

Table 1  
 Revised 2008-2009 Pine/Strawberry Water Improvement District Budget  
 (as of 3-15-09)

Account	Original	Adjustment	Revised	Fiscal YTD
<b>Funds Available:</b>				
Carryover from FYE 6-30-08 (Note A)	\$53,096.28		\$53,096.28	
Funds in Escrow Account (Note B)	287,855.90		287,855.90	
Reserve Established 6-5-08 (Note C)	100,000.00		100,000.00	
Property Tax Levy (Note D)	<u>90,000.00</u>		<u>90,000.00</u>	
<b>Total Funds Available</b>	<b>\$530,952.18</b>		<b>\$530,952.18</b>	
<b>Expenses to be Funded:</b>				
Site Rental for Meetings	\$600.00	-\$250.00	\$350.00	525.00
Records Storage	360.00		360.00	360.00
Travel (Note E)	1,000.00		1,000.00	
Administrative Assistant (Note F)	5,400.00	-5,400.00	-0-	
Internet Expense	575.00	-215.00	\$360.00	
Office Supplies	1,000.00	-800.00	200.00	
Independent Contractor (Note G)	6,000.00	+46,200.00	52,200.00	26,029.28
Miscellaneous	200.00		200.00	139.55
Exploration/Water Availability(Note H)	12,365.00	+183,417.18	195,782.18	58,070.65
Financial Audit (Note I)	\$3,500.00	-3,500.00	-0-	
Legal Fees (Note J)	37,000.00	+\$242,500.00	279,500.00	175,068.20
Water Conservation	12,000.00	-12,000.00	-0-	
Public Election Expense (Note K)	<u>10,000.00</u>	<u>-9,000.00</u>	<u>1,000.00</u>	<u>827.83</u>
<b>Total Operational Expense</b>	<b>\$90,000.00</b>	<b>+440,952.18</b>	<b>\$530,952.18</b>	
Contingency Reserve Expenses	100,000.00	-100,000.00	Allocated Above	
Escrow Agreement Expense	287,855.90	-287,855.90	Allocated Above	
Carryover Reserves (various expenses)	<u>53,096.28</u>	<u>-\$53,096.28</u>	<u>Allocated Above</u>	
<b>Total Expenses and Reserve Changes</b>	<b>\$530,952.18</b>	<b>-0-</b>	<b>\$530,952.18</b>	

Note A: This is the balance of non-reserved cash carried over from the fiscal-year ended 6-30-08. See ARS 42-17106, note 7 from Westlaw. It indicates "under budget law, unexpected balances from previous budgets can be used for payments under the new budget of municipalities".

Note B: Expenditure of these funds is allowed. See Chapter 17, ARS 42-17106, note 1 from Westlaw. Note that money cannot be spent "unless expenditure was provided for in budget or money is already on hand". These funds were a planned expense under the current budget. In PSWID case, the money is already on hand in a special escrow account. To support a change in the expense from one budget item to another, the Board has taken all appropriate actions to have the money returned by the escrow agent since it will not be used for the originally intended purpose.

Note C: At the 6-19-08 meeting the Treasurer indicated that the Reserve Account balance was not published in the newspaper ad that ran 5-13-08. Not publishing the reserve account balance still allows it to be expended since reserve monies such as those approved to be set up as reserves at the 6-5-08 Board meeting and discussed at the 6-19-08 Board meeting (as funds that "had not been ear-marked for any specific line items for expenditure . . . at this time") are part of a budget. See ARS 42-17102 A4, where the statute indicates "the annual estimate of expenses . . . **shall** include an amount for unanticipated contingencies or emergencies". Therefore this Reserve Account money is automatically included. See Board meetings of 6-5-08 and 6-19-08.

Note D: All the \$90,000 of specific expenses in the proposed budget (which had numerous notes at the bottom of the published notice) were planned uses of tax levy money for fiscal year 2008-2009. Per ARS 42-17102, the listed expenses are simply a "statement of the expenses of every kind and nature proposed to be raised by property taxation". This listing of expenses is what justifies the tax levy portion of the budget.

Note E: Travel is expected to allow for reimbursements to those who perform audits at BUI, or for other activities necessary for District projects.

Note F: No Administrative Assistant is expected to be engaged for the next few months.

Note G: Independent Contractor is to cover the fees of the District Manager. The contracted retainer is \$2040 per month (\$16,320 for eight months under contract in 2008-2009), and it is assumed there will be excess hourly fees over the retainer of \$35,880 for the eight months.

Note H: Exploration/Water Availability is the category for expenditures of funds related to making more water available to property owners within PSWID, whether by new drillings, water sharing agreements with current well owners, by acquiring operating assets of entities that have a right to distribute water in the P/S area, etc.

Note I: The financial audit will be moved to the next fiscal year, right after the close of the books for the current year.

NoteJ: This is the most unpredictable expense and needs to be increased significantly

Note K: This was estimate far higher than actually occurred in the 2008 election. No more election expense will be incurred in the current fiscal year.