

Hacker Accounting LLC

13201 N. 35th Avenue, Ste. B-3

Phoenix, AZ 85029

October 5, 2014

Sunburst Farms Irrigation District
16040 N. 43rd Ave
Glendale, AZ 85306-2733

We have prepared the accompanying balance sheet of Sunburst Farms Irrigation District for August 31, 2014 and the related statement of income for the current month and year to date periods then ended. We have also attached an Aging Summary comparing this year's receivables with last year's.

The objective of these reports is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the reports. The intended purpose of these reports is for management discussion and review.

Hacker Accounting LLC

Sunburst Farms Irrigation District

Balance Sheet

As of August 31, 2014

	Aug 31, 14	Aug 31, 13
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	29,671.68	51,339.06
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	205,302.80	240,101.14
116 · Cash-MM	106,572.12	106,483.61
Total Checking/Savings	341,646.60	398,023.81
Accounts Receivable		
119 · Rebate Receivable	0.00	20,000.00
121 · Accounts Receivable	103,324.59	106,958.77
Total Accounts Receivable	103,324.59	126,958.77
Other Current Assets		
140 · Prepaid Insurance	5,612.93	7,392.19
1499 · Undeposited Funds	1,314.98	0.00
199 · Suspense	0.00	5,341.29
Total Other Current Assets	6,927.91	12,733.48
Total Current Assets	451,899.10	537,716.06
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	1,913,799.03	1,733,776.02
1230 · Buildings & Improvements	13,366.41	13,366.41
1240 · Machinery & Equipment	19,423.00	19,423.00
1241 · Motor for 43rd Avenue	38,989.23	38,989.23
1242 · 39th Ave Pump-2013	93,435.46	63,641.67
1243 · 43rd Ave Pump-2013	76,082.36	69,424.26
1244 · 39th Ave motor	2,501.14	2,501.14
1250 · Transportation Equipment	57,674.55	50,052.45
1260 · Office Furn & Fixtures	15,986.94	15,986.94
1281 · GPS Tracking - 2012	245.65	245.65
Total 1200 · Fixed Assets	2,240,503.77	2,016,406.77
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,023,862.54	-909,129.35
1330 · Accum Depr-Bldgs & Imp	-12,915.20	-12,915.20
1340 · Accum Depr-Machinery & Equip	-19,423.00	-19,423.00
1343 · Accum Depr-43rd Ave. Pump 2013	-150.00	0.00
1350 · Accum Depr- Transportation	-16,827.61	-25,947.76
1360 · Accum Depr-Off Furn & Fix	-6,770.97	-6,770.97
1300 · Accumulated Depreciation - Other	48,159.17	48,159.17
Total 1300 · Accumulated Depreciation	-1,031,790.15	-926,027.11
Total Fixed Assets	1,208,713.62	1,090,379.66
Other Assets		
120 · Refundable Deposits	1,169.00	1,169.00
Total Other Assets	1,169.00	1,169.00
TOTAL ASSETS	<u>1,661,781.72</u>	<u>1,629,264.72</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
201 · Payroll Liabilities	948.17	940.71
203 · Accrued Power/Water		
2031 · Accrued Power	9,962.06	14,046.08
2032 · Accrued Water	4,637.98	1,103.61
Total 203 · Accrued Power/Water	14,600.04	15,149.69

10:56 AM
10/05/14
Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of August 31, 2014

	<u>Aug 31, 14</u>	<u>Aug 31, 13</u>
204 · Other Accrued Expenses	2,376.69	2,376.69
205 · Accrued Vacation	1,895.20	1,895.20
Total Other Current Liabilities	<u>19,820.10</u>	<u>20,362.29</u>
Total Current Liabilities	<u>19,820.10</u>	<u>20,362.29</u>
Total Liabilities	19,820.10	20,362.29
Equity		
209 · Retained Earnings	1,636,735.65	1,601,618.25
Net Income	5,225.97	7,284.18
Total Equity	<u>1,641,961.62</u>	<u>1,608,902.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,661,781.72</u></u>	<u><u>1,629,264.72</u></u>

**Sunburst Farms Irrigation District
Profit/Loss Actual vs Budget
August 2014**

Ordinary Income/Expense	Aug 14	Budget	Variance	Jul - Aug 14	YTD Budget	Variance
Income						
211 · Water Fees	20,905.32	24,626.00	-3,720.68	54,684.18	58,553.00	-3,868.82
212 · Member Fees	34,229.52	34,229.41	0.11	68,459.04	68,458.82	0.22
213 · Other Services	20.00	40.00	-20.00	20.00	80.00	-60.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	300.00	600.00	-300.00
215 · Finance Charges	828.20	833.33	-5.13	1,541.61	1,666.66	-125.05
Total Income	56,183.04	60,028.74	-3,845.70	125,004.83	129,358.48	-4,353.65
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	14,947.05	16,155.00	-1,207.95	33,371.77	38,413.00	-5,041.23
331 · State Water Fees	569.00	569.00	0.00	1,138.00	1,138.00	0.00
351 · Pump Supply "Oil"	0.00	496.83	-496.83	0.00	993.70	-993.70
352 · Transportation Gas/Oil	828.26	952.00	-123.74	1,794.87	2,265.00	-470.13
361 · Irrigation Labor	3,305.97	5,272.00	-1,966.03	11,888.16	12,523.00	-634.84
371 · Payroll Taxes & Fringe	306.52	450.00	-143.48	905.54	1,048.00	-142.46
372 · Irrigators-Health Insurance	1,374.74	691.83	682.91	1,374.74	1,383.70	-8.96
Total 310 · Direct Costs of Water Delivery	21,331.54	24,586.66	-3,255.12	50,473.08	57,764.40	-7,291.32
Total COGS	21,331.54	24,586.66	-3,255.12	50,473.08	57,764.40	-7,291.32
Gross Profit	34,851.50	35,442.08	-590.58	74,531.75	71,594.08	2,937.67
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,119.36	3,174.00	-54.64	7,001.40	7,142.00	-140.60
363 · Admin Payroll Expense	3,057.72	3,106.00	-48.28	6,861.23	6,987.00	-125.77
364 · Payroll Taxes/Fringe-Admin	493.58	520.00	-26.42	1,104.66	1,170.00	-65.34
365 · MNGR Gas Transportation	103.88	112.50	-8.62	188.57	225.00	-36.43
366 · Health Insurance "Salary"	1,237.54	693.00	544.54	1,477.54	1,387.00	90.54
375 · State Compensation Fund	1,174.00	464.25	709.75	1,174.00	928.50	245.50

**Sunburst Farms Irrigation District
Profit/Loss Actual vs Budget
August 2014**

	<u>Aug 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 14</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	9,679.66	9,580.33	99.33	19,359.32	19,160.70	198.62
414 · Building & Equipment Repair	0.00	166.70	-166.70	0.00	333.40	-333.40
416 · Pumps-Maintenance	0.00	116.70	-116.70	0.00	233.40	-233.40
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	4,940.11	4,312.00	628.11	9,766.43	9,702.00	64.43
417.2 · Materials	4,964.80	1,167.83	3,796.97	5,051.64	2,335.70	2,715.94
417.3 · Outside Service	5,410.00	1,250.00	4,160.00	5,970.00	2,500.00	3,470.00
417.4 · MT Payroll Taxes	377.88	357.00	20.88	689.17	803.25	-114.08
417.5 · MT Health Insurance	731.76	720.00	11.76	731.76	1,440.00	-708.24
417 · Maint/Repairs-Water System - Other	0.00			57.88		
Total 417 · Maint/Repairs-Water System	16,424.55	7,806.83	8,617.72	22,266.88	16,780.95	5,485.93
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	402.07	833.33	-431.26	530.44	1,666.70	-1,136.26
419.2 · Tractor	0.00	83.33	-83.33	1,124.46	166.70	957.76
Total 419 · Repairs-Transportation	402.07	916.66	-514.59	1,654.90	1,833.40	-178.50
420 · MNT Gas Transportation	188.86	300.00	-111.14	455.49	600.00	-144.51
421 · Electricity	318.62	200.00	118.62	606.84	400.00	206.84
422 · Sewer & Water	13.45	16.70	-3.25	13.45	33.40	-19.95
423 · Telephone Expense	483.14	500.00	-16.86	966.54	1,000.00	-33.46
431 · Insurance Expense	1,466.66	1,466.70	-0.04	3,033.32	2,933.40	99.92
441 · Legal Expense	0.00	1,250.00	-1,250.00	0.00	2,500.00	-2,500.00
442 · Accounting Expenses	800.00	400.00	400.00	800.00	800.00	0.00
443 · Auditing Expenses	0.00	416.70	-416.70	330.00	833.40	-503.40
444 · Collection Services	20.00	40.00	-20.00	20.00	80.00	-60.00
446 · Other Contracted Services	293.58	458.33	-164.75	556.11	916.70	-360.59
451 · Postage	410.49	375.00	35.49	802.49	750.00	52.49
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.70	-16.70	10.56	33.40	-22.84
483 · Office Supplies	475.96	416.70	59.26	753.30	833.40	-80.10
484 · Mileage	52.97	33.33	19.64	101.47	66.70	34.77

Sunburst Farms Irrigation District
Profit/Loss Actual vs Budget
August 2014

	<u>Aug 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 14</u>	<u>YTD Budget</u>	<u>Variance</u>
485 · Bank Charges	0.00	5.00	-5.00	2.00	10.00	-8.00
486 · Dues & Subscriptions	185.18	125.00	60.18	245.24	250.00	-4.76
487 · Petty Cash Over/Sht	0.00	0.00	0.00	0.00	0.00	0.00
Total 400 · Overhead Costs	<u>40,401.27</u>	<u>32,677.13</u>	<u>7,724.14</u>	<u>69,785.31</u>	<u>68,221.75</u>	<u>1,563.56</u>
Total Expense	<u>40,401.27</u>	<u>32,677.13</u>	<u>7,724.14</u>	<u>69,785.31</u>	<u>68,221.75</u>	<u>1,563.56</u>
Net Ordinary Income	<u>-5,549.77</u>	<u>2,764.95</u>	<u>-8,314.72</u>	<u>4,746.44</u>	<u>3,372.33</u>	<u>1,374.11</u>
Other Income/Expense						
Other Income						
216 · Assessment Fee Income	0.00	0.00	0.00	0.00	0.00	0.00
217 · Capital Expenditure Reserved	0.00	0.00	0.00	0.00	0.00	0.00
510 · Misc/Other Income	1,400.00	300.00	1,100.00	1,551.25	600.00	951.25
511 · Interest Income	53.73	41.70	12.03	103.28	83.40	19.88
541 · Gain/Loss on Sale of Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	<u>1,453.73</u>	<u>341.70</u>	<u>1,112.03</u>	<u>1,654.53</u>	<u>683.40</u>	<u>971.13</u>
Other Expense						
512 · Bridle Path Cleanup	1,175.00	140.41	1,034.59	1,175.00	280.90	894.10
Total Other Expense	<u>1,175.00</u>	<u>140.41</u>	<u>1,034.59</u>	<u>1,175.00</u>	<u>280.90</u>	<u>894.10</u>
Net Other Income	<u>278.73</u>	<u>201.29</u>	<u>77.44</u>	<u>479.53</u>	<u>402.50</u>	<u>77.03</u>
Net Income	<u>-5,271.04</u>	<u>2,966.24</u>	<u>-8,237.28</u>	<u>5,225.97</u>	<u>3,774.83</u>	<u>1,451.14</u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of August 31, 2014

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Total A/R 2014	<u>38,090.75</u>	<u>-1,190.25</u>	<u>3,501.12</u>	<u>2,220.55</u>	<u>60,621.42</u>	<u>103,243.59</u>
Total A/R 2013	<u>38,836.71</u>	<u>-2,246.72</u>	<u>3,544.45</u>	<u>2,420.36</u>	<u>64,403.97</u>	<u>106,958.77</u>
Variance- Better/(Worse)	<u>745.96</u>	<u>-1,056.47</u>	<u>43.33</u>	<u>199.81</u>	<u>3,782.55</u>	<u>3,715.18</u>