

**RAFTER J IMPROVEMENT AND SERVICE DISTRICT BUDGET**  
**7-1-2011-6-30-2012**

	Actual FY 2009-2010	Approved Budget FY 2010-2011	Approved Budget FY 2011-2012
<b>Operating Income</b>			
Rafter J HOA Infrastructure Fee	-	-	-
1st Special Assmt - Operating	13,726	13,000	13,000
2nd Special Assmt - Operating	11,990	12,000	12,000
Adams Canyon & SPSC Water	15,170	15,170	15,928
Metered Water Fees	45,836	131,544	70,000
Non-Metered Water Fees (within District)	209	4,500	4,500
Water Tap Fees (Connection Fees)	5,000	-	1,000
Water Meter 3/4" sales	-	5,000	-
Water Meter purchase	-	-	500
Water Meter 1-in	12,240	-	-
Annual Assessment	147,642	150,000	150,000
Intergovernmental Agmt-Wtr Meter	-	-	-
Markup for Pass-through Bills	10	-	-
Miscellaneous Income	1,050	-	-
Uncategorized Income	3,062	-	-
Gov't Bond Valuation Change	5,263	-	-
Interest Income on Operating Funds	18,050	15,000	16,000
A/P Discount	15	-	-
<b>Total Operating Income</b>	<b>279,264</b>	<b>346,214</b>	<b>282,928</b>
<b>Operating Expense</b>			
Bad Debt	19	-	-
Bank Service Charges	20	50	-
Claim Form Reimbursement	-	-	500
Entrance Electric	1,943	1,000	500
General Admin Expense	88,292	95,625	99,719
Infrastructure Expense	(1,927)	-	-
Interest Expense - other	10,684	-	-
Professional Services	10,385	25,500	13,600
Liability Insurance	4,471	5,000	10,000
Miscellaneous	135	10,000	10,000
Equipment Repairs	44	-	-
Water System Maintenance	43,529	45,450	45,750
Road Maintenance	6,803	14,150	14,700
Sewer System Maintenance	10,102	28,200	29,100
<b>Major Repairs and Replacements</b>			
Amortization Expense	375	-	-
Depreciation Expense	18,686	-	-
Sewer Systems	-	-	-
Permits and Fees	9,000	-	-
Water Systems	-	-	10,000
<b>Total Operating Expense</b>	<b>202,561</b>	<b>224,975</b>	<b>233,869</b>
<b>Excess Cash From Operations</b>	<b>76,702</b>	<b>121,239</b>	<b>49,059</b>
<b>Special Assessments &amp; Grants</b>			
2nd Special Assmt - Water	138,618	135,000	135,000
2nd Special Assmt - Sewer	78,550	75,000	75,000
2nd Special Assmt - Roads	64,514	65,000	65,000
SLIB Grant	810,448	182,437	-
WWDC - Grant	64,370	181,036	171,194
Interest on Special Assmt Funds	27,973	3,000	15,000
<b>Total Special Assmts &amp; Grants</b>	<b>1,184,473</b>	<b>641,473</b>	<b>461,194</b>
<b>Loans - Source of Funds</b>			
Clean Water Loan	455,004	33,305	-
Drinking Water Loan	267,177	-	-
Joint Powers Road Loan	900,000	841,719	-
New Water Tank Loan	31,705	39,667	34,819
<b>Total Loan Income</b>	<b>1,653,886</b>	<b>914,691</b>	<b>34,819</b>
<b>Capital Expenditures</b>			
Accumulated Amortization	(375)	-	-
Accumulated Depreciation	(18,686)	-	-
Clean Water Construction Costs	786,869	215,742	-
Drinking Water Construction Costs	249,697	-	-
Other Construction Costs	7,465	-	-
Street Overlays	102,574	856,558	708,638
Water Meter	(115,920)	-	-
Water Systems	116,420	-	-
WWDC - Water Tank, Well, & Other	96,075	264,666	249,976
<b>Total Capital Expenditures</b>	<b>1,224,118</b>	<b>1,336,966</b>	<b>958,614</b>
<b>Loans - Payments</b>			
Clean Water (Sewer) Interest	-	35,000	17,960
Clean Water (Sewer) Principal	-	85,388	73,273
Drinking Water Interest	44,855	17,500	19,085
Drinking Water Principal	700,000	70,320	77,863
Joint Powers Interest	-	58,000	-
Joint Powers Principal	-	900,000	-
<b>Total Loan Payments</b>	<b>744,855</b>	<b>1,166,208</b>	<b>188,181</b>
<b>Capital Income/(Expenditure) Balance</b>	<b>869,385</b>	<b>(947,010)</b>	<b>(650,782)</b>

## ISD Budget Message for Fiscal Year 2011-2012

The District's Budget consists of two separate portions. The first portion covers the District's routine Operations and Maintenance (O&M) activities while the second and final portion addresses the Infrastructure Improvement Project.

The O&M portion reflects the water usage charges at a 50% discount on unbilled water usage (not the service charge) and the annual assessment amount will stay the same as the previous fiscal year. It also reflects income from non-metered customers within the District due to billing for water used to irrigate common areas in Rafter J as well as Townhome common areas.

The District's O&M budget anticipates revenue in excess of \$49,059.

The Infrastructure Improvement Project portion of the budget reflects an ending of the actual work on the project, the termination of further income from the state through loans and grants, and the beginning of repayment of the outstanding loans. There are four loans associated with the project: a Drinking Water Loan at 2.5% annual interest, a Clean Water (Sewer) Loan at 2.5% annual interest, a Paving Loan at 6.0% annual interest, and a Water Well and Tank Loan at 4.0% annual interest.

- The Drinking Water Loan repayment actually began in the fiscal year of 2009-2010 in December 2009.
- The Clean Water (Sewer) Loan first payment was in August 2010 last year.
- The Paving Loan was repaid in December 2010. The Paving Loan's purpose was to cover the cost of resurfacing the streets after the patching from the water and sewer work was completed. Unfortunately, problems were encountered with resurfacing last year which delayed using these funds. The ISD Board decided to repay this loan in 2010 because of the high interest rate and the inability to use the funds for the purpose they were borrowed. The ISD has funding for the paving expenditures from money set aside from the special assessments funds.
- Water Well and Tank Loan there will be an expenditure for the new well this year.

Since the project status is one in which revenues are dropping while loan repayments are increasing, the project portion of the budget reflects an expenditure of \$650,782 in excess of the revenues. This expenditure will be made from savings that have been built from the collection of the special assessment amounts over the years. The District has calculated the repayments of the remaining balances of the Drinking Water and Clean Water (Sewer) Loans such that they will be retired by the time that the special assessments end in the spring of 2019 while maintaining a positive cash flow throughout the interim.

Prepared by John Shipman, Treasurer  
Rafter J Improvement and Service District