

Approved AZ ISA 2006 Budget

	Dec '05	Jan '06	Feb '06	Mar '06	Apr '06	May '06	Jun '06	Jul '06	Aug '06	Sep '06	Oct '06	Nov '06	Dec '06	2006 TOTALS
	Actual													
CASH AND INCOME														
Cash Carry Over From Previous Month	105,870	104,850	108,535	109,682	109,682	109,682	108,982	109,682	109,682	109,682	108,082	109,682	109,682	
Membership Dues	-	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Tariff (O&M ISA)	11,545	12,565	13,880	12,733	12,733	12,733	13,433	12,733	12,733	12,733	14,333	12,733	12,733	156,076
Misc. Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH IN TOTAL	117,415	122,415	122,415	122,415	122,415	122,415	122,415	122,415	122,415	122,415	122,415	122,415	122,415	
CASH IN without CARRY OVER	11,545	17,565	13,880	12,733	12,733	12,733	13,433	12,733	12,733	12,733	14,333	12,733	12,733	161,076
EXPENSES														
Insurance														
Workers Compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D&O, Liability, and E&O Insurance	2,576	3,311	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164	27,119
Payroll and Relocation Expenses														
Includes Payroll, Benefits and Relocation	8,668	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	8,715	104,580
Professional Fees														
Accounting and EOY Acct & Tax Preparation	178	674	674	674	674	674	674	674	674	674	674	674	674	8,088
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FERC and Local Legal Fees	-	300	300	300	300	1,000	300	300	300	1,000	300	300	300	5,000
Office Expenses and Supplies														
Office Furniture and Supplies	438	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Rent	-	319	319	319	319	319	319	319	319	319	319	319	319	3,828
Postage and Delivery	134	20	20	20	20	20	20	20	20	20	20	20	20	240
Printing and Reproduction	130	43	43	43	43	43	43	43	43	43	43	43	43	516
Telephone	78	105	105	105	105	105	105	105	105	105	105	105	105	1,264
Dues and Subscriptions	158	16	16	16	16	16	16	16	16	16	16	16	16	190
Web Page and Internet	71	73	73	73	73	73	73	73	73	73	73	73	73	875
Travel & Entertainment														
Meals	-	-	-	-	-	-	-	-	-	900	-	-	-	900
Travel	133	129	129	129	129	129	129	129	129	129	129	129	129	1,545
Other Expenses														
Credit-Membership Dues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit-Working Capital Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Az ISA OPERATING EXPENSES	12,565	13,880	12,733	12,733	12,733	13,433	12,733	12,733	12,733	14,333	12,733	12,733	12,733	156,245
CASH REMAINING (Deficit)	104,850	108,535	109,682	109,682	109,682	108,982	109,682	109,682	109,682	108,082	109,682	109,682	109,682	109,682

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

2006 BUDGET

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 20 members for 2006
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.
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	Mail service. 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, Annual Filing fees
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)