

Hacker Accounting LLC

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

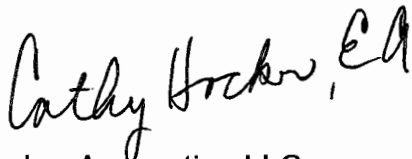
Phoenix, AZ 85029

August 27, 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 July 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 with a large initial "C".

Hacker Accounting LLC

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet Prev Year Comparison
As of July 31, 2014

	<u>Jul 31, 14</u>	<u>Jul 31, 13</u>
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	34,869.47	64,597.74
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	192,613.93	218,793.18
116 · Cash-MM	106,563.07	106,474.57
Total Checking/Savings	<u>334,146.47</u>	<u>389,965.49</u>
Accounts Receivable		
119 · Rebate Receivable	0.00	20,000.00
121 · Accounts Receivable	109,185.85	115,456.94
Total Accounts Receivable	<u>109,185.85</u>	<u>135,456.94</u>
Other Current Assets		
140 · Prepaid Insurance	7,079.59	8,725.53
1499 · Undeposited Funds	0.00	3,469.94
Total Other Current Assets	<u>7,079.59</u>	<u>12,195.47</u>
Total Current Assets	<u>450,411.91</u>	<u>537,617.90</u>
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	<u>2,240,503.77</u>	<u>2,016,406.77</u>
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,014,182.88	-899,962.68
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	<u>-1,022,110.49</u>	<u>-916,860.44</u>
Total Fixed Assets	<u>1,218,393.28</u>	<u>1,099,546.33</u>
Other Assets		
120 · Refundable Deposits	1,169.00	1,169.00
Total Other Assets	<u>1,169.00</u>	<u>1,169.00</u>
TOTAL ASSETS	<u><u>1,669,974.19</u></u>	<u><u>1,638,333.23</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
201 · Payroll Liabilities	994.50	927.00
203 · Accrued Power/Water		
2031 · Accrued Power	13,406.16	8,443.89
2032 · Accrued Water	4,068.98	520.27
Total 203 · Accrued Power/Water	<u>17,475.14</u>	<u>8,964.16</u>

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08/27/14
Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet Prev Year Comparison
As of July 31, 2014

	<u>Jul 31, 14</u>	<u>Jul 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>22,741.53</u>	<u>14,163.05</u>
Total Current Liabilities	<u>22,741.53</u>	<u>14,163.05</u>
Total Liabilities	22,741.53	14,163.05
Equity		
209 - Retained Earnings	1,636,735.65	1,601,618.25
Net Income	10,497.01	22,551.93
Total Equity	<u>1,647,232.66</u>	<u>1,624,170.18</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,669,974.19</u></u>	<u><u>1,638,333.23</u></u>

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

	<u>Jul 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul 14</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	33,778.86	33,927.00	-148.14	33,778.86	33,927.00	-148.14
212 · Member Fees	34,229.52	34,229.41	0.11	34,229.52	34,229.41	0.11
213 · Other Services	0.00	40.00	-40.00	0.00	40.00	-40.00
214 · Escrow Transfer Fees	100.00	300.00	-200.00	100.00	300.00	-200.00
215 · Finance Charges	713.41	833.33	-119.92	713.41	833.33	-119.92
Total Income	<u>68,821.79</u>	<u>69,329.74</u>	<u>-507.95</u>	<u>68,821.79</u>	<u>69,329.74</u>	<u>-507.95</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	18,424.72	22,258.00	-3,833.28	18,424.72	22,258.00	-3,833.28
331 · State Water Fees	569.00	569.00	0.00	569.00	569.00	0.00
351 · Pump Supply "Oil"	0.00	496.87	-496.87	0.00	496.87	-496.87
352 · Transportation Gas/Oil	966.61	1,313.00	-346.39	966.61	1,313.00	-346.39
361 · Irrigation Labor	8,582.19	7,251.00	1,331.19	8,582.19	7,251.00	1,331.19
371 · Payroll Taxes & Fringe	599.02	598.00	1.02	599.02	598.00	1.02
372 · Irrigators-Health Insurance	0.00	691.87	-691.87	0.00	691.87	-691.87
Total 310 · Direct Costs of Water Delivery	<u>29,141.54</u>	<u>33,177.74</u>	<u>-4,036.20</u>	<u>29,141.54</u>	<u>33,177.74</u>	<u>-4,036.20</u>
Total COGS	<u>29,141.54</u>	<u>33,177.74</u>	<u>-4,036.20</u>	<u>29,141.54</u>	<u>33,177.74</u>	<u>-4,036.20</u>
Gross Profit	39,680.25	36,152.00	3,528.25	39,680.25	36,152.00	3,528.25
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,882.04	3,968.00	-85.96	3,882.04	3,968.00	-85.96
363 · Admin Payroll Expense	3,803.51	3,881.00	-77.49	3,803.51	3,881.00	-77.49
364 · Payroll Taxes/Fringe-Admin	611.08	650.00	-38.92	611.08	650.00	-38.92
365 · MNGR Gas Transportation	84.69	112.50	-27.81	84.69	112.50	-27.81
366 · Health Insurance "Salary"	240.00	694.00	-454.00	240.00	694.00	-454.00
375 · State Compensation Fund	0.00	464.25	-464.25	0.00	464.25	-464.25

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

	<u>Jul 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul 14</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	9,679.66	9,580.37	99.29	9,679.66	9,580.37	99.29
414 · Building & Equipment Repair	0.00	166.70	-166.70	0.00	166.70	-166.70
416 · Pumps-Maintenance	0.00	116.70	-116.70	0.00	116.70	-116.70
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	4,826.32	5,390.00	-563.68	4,826.32	5,390.00	-563.68
417.2 · Materials	86.84	1,167.87	-1,081.03	86.84	1,167.87	-1,081.03
417.3 · Outside Service	560.00	1,250.00	-690.00	560.00	1,250.00	-690.00
417.4 · MT Payroll Taxes	311.29	446.25	-134.96	311.29	446.25	-134.96
417.5 · MT Health Insurance	0.00	720.00	-720.00	0.00	720.00	-720.00
417 · Maint/Repairs-Water System - Other	57.88			57.88		
Total 417 · Maint/Repairs-Water System	5,842.33	8,974.12	-3,131.79	5,842.33	8,974.12	-3,131.79
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	128.37	833.37	-705.00	128.37	833.37	-705.00
419.2 · Tractor	1,124.46	83.37	1,041.09	1,124.46	83.37	1,041.09
Total 419 · Repairs-Transportation	1,252.83	916.74	336.09	1,252.83	916.74	336.09
420 · MNT Gas Transportation	266.63	300.00	-33.37	266.63	300.00	-33.37
421 · Electricity	288.22	200.00	88.22	288.22	200.00	88.22
422 · Sewer & Water	0.00	16.70	-16.70	0.00	16.70	-16.70
423 · Telephone Expense	483.40	500.00	-16.60	483.40	500.00	-16.60
431 · Insurance Expense	1,566.66	1,466.70	99.96	1,566.66	1,466.70	99.96
441 · Legal Expense	0.00	1,250.00	-1,250.00	0.00	1,250.00	-1,250.00
442 · Accounting Expenses	0.00	400.00	-400.00	0.00	400.00	-400.00
443 · Auditing Expenses	330.00	416.70	-86.70	330.00	416.70	-86.70
444 · Collection Services	0.00	40.00	-40.00	0.00	40.00	-40.00
446 · Other Contracted Services	262.53	458.37	-195.84	262.53	458.37	-195.84
451 · Postage	392.00	375.00	17.00	392.00	375.00	17.00
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	10.56	16.70	-6.14	10.56	16.70	-6.14
483 · Office Supplies	277.34	416.70	-139.36	277.34	416.70	-139.36
484 · Mileage	48.50	33.37	15.13	48.50	33.37	15.13

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

July 2014

	<u>Jul 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul 14</u>	<u>YTD Budget</u>	<u>Variance</u>
485 · Bank Charges	2.00	5.00	-3.00	2.00	5.00	-3.00
486 · Dues & Subscriptions	60.06	125.00	-64.94	60.06	125.00	-64.94
487 · Petty Cash Over/Sht	0.00	0.00	0.00	0.00	0.00	0.00
Total 400 · Overhead Costs	<u>29,384.04</u>	<u>35,544.62</u>	<u>-6,160.58</u>	<u>29,384.04</u>	<u>35,544.62</u>	<u>-6,160.58</u>
Total Expense	<u>29,384.04</u>	<u>35,544.62</u>	<u>-6,160.58</u>	<u>29,384.04</u>	<u>35,544.62</u>	<u>-6,160.58</u>
Net Ordinary Income	10,296.21	607.38	9,688.83	10,296.21	607.38	9,688.83
Other Income/Expense						
Other Income						
510 · Misc/Other Income	151.25	300.00	-148.75	151.25	300.00	-148.75
511 · Interest Income	49.55	41.70	7.85	49.55	41.70	7.85
541 · Gain/Loss on Sale of Equipment	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	<u>200.80</u>	<u>341.70</u>	<u>-140.90</u>	<u>200.80</u>	<u>341.70</u>	<u>-140.90</u>
Other Expense						
512 · Bridle Path Cleanup	0.00	140.49	-140.49	0.00	140.49	-140.49
Total Other Expense	<u>0.00</u>	<u>140.49</u>	<u>-140.49</u>	<u>0.00</u>	<u>140.49</u>	<u>-140.49</u>
Net Other Income	<u>200.80</u>	<u>201.21</u>	<u>-0.41</u>	<u>200.80</u>	<u>201.21</u>	<u>-0.41</u>
Net Income	<u><u>10,497.01</u></u>	<u><u>808.59</u></u>	<u><u>9,688.42</u></u>	<u><u>10,497.01</u></u>	<u><u>808.59</u></u>	<u><u>9,688.42</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of July 31, 2013

	<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>45,988.83</u>	<u>-4,248.27</u>	<u>5,475.96</u>	<u>2,955.44</u>	<u>59,013.89</u>	<u>109,185.85</u>
Total A/R 2013	<u>50,098.79</u>	<u>-3,487.30</u>	<u>4,770.70</u>	<u>1,863.35</u>	<u>62,211.40</u>	<u>115,456.94</u>
Variance- Better/(Worse)	<u>4,109.96</u>	<u>760.97</u>	<u>-705.26</u>	<u>-1,092.09</u>	<u>3,197.51</u>	<u>6,271.09</u>