

Hacker Accounting LLC

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

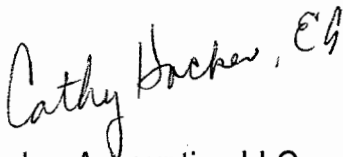
Phoenix, AZ 85029

January 28, 2015

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 December 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.

A handwritten signature in black ink that reads "Cathy Hacker, CPA". The signature is written in a cursive style.

Hacker Accounting LLC

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

	Dec 31, 14
ASSETS	
Current Assets	
Checking/Savings	
117 · Checking/Compass	15,693.94
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	225,438.87
116 · Cash-MM	106,605.74
Total Checking/Savings	347,838.55
Accounts Receivable	
121 · Accounts Receivable	95,387.32
Total Accounts Receivable	95,387.32
Other Current Assets	
140 · Prepaid Insurance	-253.71
Total Other Current Assets	-253.71
Total Current Assets	442,972.16
Fixed Assets	
1200 · Fixed Assets	
1210 · Land	9,000.00
1220 · Water District System	1,951,688.11
1230 · Buildings & Improvements	13,366.41
1240 · Machinery & Equipment	19,423.00
1241 · Motor for 43rd Avenue	38,989.23
1242 · 39th Ave Pump-2013	93,435.46
1243 · 43rd Ave Pump-2013	76,082.36
1244 · 39th Ave motor	2,501.14
1250 · Transportation Equipment	57,674.55
1260 · Office Furn & Fixtures	15,986.94
1281 · GPS Tracking - 2012	245.65
Total 1200 · Fixed Assets	2,278,392.85
1300 · Accumulated Depreciation	
1320 · Accum Depr-Water Distr Sys	-1,070,634.79
Total 1300 · Accumulated Depreciation	-1,070,634.79
Total Fixed Assets	1,207,758.06
Other Assets	
120 · Refundable Deposits	1,169.00
Total Other Assets	1,169.00
TOTAL ASSETS	1,651,899.22
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · Payroll Liabilities	
2011 · Dental/Vision Payable	107.05
201 · Payroll Liabilities - Other	948.17
Total 201 · Payroll Liabilities	1,055.22
203 · Accrued Power/Water	
2031 · Accrued Power	6,614.89
2032 · Accrued Water	6,913.98
Total 203 · Accrued Power/Water	13,528.87

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

	<u>Dec 31, 14</u>
204 · Other Accrued Expenses	2,376.69
205 · Accrued Vacation	<u>1,895.20</u>
Total Other Current Liabilities	18,855.98
Total Current Liabilities	<u>18,855.98</u>
Total Liabilities	18,855.98
Equity	
209 · Retained Earnings	1,636,735.65
Net Income	<u>-3,692.41</u>
Total Equity	<u>1,633,043.24</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,651,899.22</u></u>

Sunburst Farms Irrigation District Profit / Loss Actual vs Budget

December 2014

	<u>Dec 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 14</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	4,573.68	15,048.00	-10,474.32	109,554.66	147,469.00	-37,914.34
212 · Member Fees	34,229.52	34,229.41	0.11	205,377.12	205,376.46	0.66
213 · Other Services	40.00	40.00	0.00	100.00	240.00	-140.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	1,300.00	1,800.00	-500.00
215 · Finance Charges	425.72	833.33	-407.61	4,240.95	4,999.98	-759.03
Total Income	<u>39,468.92</u>	<u>50,450.74</u>	<u>-10,981.82</u>	<u>320,572.73</u>	<u>359,885.44</u>	<u>-39,312.71</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	8,295.26	9,873.00	-1,577.74	74,408.32	96,751.00	-22,342.68
331 · State Water Fees	569.00	569.00	0.00	3,414.00	3,414.00	0.00
351 · Pump Supply "Oil"	0.00	496.83	-496.83	0.00	2,981.02	-2,981.02
352 · Transportation Gas/Oil	153.36	580.00	-426.64	3,149.41	5,702.00	-2,552.59
361 · Irrigation Labor	952.25	3,291.00	-2,338.75	23,068.66	31,598.00	-8,529.34
371 · Payroll Taxes & Fringe	72.85	266.00	-193.15	1,760.84	2,604.00	-843.16
372 · Irrigators-Health Insurance	687.37	691.83	-4.46	4,124.22	4,151.02	-26.80
Total 310 · Direct Costs of Water Delivery	<u>10,730.09</u>	<u>15,767.66</u>	<u>-5,037.57</u>	<u>109,925.45</u>	<u>147,201.04</u>	<u>-37,275.59</u>
Total COGS	<u>10,730.09</u>	<u>15,767.66</u>	<u>-5,037.57</u>	<u>109,925.45</u>	<u>147,201.04</u>	<u>-37,275.59</u>
Gross Profit	28,738.83	34,683.08	-5,944.25	210,647.28	212,684.40	-2,037.12
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	4,199.20	3,176.00	1,023.20	21,338.52	20,638.00	700.52
363 · Admin Payroll Expense	4,122.15	3,105.00	1,017.15	20,920.97	20,189.00	731.97
364 · Payroll Taxes/Fringe-Admin	660.30	520.00	140.30	3,375.33	3,380.00	-4.67
365 · MNGR Gas Transportation	129.31	112.50	16.81	753.66	675.00	78.66
366 · Health Insurance "Salary"	765.77	693.00	72.77	4,442.62	4,160.00	282.62
375 · State Compensation Fund	0.00	464.25	-464.25	2,347.00	2,785.50	-438.50

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

December 2014

	<u>Dec 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 14</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	9,805.66	9,580.33	225.33	58,203.96	57,482.02	721.94
414 · Building & Equipment Repair	0.00	166.66	-166.66	687.71	1,000.04	-312.33
416 · Pumps-Maintenance	0.00	116.66	-116.66	0.00	700.04	-700.04
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	8,408.66	4,312.00	4,096.66	36,731.89	28,028.00	8,703.89
417.2 · Materials	-10,096.17	1,167.83	-11,264.00	12,380.63	7,007.02	5,373.61
417.3 · Outside Service	77.00	1,250.00	-1,173.00	9,841.50	7,500.00	2,341.50
417.4 · MT Payroll Taxes	643.17	357.00	286.17	2,580.47	2,320.50	259.97
417.5 · MT Health Insurance	365.88	720.00	-354.12	2,195.28	4,320.00	-2,124.72
Total 417 · Maint/Repairs-Water System	-601.46	7,806.83	-8,408.29	63,729.77	49,175.52	14,554.25
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	457.83	833.33	-375.50	1,404.04	5,000.02	-3,595.98
419.2 · Tractor	0.00	83.33	-83.33	1,822.85	500.02	1,322.83
419 · Repairs-Transportation - Other	131.55			401.00		
Total 419 · Repairs-Transportation	589.38	916.66	-327.28	3,627.89	5,500.04	-1,872.15
420 · MNT Gas Transportation	216.75	300.00	-83.25	1,685.38	1,800.00	-114.62
421 · Electricity	170.13	200.00	-29.87	1,701.51	1,200.00	501.51
422 · Sewer & Water	33.13	16.66	16.47	60.45	100.04	-39.59
423 · Telephone Expense	476.33	500.00	-23.67	3,087.09	3,000.00	87.09
431 · Insurance Expense	1,721.66	1,466.66	255.00	9,154.96	8,800.04	354.92
441 · Legal Expense	1,000.00	1,250.00	-250.00	2,500.00	7,500.00	-5,000.00
442 · Accounting Expenses	400.00	400.00	0.00	2,400.00	2,400.00	0.00
443 · Auditing Expenses	0.00	416.66	-416.66	2,855.00	2,500.04	354.96
444 · Collection Services	40.00	40.00	0.00	120.00	240.00	-120.00
445 · Rent	820.80			4,493.60		
446 · Other Contracted Services	463.76	458.33	5.43	3,367.11	2,750.02	617.09
451 · Postage	362.47	375.00	-12.53	2,487.58	2,250.00	237.58
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.66	-16.66	116.22	100.04	16.18
483 · Office Supplies	1,040.86	416.66	624.20	2,620.94	2,500.04	120.90

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

December 2014

	<u>Dec 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 14</u>	<u>YTD Budget</u>	<u>Variance</u>
484 · Mileage	159.04	33.33	125.71	427.00	200.02	226.98
485 · Bank Charges	0.00	5.00	-5.00	4.00	30.00	-26.00
486 · Dues & Subscriptions	17.00	125.00	-108.00	532.95	750.00	-217.05
487 · Petty Cash Over/Sht	0.00	0.00	0.00	0.00	0.00	0.00
Total 400 · Overhead Costs	<u>26,592.24</u>	<u>32,677.85</u>	<u>-6,085.61</u>	<u>217,041.22</u>	<u>201,805.40</u>	<u>15,235.82</u>
Total Expense	<u>26,592.24</u>	<u>32,677.85</u>	<u>-6,085.61</u>	<u>217,041.22</u>	<u>201,805.40</u>	<u>15,235.82</u>
Net Ordinary Income	2,146.59	2,005.23	141.36	-6,393.94	10,879.00	-17,272.94
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	-105.00	300.00	-405.00	7,201.25	1,800.00	5,401.25
511 · Interest Income	53.42	41.66	11.76	310.28	250.04	60.24
541 · Gain/Loss on Sale of Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	<u>-51.58</u>	<u>341.66</u>	<u>-393.24</u>	<u>7,511.53</u>	<u>2,050.04</u>	<u>5,461.49</u>
Other Expense						
512 · Bridle Path Cleanup	950.00	140.41	809.59	4,810.00	842.54	3,967.46
Total Other Expense	<u>950.00</u>	<u>140.41</u>	<u>809.59</u>	<u>4,810.00</u>	<u>842.54</u>	<u>3,967.46</u>
Net Other Income	<u>-1,001.58</u>	<u>201.25</u>	<u>-1,202.83</u>	<u>2,701.53</u>	<u>1,207.50</u>	<u>1,494.03</u>
Net Income	<u><u>1,145.01</u></u>	<u><u>2,206.48</u></u>	<u><u>-1,061.47</u></u>	<u><u>-3,692.41</u></u>	<u><u>12,086.50</u></u>	<u><u>-15,778.91</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of December 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	20,592.40	-3,240.20	10,019.61	2,237.88	65,777.63	95,387.32
Total A/R 2013	<u>25,601.64</u>	<u>-2,157.36</u>	<u>6,664.93</u>	<u>3,410.72</u>	<u>69,172.59</u>	102,692.52
Variance- Better/(Worse)	<u>5,009.24</u>	<u>1,082.84</u>	<u>(3,354.68)</u>	<u>1,172.84</u>	<u>3,394.96</u>	<u>7,305.20</u>