

Hacker Accounting LLC
13201 N. 35th Avenue, Ste. B-3
Phoenix, AZ 85029

April 2, 2013

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 February 28, 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 Profit Loss Budget vs Actual

	Feb 13	Budget	Variance	Jul '12 - Feb 13	YTD Budget	Variance
Ordinary Income/Expense						
Income						
211 · Water Fees	11,704.50	6,075.00	5,629.50	182,074.50	167,265.00	14,809.50
212 · Member Fees	28,234.80	28,235.00	-0.20	225,946.60	225,880.00	66.60
213 · Other Services	30.00	0.00	30.00	250.00	0.00	250.00
214 · Escrow Transfer Fees	500.00	250.00	250.00	2,100.00	2,000.00	100.00
215 · Finance Charges	1,114.15	414.00	700.15	8,493.17	3,312.00	5,181.17
219 · Misc/Other Income	401.00	62.00	339.00	11,004.16	501.00	10,503.16
Total Income	<u>41,984.45</u>	<u>35,036.00</u>	<u>6,948.45</u>	<u>429,868.43</u>	<u>398,958.00</u>	<u>30,910.43</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	7,632.31	3,852.00	3,780.31	107,350.72	106,058.00	1,292.72
331 · State Water Fees	421.41	152.00	269.41	3,371.28	4,108.00	-736.72
351 · Pump Supply "Oil"	0.00	62.00	-62.00	0.00	1,727.00	-1,727.00
352 · Transportation Gas/Oil	0.00	308.00	-308.00	6,987.84	8,528.00	-1,540.16
361 · Irrigation Labor	2,249.00	1,442.00	807.00	35,145.12	39,750.00	-4,604.88
371 · Payroll Taxes & Fringe	172.04	135.00	37.04	2,688.60	3,672.00	-983.40
372 · Irrigators-Health Insurance	970.50	126.00	844.50	4,464.30	3,469.00	995.30
Total 310 · Direct Costs of Water Delivery	<u>11,445.26</u>	<u>6,077.00</u>	<u>5,368.26</u>	<u>160,007.86</u>	<u>167,312.00</u>	<u>-7,304.14</u>
Total COGS	<u>11,445.26</u>	<u>6,077.00</u>	<u>5,368.26</u>	<u>160,007.86</u>	<u>167,312.00</u>	<u>-7,304.14</u>
Gross Profit	30,539.19	28,959.00	1,580.19	269,860.57	231,646.00	38,214.57
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	2,961.88	3,240.00	-278.12	26,216.45	25,920.00	296.45
363 · Admin Payroll Expense	2,896.28	3,168.00	-271.72	25,642.45	25,344.00	298.45
364 · Payroll Taxes/Fringe-Admin	585.52	592.00	-6.48	4,633.03	4,730.00	-96.97
365 · MNGR Gas Transportation	0.00			862.10	0.00	862.10
366 · Health Insurance "Salary"	564.20	388.00	176.20	2,943.65	3,104.00	-160.35

Sunburst Farms Irrigation District Profit Loss Budget vs Actual

	Feb 13	Budget	Variance	Jul '12 - Feb 13	YTD Budget	Variance
375 · State Compensation Fund	0.00	402.00	-402.00	2,775.00	3,212.00	-437.00
411 · Depreciation Expense	7,954.83	7,876.00	78.83	63,638.64	63,008.00	630.64
414 · Building & Equipment Repair	0.00	167.00	-167.00	599.56	1,332.00	-732.44
416 · Pumps-Maintenance	2,487.59	167.00	2,320.59	3,632.00	1,332.00	2,300.00
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	3,225.52	5,370.00	-2,144.48	27,399.42	43,016.00	-15,616.58
417.2 · Materials	1,335.15	833.00	502.15	5,298.26	6,668.00	-1,369.74
417.3 · Outside Service	132.50	1,250.00	-1,117.50	1,013.86	10,000.00	-8,986.14
417.4 · MT Payroll Taxes	246.78	424.00	-177.22	2,214.51	3,401.00	-1,186.49
417.5 · MT Health Insurance	0.00	511.00	-511.00	1,164.60	4,082.00	-2,917.40
Total 417 · Maint/Repairs-Water System	4,939.95	8,388.00	-3,448.05	37,090.65	67,167.00	-30,076.35
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	3,346.83	418.00	2,928.83	11,676.86	3,332.00	8,344.86
419.2 · Tractor	0.00	83.00	-83.00	123.04	664.00	-540.96
Total 419 · Repairs-Transportation	3,346.83	501.00	2,845.83	11,799.90	3,996.00	7,803.90
420 · MNT Gas Transportation	0.00			1,628.81	0.00	1,628.81
421 · Electricity	134.93	196.00	-61.07	1,714.50	1,566.00	148.50
422 · Sewer & Water	11.85	14.00	-2.15	94.78	119.00	-24.22
423 · Telephone Expense	350.76	375.00	-24.24	2,889.42	3,000.00	-110.58
431 · Insurance Expense	1,090.50	1,250.00	-159.50	7,879.00	10,000.00	-2,121.00
441 · Legal Expense	5,620.00	500.00	5,120.00	12,963.50	4,000.00	8,963.50
442 · Accounting Expenses	0.00	250.00	-250.00	1,800.00	2,000.00	-200.00
443 · Auditing Expenses	4,000.00	0.00	4,000.00	4,000.00	3,000.00	1,000.00
444 · Collection Services	60.00	40.00	20.00	330.00	320.00	10.00
446 · Other Contracted Services	624.55	292.00	332.55	3,344.06	2,336.00	1,008.06
451 · Postage	339.21	342.00	-2.79	2,588.92	2,736.00	-147.08
461 · Licenses & Taxes	4.00	0.00	4.00	4.00	0.00	4.00
471 · Misc & Public Relations	0.00	16.67	-16.67	-50.00	133.36	-183.36
483 · Office Supplies	0.00	400.00	-400.00	2,745.54	3,200.00	-454.46
484 · Mileage	0.00	21.00	-21.00	93.24	162.00	-68.76

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

	Feb 13	Budget	Variance	Jul '12 - Feb 13	YTD Budget	Variance
485 · Bank Charges	0.00	0.00	0.00	6.00	0.00	6.00
486 · Dues & Subscriptions	606.15	113.00	493.15	1,668.71	898.00	770.71
Total 400 · Overhead Costs	38,579.03	28,698.67	9,880.36	223,533.91	232,615.36	-9,081.45
Total Expense	38,579.03	28,698.67	9,880.36	223,533.91	232,615.36	-9,081.45
Net Ordinary Income	-8,039.84	260.33	-8,300.17	46,326.66	-969.36	47,296.02
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	16,560.00	16,560.00	0.00
511 · Interest Income	42.37	50.00	-7.63	305.29	400.00	-94.71
Total Other Income	2,112.37	2,120.00	-7.63	16,865.29	16,960.00	-94.71
Net Other Income	2,112.37	2,120.00	-7.63	16,865.29	16,960.00	-94.71
Net Income	-5,927.47	2,380.33	-8,307.80	63,191.95	15,990.64	47,201.31

Sunburst Farms Irrigation District

Balance Sheet

As of February 28, 2013

Accrual Basis

	Feb 28, 13
ASSETS	
Current Assets	
Checking/Savings	
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	284,655.29
116 · Cash-MM	106,425.06
117 · Checking/Compass	56,127.02
Total Checking/Savings	447,307.37
Accounts Receivable	
121 · Accounts Receivable	111,794.04
Total Accounts Receivable	111,794.04
Other Current Assets	
140 · Prepaid Insurance	2,143.24
199 · Suspense	891.57
Total Other Current Assets	3,034.81
Total Current Assets	562,136.22
Fixed Assets	
1210 · Land	9,000.00
1220 · Water District System	1,797,521.92
1230 · Buildings & Improvements	13,366.41
1240 · Machinery & Equipment	22,782.00
1241 · Motor for 43rd Avenue	24,679.00
1250 · Transportation Equipment	69,377.45
1260 · Office Furn & Fixtures	21,677.94
1281 · GPS Tracking - 2012	703.65
1320 · Accum Depreciation	-899,112.79
Total Fixed Assets	1,059,995.58
Other Assets	
120 · Refundable Deposits	2,038.00
Total Other Assets	2,038.00
TOTAL ASSETS	1,624,169.80
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	5,958.97
Total Accounts Payable	5,958.97
Other Current Liabilities	
203 · Accrued Power/Water	13,332.87
204 · Other Accrued Expenses	5,224.83
220 · 43rd Ave Pump	-3,548.81
221 · 39th Ave Pump	-7,137.82
Total Other Current Liabilities	7,871.07
Total Current Liabilities	13,830.04
Total Liabilities	13,830.04
Equity	
209 · Retained Earnings	1,547,147.81
Net Income	63,191.95
Total Equity	1,610,339.76
TOTAL LIABILITIES & EQUITY	1,624,169.80

**Sunburst Farms Irrigation District
A/R Aging Summary
As of February 28, 2013**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2013	23,221.74	2,519.37	2,802.29	2,115.27	81,135.37	111,794.04
Total A/R 2012	19,480.99	5,682.01	3,055.98	3,813.00	81,528.15	113,560.13
Variance- Better/(Worse)	-3,740.75	3,162.64	253.69	1,697.73	392.78	1,766.09

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Accrual Basis

Sunburst Farms Irrigation District
General Journal Transaction
February 28, 2013

<u>Num</u>	<u>Adj</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Class</u>	<u>Debit</u>	<u>Credit</u>
	*			311 · Purchases-Po...		7,632.31	
	*			220 · 43rd Ave Pump			2,571.77
	*			221 · 39th Ave Pump			5,060.54
						<u>7,632.31</u>	<u>7,632.31</u>
TOTAL						<u>7,632.31</u>	<u>7,632.31</u>