

AZ ISA 2005 Budget

	Dec '04	Jan '05	Feb '05	Mar '05	Apr '05	May '05	Jun '05	Jul '05	Aug '05	Sep '05	Oct '05	Nov '05	Dec '05	2005 TOTALS
	Actual	Actual	Actual	Actual										
CASH AND INCOME														
Cash Carry Over From Previous Month	91,643	94,437	98,474	99,348	98,446	99,384	99,770	100,661	100,938	100,938	99,888	100,938	100,938	
Membership Dues	-	2,500	1,000	-	-	-	-	-	-	-	-	-	-	3,500
Tariff (O&M ISA)	16,675	13,860	13,504	13,000	15,516	14,579	14,193	13,302	13,025	13,025	14,075	13,025	13,025	164,129
Misc. Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH IN TOTAL	108,318	110,797	112,978	112,348	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	113,963	
CASH IN without CARRY OVER	16,675	16,360	14,504	13,000	15,516	14,579	14,193	13,302	13,025	13,025	14,075	13,025	13,025	167,629
EXPENSES														
Insurance														
Workers Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D&O, Liability, and E&O Insurance	3,346	3,311	3,292	3,200	3,191	3,006	3,006	2,729	2,729	2,729	2,729	2,729	2,729	35,383
Payroll and Relocation Expenses														
Includes Payroll, Benefits and Relocation	8,657	8,715	8,668	8,668	8,668	8,657	8,657	8,657	8,657	8,657	8,657	8,657	8,657	103,975
Professional Fees														
Accounting and EOY Acct & Tax Preparation	109	148	141	1,497	132	1,050	550	550	550	550	550	550	550	6,818
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FERC and Local Legal Fees	-	-	796	256	2,096	600	300	300	300	600	300	300	300	6,147
Office Expenses and Supplies														
Office Furniture and Supplies	175	30	544	111	175	175	175	175	175	175	175	175	175	2,260
Rent	957	-	-	-	-	319	319	319	319	319	319	319	319	2,552
Postage and Delivery	336	-	60	-	-	116	25	25	25	25	25	25	25	351
Printing and Reproduction	129	-	-	-	-	43	43	43	43	43	43	43	43	344
Telephone	76	65	75	75	221	113	113	113	113	113	113	113	113	1,339
Dues and Subscriptions	-	-	-	-	-	13	13	13	13	13	13	13	13	104
Web Page and Internet	71	37	37	71	71	71	71	71	71	71	71	71	71	783
Travel & Entertainment														
Meals	-	-	-	-	-	-	-	-	-	750	-	-	-	750
Travel	25	16	17	24	25	30	30	30	30	30	30	30	30	322
Other Expenses														
Credit--Membership Dues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit--Working Capital Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Az ISA OPERATING EXPENSES - W/O Credit TOTAL	13,881	12,323	13,630	13,901	14,579	14,193	13,302	13,025	13,025	14,075	13,025	13,025	13,025	161,128
With Credit TOTAL	13,881	12,323	13,630	13,901	14,579	14,193	13,302	13,025	13,025	14,075	13,025	13,025	13,025	161,128
CASH REMAINING (Deficit)	94,437	98,474	99,348	98,446	99,384	99,770	100,661	100,938	100,938	99,888	100,938	100,938	100,938	100,938
2005 Budget		13,950	13,650	13,650	13,650	14,450	13,650	13,650	13,650	14,700	13,650	13,650	13,650	165,948
Difference 2005 Budget and 2005 Budget/Actual		(1,627)	(20)	252	929	(257)	(348)	(625)	(625)	(625)	(625)	(625)	(625)	(4,820)
2004 Budget		13,498	12,798	12,798	12,798	13,448	12,798	12,798	12,949	14,332	12,798	12,798	12,798	156,611
Difference 2004 Budget and 2005 Budget/Actual		(1,176)	832	1,103	1,780	745	504	227	76	(257)	227	227	227	4,517
Phase 1, Startup														
AZ ISA Functions: 1- Limited Oversight of Az ISA Protocols 2- Provide ADR Services 3- Manage limited Az ISA Website														
* One Part-time employee.														
Payroll includes benefits and FICA taxes														
* Cash reserve (As shown in Cash Remaining) equal to approximately 3 months' operating expenses plus shutdown costs														

2005 BUDGET
Approved May 11, 2005 Board Meeting

Budget Assumptions

Annual revenue required to support three Az ISA functions approved for implementation by FERC: (1) Limited oversight of Az ISA protocols, (2) ADR services and (3) develop and manage a limited Az ISA website. See below for explanation

CASH AND INCOME	
Cash Carry Over From Previous Month	Amount carried forward from last month's Cash Remaining
Membership Dues	Az ISA annual membership fees. \$250 per member. Estimate 24 members for 2005
Tariff (Loan)	Amount collected by the Az ISA under the Az ISA FERC tariff for repayment of startup funds advanced by the participating transmission providers.
Misc. Income	Used for other income
CASH IN - TOTAL	Total of all income
EXPENSES	
Insurance	
Workers Compensation	State workers compensation premium
D&O, Liability, and E&O Insurance	Insurance premiums for Directors and Officers, Errors and Omissions, and general business liability coverage. D&O and E&O includes an estimated 20% decrease in premiums for 2004
Payroll and Relocation Expenses	
Includes Payroll, Benefits and Relocation	Payroll includes: Salary, benefits, company paid FICA taxes, and company paid unemployment taxes
Professional Fees	
Accounting and EOY Acct & Tax Preparation	CPA services for quarterly accounting, IRS and State tax return preparation, and payroll preparation
Consulting	For technical, computer and management consulting
Contract Labor	For temporary administrative support
FERC and Local Legal Fees	Az ISA local attorney [Low and Childers], and FERC attorney [Barbara Jost] --Monthly legal expense estimates for routine business matters, only.
Office Expenses and Supplies	
Office Furniture and Supplies	Computer equipment, office furniture, and office supplies
Rent	WAPA office lease. Lease Includes: 10 local telephone lines, voice mail, internet analog lines, electricity, 24 hr security, janitorial, and parking
Postage and Delivery	WAPA contract mail service (includes twice daily PO Box pickup and delivery). Stamps.
Printing and Reproduction	Az ISA use of WAPA's copier,
Telephone	AT&T long distance calling card, Qwest conferencing services, and wireless phone
Dues and Subscriptions	IEEE Membership
Web Page and Internet	Web site hosting, domain registration, and 1 ISP connections
Travel & Entertainment	
Meals	Board meetings, OC and other Az ISA meetings, Annual Members' meeting
Travel	POV (Bank, post office, office supplies, etc), Meetings requiring air travel (WECC, FERC, Other), requiring surface travel (CATS, other regional transmission study meetings, ACC)
Other Expenses	
Credit--Membership Dues	If needed to reduce the amount of cash carry over to 90 day supply
Credit--Working Capital Adjustment	If needed to reduce the amount of cash carry over to 90 day supply
Az ISA OPERATING EXPENSES - W/O Credit TOTAL	Total of operating expenses
Az ISA OPERATING EXPENSES - With Credit TOTAL	Total of operating expenses
CASH REMAINING (Deficit)	
	Sum of (Cash Carry Over From Previous Month) and (Az ISA EXPENSES - TOTAL)