

CPA

MARGUERITE TURLUKIS, PLLC

CERTIFIED PUBLIC ACCOUNTANT

203 N. Manzanita Dr.

Payson, AZ 85541

(928) 474-2640

Fax (928) 474-2631

turlukis@npgcable.com

To the Board of Directors
Pine Strawberry Water Improvement District
Pine, AZ

I have compiled the accompanying statement of financial position as of June 30, 2009, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Marguerite Turlukis PLLC

August 12, 2009

Pine Strawberry Water Improvement District
Statement of Financial Position
As of June 30, 2009

	<u>Jun 30, 09</u>
ASSETS	
Current Assets	
Checking/Savings	
Gila County Warrant Acct Genl	74,581.43
Gila County Warrant Reserve	2,997.68
Total Checking/Savings	<u>77,579.11</u>
Total Current Assets	77,579.11
Other Assets	
Acquisition Rate Studies	4,833.20
Appraisal	400.00
Bank Loan Commitment Fee	32,070.00
Total Other Assets	<u>37,303.20</u>
TOTAL ASSETS	<u><u>114,882.31</u></u>
LIABILITIES & EQUITY	
Equity	
Accum Revenues over Expenses	396,940.36
Expenses over Revenues	-282,058.05
Total Equity	<u>114,882.31</u>
TOTAL LIABILITIES & EQUITY	<u><u>114,882.31</u></u>

Pine Strawberry Water Improvement District
Statement of Activities
 July 2008 through June 2009

	<u>Jul '08 - Jun 09</u>
Ordinary Income/Expense	
Income	
Revenues	
Property Tax Levy	91,051.20
Total Revenues	<u>91,051.20</u>
Total Income	91,051.20
Expense	
ADMINISTRATION	
Advertising / Recruiting	351.62
Building Rent	1,055.00
District Manager - Retainer	14,280.00
District Mgr-Hrs. over retainer	34,477.39
Insurance General	3,169.00
Postage	54.00
Supplies / Printing - Adm.	136.88
Website	50.00
Total ADMINISTRATION	<u>53,573.89</u>
BOARD OF DIRECTORS	
Elections	827.83
Legal Fees - B of D	248,696.78
Total BOARD OF DIRECTORS	<u>249,524.61</u>
OPERATIONS	
Consulting-Hydro/Engineering	3,325.00
Electricity Water	433.58
Engineering	69,612.19
Total OPERATIONS	<u>73,370.77</u>
Total Expense	<u>376,469.27</u>
Net Ordinary Income	-285,418.07
Other Revenue/Expense	
Other Income	
Other Income	
Interest	3,360.02
Total Other Income	<u>3,360.02</u>
Total Other Revenues	<u>3,360.02</u>
Net Other Revenues	<u>3,360.02</u>
Net Expenses over Revenues	<u><u>-282,058.05</u></u>

Pine Strawberry Water Improvement District
Statement of Cash Flows
July 2008 through June 2009

	<u>Jul '08 - Jun 09</u>
OPERATING ACTIVITIES	
Net Income	-282,058.05
Adjustments to reconcile Net Income to net cash provided by operations:	
Pioneer Escrow Account	300,000.00
Net cash provided by Operating Activities	<u>17,941.95</u>
INVESTING ACTIVITIES	
Acquisition Rate Studies	-4,833.20
Appraisal	-400.00
Bank Loan Commitment Fee	-32,070.00
Net cash provided by Investing Activities	<u>-37,303.20</u>
Net cash increase for period	-19,361.25
Cash at beginning of period	<u>96,940.36</u>
Cash at end of period	<u><u>77,579.11</u></u>