

**Hacker Accounting LLC**  
**13201 N. 35<sup>th</sup> Avenue, Ste. B-3**  
**Phoenix, AZ 85029**

September 29, 2013

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

We have prepared the accompanying balance sheet of Sunburst Farms Irrigation District for August 31, 2013 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, 2013

	Aug 31, 13
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	240,101.14
116 · Cash-MM	106,483.61
117 · Checking/Compass	51,339.06
<b>Total Checking/Savings</b>	<b>398,023.81</b>
Accounts Receivable	
121 · Accounts Receivable	106,958.77
<b>Total Accounts Receivable</b>	<b>106,958.77</b>
Other Current Assets	
140 · Prepaid Insurance	8,619.76
199 · Suspense	5,341.29
<b>Total Other Current Assets</b>	<b>13,961.05</b>
<b>Total Current Assets</b>	<b>518,943.63</b>
<b>Fixed Assets</b>	
1210 · Land	9,000.00
1220 · Water District System	1,745,765.02
1230 · Buildings & Improvements	13,366.41
1240 · Machinery & Equipment	22,782.00
1241 · Motor for 43rd Avenue	24,679.00
1242 · 39th Ave Pump-2013	63,641.67
1243 · 43rd Ave Pump-2013	106,235.63
1250 · Transportation Equipment	69,377.45
1260 · Office Furn & Fixtures	21,677.94
1281 · GPS Tracking - 2012	245.65
1320 · Accum Depreciation	-949,265.45
<b>Total Fixed Assets</b>	<b>1,127,505.32</b>
<b>Other Assets</b>	
120 · Refundable Deposits	2,038.00
<b>Total Other Assets</b>	<b>2,038.00</b>
<b>TOTAL ASSETS</b>	<b>1,648,486.95</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
201 · Payroll Liabilities	13.71
203 · Accrued Power/Water	15,703.86
204 · Other Accrued Expenses	5,224.83
<b>Total Other Current Liabilities</b>	<b>20,942.40</b>
<b>Total Current Liabilities</b>	<b>20,942.40</b>
<b>Total Liabilities</b>	<b>20,942.40</b>
<b>Equity</b>	
209 · Retained Earnings	1,620,260.37
Net Income	7,284.18
<b>Total Equity</b>	<b>1,627,544.55</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,648,486.95</b>

# Sunburst Farms Irrigation District Profit Loss Budget vs. Actual

August 2013

	<u>Aug 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 13</u>	<u>Budget</u>	<u>Variance</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
211 · Water Fees	24,498.72	25,038.00	-539.28	60,421.74	59,706.00	715.74
212 · Member Fees	31,439.16	31,439.17	-0.01	62,878.32	62,878.34	-0.02
213 · Other Services	0.00	40.00	-40.00	0.00	80.00	-80.00
214 · Escrow Transfer Fees	300.00	300.00	0.00	600.00	600.00	0.00
215 · Finance Charges	840.06	600.00	240.06	1,653.83	1,200.00	453.83
219 · Misc/Other Income	150.00	100.00	50.00	7,115.83	200.00	6,915.83
<b>Total Income</b>	<u>57,227.94</u>	<u>57,517.17</u>	<u>-289.23</u>	<u>132,669.72</u>	<u>124,664.34</u>	<u>8,005.38</u>
<b>Cost of Goods Sold</b>						
<b>310 · Direct Costs of Water Delivery</b>						
311 · Purchases-Power	24,344.65	15,450.00	8,894.65	40,694.21	36,900.00	3,794.21
331 · State Water Fees	583.34	583.34	0.00	1,166.68	1,166.68	0.00
351 · Pump Supply "Oil"	0.00	100.00	-100.00	0.00	200.00	-200.00
352 · Transportation Gas/Oil	966.81	1,228.50	-261.69	2,164.25	2,929.50	-765.25
361 · Irrigation Labor	8,024.88	6,240.00	1,784.88	13,876.67	14,880.00	-1,003.33
371 · Payroll Taxes & Fringe	613.92	506.50	107.42	1,056.87	1,208.00	-151.13
372 · Irrigators-Health Insurance	675.88	644.55	31.33	1,064.08	1,160.14	-96.06
<b>Total 310 · Direct Costs of Water Delivery</b>	<u>35,209.48</u>	<u>24,752.89</u>	<u>10,456.59</u>	<u>60,022.76</u>	<u>58,444.32</u>	<u>1,578.44</u>
<b>Total COGS</b>	<u>35,209.48</u>	<u>24,752.89</u>	<u>10,456.59</u>	<u>60,022.76</u>	<u>58,444.32</u>	<u>1,578.44</u>
<b>Gross Profit</b>	22,018.46	32,764.28	-10,745.82	72,646.96	66,220.02	6,426.94
<b>Expense</b>						
<b>400 · Overhead Costs</b>						
362 · Salaries-Supervisor	3,813.40	3,831.99	-18.59	6,841.91	6,897.52	-55.61
363 · Admin Payroll Expense	3,728.95	3,746.75	-17.80	6,690.39	6,744.19	-53.80
364 · Payroll Taxes/Fringe-Admin	605.87	699.39	-93.52	1,024.54	1,258.88	-234.34
365 · MNGR Gas Transportation	75.11	133.33	-58.22	152.59	266.66	-114.07
366 · Health Insurance "Salary"	557.94	477.25	80.69	928.04	954.50	-26.46

# Sunburst Farms Irrigation District Profit Loss Budget vs. Actual

August 2013

	<u>Aug 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 13</u>	<u>Budget</u>	<u>Variance</u>
375 · State Compensation Fund	796.00	411.59	384.41	796.00	823.18	-27.18
411 · Depreciation Expense	9,166.67	9,166.67	0.00	18,333.34	18,333.34	0.00
414 · Building & Equipment Repair	0.00	183.34	-183.34	0.00	366.68	-366.68
416 · Pumps-Maintenance	0.00	241.67	-241.67	0.00	483.34	-483.34
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	5,343.75	5,961.54	-617.79	8,424.75	10,730.77	-2,306.02
417.2 · Materials	1,789.07	1,000.00	789.07	3,101.13	2,000.00	1,101.13
417.3 · Outside Service	6,676.60	1,250.00	5,426.60	10,296.58	2,500.00	7,796.58
417.4 · MT Payroll Taxes	408.78	488.84	-80.06	644.50	879.92	-235.42
417.5 · MT Health Insurance	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 417 · Maint/Repairs-Water System</b>	<b>14,218.20</b>	<b>8,700.38</b>	<b>5,517.82</b>	<b>22,466.96</b>	<b>16,110.69</b>	<b>6,356.27</b>
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	1,164.26	1,080.00	84.26	3,831.79	2,160.00	1,671.79
419.2 · Tractor	0.00	0.00	0.00	4.02	0.00	4.02
<b>Total 419 · Repairs-Transportation</b>	<b>1,164.26</b>	<b>1,080.00</b>	<b>84.26</b>	<b>3,835.81</b>	<b>2,160.00</b>	<b>1,675.81</b>
420 · MNT Gas Transportation	344.69	300.00	44.69	703.59	600.00	103.59
421 · Electricity	324.52	200.00	124.52	661.19	400.00	261.19
422 · Sewer & Water	11.82	16.67	-4.85	24.06	33.34	-9.28
423 · Telephone Expense	481.44	466.67	14.77	982.57	933.34	49.23
431 · Insurance Expense	1,333.34	1,333.34	0.00	2,666.68	2,666.68	0.00
441 · Legal Expense	0.00	1,250.00	-1,250.00	0.00	2,500.00	-2,500.00
442 · Accounting Expenses	300.00	300.00	0.00	300.00	600.00	-300.00
443 · Auditing Expenses	0.00	400.00	-400.00	0.00	800.00	-800.00
444 · Collection Services	0.00	40.00	-40.00	0.00	80.00	-80.00
446 · Other Contracted Services	765.92	458.34	307.58	1,037.03	916.68	120.35
451 · Postage	322.00	358.34	-36.34	667.19	716.68	-49.49
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.67	-16.67	0.00	33.34	-33.34
483 · Office Supplies	1,110.46	400.00	710.46	1,150.79	800.00	350.79
484 · Mileage	105.94	22.00	83.94	105.94	44.00	61.94

## Sunburst Farms Irrigation District Profit Loss Budget vs. Actual

August 2013

	<u>Aug 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 13</u>	<u>Budget</u>	<u>Variance</u>
485 · Bank Charges	0.00	0.00	0.00	2.00	0.00	2.00
486 · Dues & Subscriptions	185.18	200.00	-14.82	245.24	400.00	-154.76
<b>Total 400 · Overhead Costs</b>	<u>39,411.71</u>	<u>34,434.39</u>	<u>4,977.32</u>	<u>69,615.86</u>	<u>65,923.04</u>	<u>3,692.82</u>
<b>Total Expense</b>	<u>39,411.71</u>	<u>34,434.39</u>	<u>4,977.32</u>	<u>69,615.86</u>	<u>65,923.04</u>	<u>3,692.82</u>
<b>Net Ordinary Income</b>	-17,393.25	-1,670.11	-15,723.14	3,031.10	296.98	2,734.12
<b>Other Income/Expense</b>						
<b>Other Income</b>						
216 · Assessment Fee Income	0.00	0.00	0.00	0.00	0.00	0.00
217 · Capital Expenditure Reserved	2,070.00	2,070.00	0.00	4,140.00	4,140.00	0.00
511 · Interest Income	55.50	125.00	-69.50	113.08	250.00	-136.92
<b>Total Other Income</b>	<u>2,125.50</u>	<u>2,195.00</u>	<u>-69.50</u>	<u>4,253.08</u>	<u>4,390.00</u>	<u>-136.92</u>
<b>Net Other Income</b>	<u>2,125.50</u>	<u>2,195.00</u>	<u>-69.50</u>	<u>4,253.08</u>	<u>4,390.00</u>	<u>-136.92</u>
<b>Net Income</b>	<u><u>-15,267.75</u></u>	<u><u>524.89</u></u>	<u><u>-15,792.64</u></u>	<u><u>7,284.18</u></u>	<u><u>4,686.98</u></u>	<u><u>2,597.20</u></u>