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**2012 Pro Forma Budget**

One of the more common questions asked is what does my $130.00 per month Home Owners dues pay for. I created the pie charts to help answer that question. The charts were developed to demonstrate where the HOA fees are expended.

Looking at the charts you can see that payroll expense for 2012 appears to have increased dramatically. You can also see that insurance expense has decreased by an almost equal amount. The reason for this discrepancy is because in 2011 workers compensation insurance was expensed as insurance expense. Workers compensation expense should actually be a payroll expense. So, for 2012 workers compensation insurance will be expensed as part of the payroll expense.

The expense for professional fees has decreased from 4% to 1%. This is because the Association no longer pays a management company.

The Pie Chart also shows that contributions to the reserve account in 2012 will increase from 5% to 13%. This is due to savings in payroll, professional fees, and insurance expense.

I hope this is helpful.