

Hacker Accounting LLC

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

Phoenix, AZ 85029

July 21, 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 June 30, 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 Prev Year Comparison

As of June 30, 2014

	Jun 30, 14	Jun 30, 13	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
117 · Checking/Compass	23,303.91	41,824.63	-18,520.72
111 · Cash on Hand	100.00	100.00	0.00
114 · Compass Cap/Expd/Dep	222,367.22	218,744.64	3,622.58
116 · Cash-MM	106,556.02	106,467.53	88.49
Total Checking/Savings	352,327.15	367,136.80	-14,809.65
Accounts Receivable			
119 · Rebate Receivable	0.00	20,000.00	-20,000.00
121 · Accounts Receivable	104,993.21	111,106.22	-6,113.01
Total Accounts Receivable	104,993.21	131,106.22	-26,113.01
Other Current Assets			
140 · Prepaid Insurance	8,546.25	9,958.87	-1,412.62
1499 · Undeposited Funds	1,613.45	0.00	1,613.45
Total Other Current Assets	10,159.70	9,958.87	200.83
Total Current Assets	467,480.06	508,201.89	-40,721.83
Fixed Assets			
1200 · Fixed Assets			
1210 · Land	9,000.00	9,000.00	0.00
1220 · Water District System	1,913,799.03	1,733,776.02	180,023.01
1230 · Buildings & Improvements	13,366.41	13,366.41	0.00
1240 · Machinery & Equipment	19,423.00	19,423.00	0.00
1241 · Motor for 43rd Avenue	38,989.23	38,989.23	0.00
1242 · 39th Ave Pump-2013	63,641.67	63,641.67	0.00
1243 · 43rd Ave Pump-2013	76,082.36	69,424.26	6,658.10
1244 · 39th Ave motor	2,501.14	2,501.14	0.00
1250 · Transportation Equipment	57,674.55	50,052.45	7,622.10
1260 · Office Furn & Fixtures	15,986.94	15,986.94	0.00
1281 · GPS Tracking - 2012	245.65	245.65	0.00
Total 1200 · Fixed Assets	2,210,709.98	2,016,406.77	194,303.21
1300 · Accumulated Depreciation			
1320 · Accum Depr-Water Distr Sys	-1,004,503.22	-890,796.01	-113,707.21
1330 · Accum Depr-Bldgs & Imp	-12,915.20	-12,915.20	0.00
1340 · Accum Depr-Machinery & Equip	-19,423.00	-19,423.00	0.00
1343 · Accum Depr-43rd Ave. Pump 2013	-150.00	0.00	-150.00
1350 · Accum Depr- Transportation	-16,827.61	-25,947.76	9,120.15
1360 · Accum Depr-Off Furn & Fix	-6,770.97	-6,770.97	0.00
1300 · Accumulated Depreciation - Other	48,159.17	48,159.17	0.00
Total 1300 · Accumulated Depreciation	-1,012,430.83	-907,693.77	-104,737.06
Total Fixed Assets	1,198,279.15	1,108,713.00	89,566.15
Other Assets			
120 · Refundable Deposits	1,169.00	1,169.00	0.00
Total Other Assets	1,169.00	1,169.00	0.00
TOTAL ASSETS	1,666,928.21	1,618,083.89	48,844.32
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
200 · Accounts Payable	7,612.38	0.00	7,612.38
Total Accounts Payable	7,612.38	0.00	7,612.38
Other Current Liabilities			
201 · Payroll Liabilities	859.95	927.00	-67.05

Sunburst Farms Irrigation District
Balance Sheet Prev Year Comparison
 As of June 30, 2014

	<u>Jun 30, 14</u>	<u>Jun 30, 13</u>	<u>\$ Change</u>
203 · Accrued Power/Water			
2031 · Accrued Power	13,948.36	11,329.82	2,618.54
2032 · Accrued Water	3,499.98	-63.07	3,563.05
Total 203 · Accrued Power/Water	<u>17,448.34</u>	<u>11,266.75</u>	<u>6,181.59</u>
204 · Other Accrued Expenses	2,376.69	2,376.69	0.00
205 · Accrued Vacation	1,895.20	1,895.20	0.00
Total Other Current Liabilities	<u>22,580.18</u>	<u>16,465.64</u>	<u>6,114.54</u>
Total Current Liabilities	<u>30,192.56</u>	<u>16,465.64</u>	<u>13,726.92</u>
Total Liabilities	<u>30,192.56</u>	<u>16,465.64</u>	<u>13,726.92</u>
Equity			
209 · Retained Earnings	1,601,618.25	1,547,147.81	54,470.44
Net Income	35,117.40	54,470.44	-19,353.04
Total Equity	<u>1,636,735.65</u>	<u>1,601,618.25</u>	<u>35,117.40</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,666,928.21</u></u>	<u><u>1,618,083.89</u></u>	<u><u>48,844.32</u></u>

Sunburst Farms Irrigation District Profit Loss Budget vs Actual

June 2014

	Jun 14	Budget	Variance	Jul '13 - Jun 14	YTD Budget	Variance
Ordinary Income/Expense						
Income						
211 · Water Fees	29,799.50	30,816.00	-1,016.50	269,281.46	256,800.00	12,481.46
212 · Member Fees	31,439.16	31,439.16	0.00	377,269.92	377,270.00	-0.08
213 · Other Services	60.00	40.00	20.00	480.90	480.00	0.90
214 · Escrow Transfer Fees	400.00	300.00	100.00	3,000.00	3,600.00	-600.00
215 · Finance Charges	765.82	600.00	165.82	10,372.47	7,200.00	3,172.47
Total Income	<u>62,464.48</u>	<u>63,195.16</u>	<u>-730.68</u>	<u>660,404.75</u>	<u>645,350.00</u>	<u>15,054.75</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	31,196.49	19,100.00	12,096.49	176,182.92	160,000.00	16,182.92
331 · State Water Fees	3,174.87	583.33	2,591.54	9,591.61	7,000.00	2,591.61
351 · Pump Supply "Oil"	4,471.51	100.00	4,371.51	4,471.51	1,200.00	3,271.51
352 · Transportation Gas/Oil	881.45	1,512.00	-630.55	8,006.58	12,600.00	-4,593.42
361 · Irrigation Labor	5,154.56	7,680.00	-2,525.44	53,767.20	64,000.00	-10,232.80
371 · Payroll Taxes & Fringe	394.32	624.00	-229.68	3,849.46	5,248.00	-1,398.54
372 · Irrigators-Health Insurance	798.06	515.52	282.54	8,246.62	6,702.00	1,544.62
Total 310 · Direct Costs of Water Delivery	<u>46,071.26</u>	<u>30,114.85</u>	<u>15,956.41</u>	<u>264,115.90</u>	<u>256,750.00</u>	<u>7,365.90</u>
Total COGS	<u>46,071.26</u>	<u>30,114.85</u>	<u>15,956.41</u>	<u>264,115.90</u>	<u>256,750.00</u>	<u>7,365.90</u>
Gross Profit	16,393.22	33,080.31	-16,687.09	396,288.85	388,600.00	7,688.85
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,050.72	3,065.52	-14.80	40,037.15	39,852.00	185.15
363 · Admin Payroll Expense	2,983.16	2,997.44	-14.28	39,159.36	38,966.00	193.36
364 · Payroll Taxes/Fringe-Admin	490.28	559.44	-69.16	6,480.78	7,273.00	-792.22
365 · MNGR Gas Transportation	62.44	133.34	-70.90	1,040.86	1,600.00	-559.14
366 · Health Insurance "Salary"	442.02	477.25	-35.23	5,480.24	5,727.00	-246.76
375 · State Compensation Fund	0.00	411.58	-411.58	6,129.00	4,939.00	1,190.00
411 · Depreciation Expense	10,574.19	9,166.66	1,407.53	118,230.06	110,000.00	8,230.06
414 · Building & Equipment Repair	0.00	183.33	-183.33	305.66	2,200.00	-1,894.34
416 · Pumps-Maintenance	0.00	241.66	-241.66	993.27	2,900.00	-1,906.73

Sunburst Farms Irrigation District Profit Loss Budget vs Actual

June 2014

	<u>Jun 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jun 14</u>	<u>YTD Budget</u>	<u>Variance</u>
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	3,435.24	4,769.23	-1,333.99	50,104.12	62,000.00	-11,895.88
417.2 · Materials	1,780.28	1,000.00	780.28	20,133.70	12,000.00	8,133.70
417.3 · Outside Service	0.00	1,250.00	-1,250.00	15,214.81	15,000.00	214.81
417.4 · MT Payroll Taxes	262.75	391.08	-128.33	3,711.96	5,084.00	-1,372.04
417.5 · MT Health Insurance	266.02	0.00	266.02	2,660.20	0.00	2,660.20
Total 417 · Maint/Repairs-Water System	<u>5,744.29</u>	<u>7,410.31</u>	<u>-1,666.02</u>	<u>91,824.79</u>	<u>94,084.00</u>	<u>-2,259.21</u>
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	0.00	1,080.00	-1,080.00	15,516.29	12,960.00	2,556.29
419.2 · Tractor	0.00	0.00	0.00	128.73	0.00	128.73
Total 419 · Repairs-Transportation	<u>0.00</u>	<u>1,080.00</u>	<u>-1,080.00</u>	<u>15,645.02</u>	<u>12,960.00</u>	<u>2,685.02</u>
420 · MNT Gas Transportation	226.70	300.00	-73.30	2,764.38	3,600.00	-835.62
421 · Electricity	249.67	200.00	49.67	2,286.45	2,400.00	-113.55
422 · Sewer & Water	23.77	16.66	7.11	155.41	200.00	-44.59
423 · Telephone Expense	481.55	466.66	14.89	5,965.58	5,600.00	365.58
431 · Insurance Expense	273.11	1,333.33	-1,060.22	14,408.62	16,000.00	-1,591.38
441 · Legal Expense	11,463.38	1,250.00	10,213.38	17,890.52	15,000.00	2,890.52
442 · Accounting Expenses	600.00	300.00	300.00	3,900.00	3,600.00	300.00
443 · Auditing Expenses	450.00	400.00	50.00	5,080.00	4,800.00	280.00
444 · Collection Services	40.00	40.00	0.00	340.00	480.00	-140.00
446 · Other Contracted Services	1,558.24	458.33	1,099.91	6,435.18	5,500.00	935.18
451 · Postage	368.96	358.33	10.63	4,450.16	4,300.00	150.16
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	43.10	200.00	-156.90
483 · Office Supplies	0.00	400.00	-400.00	5,772.00	4,800.00	972.00
484 · Mileage	42.50	22.00	20.50	515.54	264.00	251.54
485 · Bank Charges	0.00	0.00	0.00	36.00	0.00	36.00
486 · Dues & Subscriptions	0.00	200.00	-200.00	1,736.81	2,400.00	-663.19
Total 400 · Overhead Costs	<u>39,124.98</u>	<u>31,488.50</u>	<u>7,636.48</u>	<u>397,105.94</u>	<u>389,645.00</u>	<u>7,460.94</u>
Total Expense	<u>39,124.98</u>	<u>31,488.50</u>	<u>7,636.48</u>	<u>397,105.94</u>	<u>389,645.00</u>	<u>7,460.94</u>
Net Ordinary Income	-22,731.76	1,591.81	-24,323.57	-817.09	-1,045.00	227.91

Sunburst Farms Irrigation District Profit Loss Budget vs Actual

June 2014

	<u>Jun 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jun 14</u>	<u>YTD Budget</u>	<u>Variance</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	2,070.00	2,070.00	0.00	24,842.50	24,840.00	2.50
219 · Misc/Other Income	600.00	100.00	500.00	12,704.39	1,200.00	11,504.39
511 · Interest Income	43.94	125.00	-81.06	725.60	1,500.00	-774.40
541 · Gain/Loss on Sale of Equipment	0.00			-353.00		
Total Other Income	<u>2,713.94</u>	<u>2,295.00</u>	<u>418.94</u>	<u>37,919.49</u>	<u>27,540.00</u>	<u>10,379.49</u>
Other Expense						
512 · Bridle Path Cleanup	300.00			1,985.00		
Total Other Expense	<u>300.00</u>			<u>1,985.00</u>		
Net Other Income	<u>2,413.94</u>	<u>2,295.00</u>	<u>118.94</u>	<u>35,934.49</u>	<u>27,540.00</u>	<u>8,394.49</u>
Net Income	<u><u>-20,317.82</u></u>	<u><u>3,886.81</u></u>	<u><u>-24,204.63</u></u>	<u><u>35,117.40</u></u>	<u><u>26,495.00</u></u>	<u><u>8,622.40</u></u>

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
 June 2014

	<u>Jun 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jun 14</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	29,799.50	30,816.00	-1,016.50	269,281.46	256,800.00	12,481.46
212 · Member Fees	31,439.16	31,439.16	0.00	377,269.92	377,270.00	-0.08
213 · Other Services	60.00	40.00	20.00	480.90	480.00	0.90
214 · Escrow Transfer Fees	400.00	300.00	100.00	3,000.00	3,600.00	-600.00
215 · Finance Charges	765.82	600.00	165.82	10,372.47	7,200.00	3,172.47
Total Income	<u>62,464.48</u>	<u>63,195.16</u>	<u>-730.68</u>	<u>660,404.75</u>	<u>645,350.00</u>	<u>15,054.75</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	31,196.49	19,100.00	12,096.49	176,182.92	160,000.00	16,182.92
331 · State Water Fees	3,174.87	583.33	2,591.54	9,591.61	7,000.00	2,591.61
351 · Pump Supply "Oil"	4,471.51	100.00	4,371.51	4,471.51	1,200.00	3,271.51
352 · Transportation Gas/Oil	881.45	1,512.00	-630.55	8,006.58	12,600.00	-4,593.42
361 · Irrigation Labor	5,154.56	7,680.00	-2,525.44	53,767.20	64,000.00	-10,232.80
371 · Payroll Taxes & Fringe	394.32	624.00	-229.68	3,849.46	5,248.00	-1,398.54
372 · Irrigators-Health Insurance	798.06	515.52	282.54	8,246.62	6,702.00	1,544.62
Total 310 · Direct Costs of Water Delivery	<u>46,071.26</u>	<u>30,114.85</u>	<u>15,956.41</u>	<u>264,115.90</u>	<u>256,750.00</u>	<u>7,365.90</u>
Total COGS	<u>46,071.26</u>	<u>30,114.85</u>	<u>15,956.41</u>	<u>264,115.90</u>	<u>256,750.00</u>	<u>7,365.90</u>
Gross Profit	16,393.22	33,080.31	-16,687.09	396,288.85	388,600.00	7,688.85
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,050.72	3,065.52	-14.80	40,037.15	39,852.00	185.15
363 · Admin Payroll Expense	2,983.16	2,997.44	-14.28	39,159.36	38,966.00	193.36
364 · Payroll Taxes/Fringe-Admin	490.28	559.44	-69.16	6,480.78	7,273.00	-792.22
365 · MNGR Gas Transportation	62.44	133.34	-70.90	1,040.86	1,600.00	-559.14
366 · Health Insurance "Salary"	442.02	477.25	-35.23	5,480.24	5,727.00	-246.76
375 · State Compensation Fund	0.00	411.58	-411.58	6,129.00	4,939.00	1,190.00
411 · Depreciation Expense	10,574.19	9,166.66	1,407.53	118,230.06	110,000.00	8,230.06
414 · Building & Equipment Repair	0.00	183.33	-183.33	305.66	2,200.00	-1,894.34
416 · Pumps-Maintenance	0.00	241.66	-241.66	993.27	2,900.00	-1,906.73

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
 June 2014

	<u>Jun 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jun 14</u>	<u>YTD Budget</u>	<u>Variance</u>
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	3,435.24	4,769.23	-1,333.99	50,104.12	62,000.00	-11,895.88
417.2 · Materials	1,780.28	1,000.00	780.28	20,133.70	12,000.00	8,133.70
417.3 · Outside Service	0.00	1,250.00	-1,250.00	15,214.81	15,000.00	214.81
417.4 · MT Payroll Taxes	262.75	391.08	-128.33	3,711.96	5,084.00	-1,372.04
417.5 · MT Health Insurance	266.02	0.00	266.02	2,660.20	0.00	2,660.20
Total 417 · Maint/Repairs-Water System	5,744.29	7,410.31	-1,666.02	91,824.79	94,084.00	-2,259.21
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	0.00	1,080.00	-1,080.00	15,516.29	12,960.00	2,556.29
419.2 · Tractor	0.00	0.00	0.00	128.73	0.00	128.73
Total 419 · Repairs-Transportation	0.00	1,080.00	-1,080.00	15,645.02	12,960.00	2,685.02
420 · MNT Gas Transportation	226.70	300.00	-73.30	2,764.38	3,600.00	-835.62
421 · Electricity	249.67	200.00	49.67	2,286.45	2,400.00	-113.55
422 · Sewer & Water	23.77	16.66	7.11	155.41	200.00	-44.59
423 · Telephone Expense	481.55	466.66	14.89	5,965.58	5,600.00	365.58
431 · Insurance Expense	273.11	1,333.33	-1,060.22	14,408.62	16,000.00	-1,591.38
441 · Legal Expense	11,463.38	1,250.00	10,213.38	17,890.52	15,000.00	2,890.52
442 · Accounting Expenses	600.00	300.00	300.00	3,900.00	3,600.00	300.00
443 · Auditing Expenses	450.00	400.00	50.00	5,080.00	4,800.00	280.00
444 · Collection Services	40.00	40.00	0.00	340.00	480.00	-140.00
446 · Other Contracted Services	1,558.24	458.33	1,099.91	6,435.18	5,500.00	935.18
451 · Postage	368.96	358.33	10.63	4,450.16	4,300.00	150.16
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	43.10	200.00	-156.90
483 · Office Supplies	0.00	400.00	-400.00	5,772.00	4,800.00	972.00
484 · Mileage	42.50	22.00	20.50	515.54	264.00	251.54
485 · Bank Charges	0.00	0.00	0.00	36.00	0.00	36.00
486 · Dues & Subscriptions	0.00	200.00	-200.00	1,736.81	2,400.00	-663.19
Total 400 · Overhead Costs	39,124.98	31,488.50	7,636.48	397,105.94	389,645.00	7,460.94
Total Expense	39,124.98	31,488.50	7,636.48	397,105.94	389,645.00	7,460.94
Net Ordinary Income	-22,731.76	1,591.81	-24,323.57	-817.09	-1,045.00	227.91

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
 June 2014

	<u>Jun 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jun 14</u>	<u>YTD Budget</u>	<u>Variance</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	2,070.00	2,070.00	0.00	24,842.50	24,840.00	2.50
219 · Misc/Other Income	600.00	100.00	500.00	12,704.39	1,200.00	11,504.39
511 · Interest Income	43.94	125.00	-81.06	725.60	1,500.00	-774.40
541 · Gain/Loss on Sale of Equipment	0.00			-353.00		
Total Other Income	<u>2,713.94</u>	<u>2,295.00</u>	<u>418.94</u>	<u>37,919.49</u>	<u>27,540.00</u>	<u>10,379.49</u>
Other Expense						
512 · Bridle Path Cleanup	300.00			1,985.00		
Total Other Expense	<u>300.00</u>			<u>1,985.00</u>		
Net Other Income	<u>2,413.94</u>	<u>2,295.00</u>	<u>118.94</u>	<u>35,934.49</u>	<u>27,540.00</u>	<u>8,394.49</u>
Net Income	<u><u>-20,317.82</u></u>	<u><u>3,886.81</u></u>	<u><u>-24,204.63</u></u>	<u><u>35,117.40</u></u>	<u><u>26,495.00</u></u>	<u><u>8,622.40</u></u>