	3,010.00	2,400.00	2,400.00	4,500.00
Legislative Outreach Revenue	2,510.50	-	-	-	-	-
Total Legislative Revenue	4,619.50	2,695.00	3,010.00	2,400.00	2,400.00	4,500.00
Marketing & Member Services Revenue						
Affinity Program Revenue	3,405.02	2,018.39	544.60	2,500.00	2,500.00	1,000.00
Total Marketing & Member Services	3,405.02	2,018.39	544.60	2,500.00	2,500.00	1,000.00
REALTORS® Commercial Alliance Revenue						
Commercial Development Conference	3,157.50	1,785.00	1,875.00	4,375.00	4,375.00	5,000.00
Local Commercial Services Outreaches	500.00	-	-	-	-	1,000.00
Commercial Education Curriculum	-	-	-	10,500.00	10,500.00	10,500.00
Total Commercial Business & Industry	3,657.50	1,785.00	1,875.00	14,875.00	14,875.00	16,500.00
Meeting Revenue	54,171.00	47,918.00	46,132.00	70,500.00	70,500.00	43,470.00
TOTAL REVENUE	2,189,859.71	5,964,809.28	1,830,873.09	1,993,683.00	1,888,822.00	1,814,461.00
FIXED EXPENSES						
Operations Expense	235,154.22	244,172.74	146,320.75	263,200.00	263,200.00	262,400.00
Human Resources	1,047,189.45	1,079,338.07	571,851.60	1,148,003.00	1,118,003.00	1,076,796.00
Travel Expense	99,996.00	122,214.36	67,166.18	120,038.00	112,213.00	121,996.00
Meeting Expense	74,832.60	80,237.65	31,306.03	82,350.00	82,350.00	57,625.00
Total Fixed Expenses	1,457,172.27	1,525,962.82	816,644.56	1,613,591.00	1,575,766.00	1,518,817.00
PROGRAM PACKAGE EXPENSE						
Professional Development Expense						
Graduate REALTOR® Institute (GRI)	37,560.25	10,767.37	6,290.30	10,662.00	10,662.00	9,150.00

Louisiana REALTORS®	2009	2010	2011	2011	2011	2012
2012 Budget	Actual	Actual	Actual	Budget	Budget	Budget
			YTD		Amended	
X-Sellaration	-	7,557.13	4,666.30	9,955.00	4,666.00	10,000.00
ABR Designation Course	7,018.11	8,264.79	-	9,327.00	9,327.00	7,300.00
SRS Designation Program	10,548.50	18,739.50	7,722.43	9,277.00	9,277.00	7,300.00
REBAC Elective Courses	6,284.32	8,803.85	13,193.89	12,975.00	12,975.00	15,350.00
Real Estate Professional Asst Training Pr	-	-	-	-	-	7,700.00
Broker Price Opinion Course	-	-	-	-	-	17,200.00
REALTOR® Skills Improvement Course	-	-	-	-	-	4,200.00
Commercial CE	7,389.79	6,227.64	-	7,610.00	7,610.00	6,000.00
Lunch & Learn Webinars	-	-	-	2,500.00	2,500.00	-
On-line Learning Center	459.38	-	-	300.00	300.00	500.00
Sandy Lash Education Scholarship	-	-	-	600.00	600.00	-
Social Media Platform Help Desk	-	-	-	-	-	1,000.00
LR Leadership	36,694.64	33,891.39	27,166.71	31,000.00	31,000.00	
AT Home with Diversity	-	-	-	2,652.00	-	-
Master of GRI	-	-	11,605.96	13,969.00	11,606.00	-
ABRM Broker Outreach	-	-	-	8,570.00	-	-
PD Marketing Brochure	4,702.55	-	-	2,000.00	-	-
Curriculum Development	2,236.56	3,217.17	3,275.58	5,000.00	5,000.00	-
Regional Education Outreach	-	-	-	22,500.00	-	-
GREEN Designation	19,860.43	5,234.10	-	-	-	-
LREC Mandatory CE	6,038.23	-	-	-	-	-
Printing Costs	4,384.72	2,154.22	-	-	-	-
Total Professional Development Expense	143,177.48	104,857.16	73,921.17	148,897.00	105,523.00	85,700.00
Professional Conduct Expense						
Annual Professional Std Training	4,738.80	1,929.63	2,700.03	3,000.00	3,000.00	4,000.00
Mediations/Hearings/Procedural Reviews	2,990.41	942.90	-	1,000.00	1,000.00	1,000.00
REALTOR® Code of Ethics Training	-	-	-	-	-	1,500.00
Mediation Training for Volunteers	-	3,168.96	295.92	3,000.00	3,000.00	1,500.00
Vice Chair Attendance at NAR PS Trn	-	2,368.75	-	4,000.00	-	-
Vice Chair Attendance at NAR Med Trn	-	874.19	-	2,000.00	-	-
Ombudsman Training	-	-	-	-	-	2,500.00
PS Training for Volunteers	-	3,415.14	-	-	-	-
Total Professional Conduct Expense	7,729.21	12,699.57	2,995.95	13,000.00	7,000.00	10,500.00
Legislative Expense						
Contract Lobbyist	60,000.00	60,000.00	39,666.69	68,000.00	68,000.00	68,000.00

Louisiana REALTORS®	2009	2010	2011	2011	2011	2012
2012 Budget	Actual	Actual	Actual	Budget	Budget	Budget
			YTD		Amended	
State Legislative Outreach	9,644.94	7,593.25	7,546.07	7,600.00	7,600.00	7,550.00
Legislative Session Expenses	10,863.61	12,353.55	8,917.07	9,455.00	7,455.00	10,229.00
LR Legislative Brochure	2,221.35	1,962.24	-	-	-	2,000.00
Federal Congressional Legislative Initiati	8,436.88	9,850.15	9,754.94	10,000.00	10,000.00	6,400.00
Federal Congressional In District Meeting	6,602.49	4,619.61	108.04	2,100.00	2,100.00	2,100.00
REALTOR® DC Congressional Reception	3,355.63	6,144.60	3,510.00	4,200.00	4,200.00	6,500.00
REALTOR® Day	5,950.00	-	-	-	-	-
Broker Legislative & PAC Outreach Prg	-	2,405.03	-	-	-	-
Fair Housing Project	2,632.02	-	-	-	-	-
Total Legislative Expense	109,706.92	104,928.43	69,502.81	101,355.00	99,355.00	102,779.00
Legislative Superfund	-	-	-	37,210.00	-	-
Marketing & Member Services						
Marketing & Communications	23,605.67	32,630.82	5,912.40	20,000.00	15,000.00	10,300.00
Contract Marketing Assistance	-	-	-	-	-	15,000.00
Website Development-LR/REL	-	5,100.00	-	-	-	3,000.00
Real Estate Research & Trends Report	2,028.67	7,600.00	3,800.00	7,600.00	7,600.00	7,600.00
Alternative Meetings Delivery	5,880.00	5,880.00	3,500.00	3,500.00	3,500.00	4,600.00
Website Development-Lahomeowners.org	-	-	-	5,400.00	1,400.00	9,000.00
SMS Text Updates to Membership	-	-	-	-	-	1,585.00
Broker Communications	-	307.74	-	-	-	-
LR Orientation DVD	-	4,295.00	-	-	-	-
Total Marketing & MS Expense	31,514.34	55,813.56	13,212.40	36,500.00	27,500.00	51,085.00
REALTORS® Commercial Alliance						
Commercial Development Conference	2,296.99	2,466.11	-	5,400.00	5,400.00	5,000.00
Statewide Alliance of Commercial Entities	2,998.79	3,969.65	2,354.65	3,000.00	3,000.00	3,500.00
Commercial Attendance-Fed Leg Events	9,494.38	3,505.30	2,522.61	4,000.00	2,000.00	4,000.00
Local Commercial Services Outreaches	2,935.68	3,724.04	-	-	-	3,600.00
Commercial Education Curriculum	-	-	-	9,980.00	9,980.00	9,980.00
Economic Development Involvement	-	-	-	-	-	2,500.00
Total RCA Expense	17,725.84	13,665.10	4,877.26	22,380.00	20,380.00	28,580.00
Organizational Development Expense						
Office/Broker Outreach	4,972.11	4,959.96	3,108.91	5,000.00	5,000.00	<i>reallocated to travel</i>
Strategic Planning Retreat	4,869.67	657.60	331.56	750.00	750.00	4,000.00

Louisiana REALTORS®	2009	2010	2011	2011	2011	2012
2012 Budget	Actual	Actual	Actual	Budget	Budget	Budget
			YTD		Amended	
Total OD Expense	9,841.78	5,617.56	3,440.47	5,750.00	5,750.00	4,000.00
<u>Risk Management</u>						
D & O Insurance	8,205.54	8,033.80	7,105.00	9,000.00	9,000.00	8,500.00
Outside Counsel Partnership	-	14,830.72	-	-	-	3,000.00
CE for Members	-	5,654.93	1,926.07	6,000.00	3,000.00	500.00
Risk Management Outreach	-	-	-	-	-	1,000.00
Board Counsel Retreat	-	825.47	-	-	-	-
General Counsel CLE	2,685.14	-	-	-	-	-
Legal Hotline Service	2,280.50	-	-	-	-	-
Statewide Forms	1,855.00	-	-	-	-	-
Online Legal Resources-Research	581.43	-	-	-	-	-
Total Risk Management Expense	15,607.61	29,344.92	9,031.07	15,000.00	12,000.00	13,000.00
<u>Board Approved Unbudgeted Expenses</u>						
Board Approved Unbudgeted Expenses	20,876.10	28,525.44	139,091.19	-	-	-
Oil Spill Claim Fund	-	2,669,104.80	-	-	-	-
Total Board Approved Unbudgeted Prog	20,876.10	2,697,630.24	-	-	-	-
<u>Depreciation</u>	59,920.00	57,873.00	-	-	-	-
<u>Legal Assistance Funding</u>	15,816.87	5,901.28	-	-	-	-
Total Expense	1,889,088.42	4,614,293.64	1,132,716.88	1,993,683.00	1,853,274.00	1,814,461.00
Revenue over Expense	300,771.29	1,350,515.64	698,156.21	-	35,548.00	-