

**Hacker Accounting LLC**

**13201 N. 35<sup>th</sup> Avenue, Ste. B-3**

**Phoenix, AZ 85029**

March 31, 2015

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 February 28, 2015 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, flowing style.

Hacker Accounting LLC

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
As of February 28, 2015

	Feb 28, 15	Feb 28, 14
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
117 · Checking/Compass	14,421.84	69,543.47
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	236,928.60	236,693.14
116 · Cash-MM	106,610.97	106,522.40
Total Checking/Savings	358,061.41	412,859.01
Accounts Receivable		
121 · Accounts Receivable	108,022.28	93,499.94
Total Accounts Receivable	108,022.28	93,499.94
Other Current Assets		
140 · Prepaid Insurance	-3,187.03	-607.85
199 · Suspense	1,402.77	6,658.10
Total Other Current Assets	-1,784.26	6,050.25
Total Current Assets	464,299.43	512,409.20
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	1,951,688.11	1,818,594.03
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	74,540.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
1281 · GPS Tracking - 2012	245.65	245.65
Total 1200 · Fixed Assets	2,278,392.85	2,125,712.88
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,251,719.19	-981,027.13
Total 1300 · Accumulated Depreciation	-1,251,719.19	-981,027.13
Total Fixed Assets	1,026,673.66	1,144,685.75
Other Assets		
120 · Refundable Deposits	1,169.00	1,169.00
Total Other Assets	1,169.00	1,169.00
<b>TOTAL ASSETS</b>	<b>1,492,142.09</b>	<b>1,658,263.95</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	483.40	0.00
Total Accounts Payable	483.40	0.00
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	107.01	0.00
201 · Payroll Liabilities - Other	135.72	859.95
Total 201 · Payroll Liabilities	242.73	859.95
203 · Accrued Power/Water		
2031 · Accrued Power	3,989.71	6,712.44
2032 · Accrued Water	-1,386.35	4,603.65
Total 203 · Accrued Power/Water	2,603.36	11,316.09

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Accrual Basis

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
As of February 28, 2015

	<u>Feb 28, 15</u>	<u>Feb 28, 14</u>
204 · Other Accrued Expenses	4,376.48	2,376.69
205 · Accrued Vacation	3,321.92	1,895.20
<b>Total Other Current Liabilities</b>	<u>10,544.49</u>	<u>16,447.93</u>
<b>Total Current Liabilities</b>	<u>11,027.89</u>	<u>16,447.93</u>
<b>Total Liabilities</b>	11,027.89	16,447.93
<b>Equity</b>		
209 · Retained Earnings	1,478,573.77	1,601,618.25
Net Income	2,540.43	40,197.77
<b>Total Equity</b>	<u>1,481,114.20</u>	<u>1,641,816.02</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,492,142.09</u></u>	<u><u>1,658,263.95</u></u>

**Sunburst Farms Irrigation District**  
**A/R Aging Summary**  
**As of February 28, 2015**

	<b>Current</b>	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt; 90</b>	<b>TOTAL</b>
<b>Total A/R 2015</b>	<u>19,808.95</u>	<u>-3,542.69</u>	<u>9,153.35</u>	<u>2,481.96</u>	<u>68,461.16</u>	<u>96,362.73</u>
<b>Total A/R 2014</b>	<u>24,423.96</u>	<u>4,166.09</u>	<u>1,815.58</u>	<u>1,095.89</u>	<u>62,388.06</u>	<u>93,889.58</u>
<b>Variance- Better/(Worse)</b>	<u>4,615.01</u>	<u>7,708.78</u>	<u>-7,337.77</u>	<u>-1,386.07</u>	<u>-6,073.10</u>	<u>-2,473.15</u>

**Sunburst Farms Irrigation District  
Profit Loss Budget vs Actual  
February 2015**

Ordinary Income/Expense	Feb 15	Budget	Variance	Jul '14 - Feb 15	YTD Budget	Variance
<b>Income</b>						
211 · Water Fees	11,970.00	13,680.00	-1,710.00	141,408.54	177,292.00	-35,883.46
212 · Member Fees	34,229.52	34,229.41	0.11	273,836.16	273,835.28	0.88
213 · Other Services	120.00	40.00	80.00	220.00	320.00	-100.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	1,600.00	2,400.00	-800.00
215 · Finance Charges	927.46	833.33	94.13	6,567.61	6,666.64	-99.03
<b>Total Income</b>	<u>47,446.98</u>	<u>49,082.74</u>	<u>-1,635.76</u>	<u>423,632.31</u>	<u>460,513.92</u>	<u>-36,881.61</u>
<b>Cost of Goods Sold</b>						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	10,275.50	8,975.00	1,300.50	95,003.75	116,316.00	-21,312.25
331 · State Water Fees	569.00	569.00	0.00	4,552.00	4,552.00	0.00
351 · Pump Supply "Oil"	0.00	496.83	-496.83	0.00	3,974.68	-3,974.68
352 · Transportation Gas/Oil	313.87	530.00	-216.13	3,540.38	6,857.00	-3,316.62
361 · Irrigation Labor	2,718.88	2,990.00	-271.12	27,624.98	37,578.00	-9,953.02
371 · Payroll Taxes & Fringe	328.99	240.00	88.99	2,312.16	3,125.00	-812.84
372 · Irrigators-Health Insurance	687.37	691.83	-4.46	5,498.96	5,534.68	-35.72
<b>Total 310 · Direct Costs of Water Delivery</b>	<u>14,893.61</u>	<u>14,492.66</u>	<u>400.95</u>	<u>138,532.23</u>	<u>177,937.36</u>	<u>-39,405.13</u>
<b>Total COGS</b>	<u>14,893.61</u>	<u>14,492.66</u>	<u>400.95</u>	<u>138,532.23</u>	<u>177,937.36</u>	<u>-39,405.13</u>
<b>Gross Profit</b>	32,553.37	34,590.08	-2,036.71	285,100.08	282,576.56	2,523.52
<b>Expense</b>						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,119.36	3,175.00	-55.64	27,577.24	27,782.00	-204.76
363 · Admin Payroll Expense	3,057.72	3,105.00	-47.28	27,036.41	27,175.00	-138.59
364 · Payroll Taxes/Fringe-Admin	771.60	520.00	251.60	4,889.04	4,550.00	339.04
365 · MNGR Gas Transportation	102.10	112.50	-10.40	952.22	900.00	52.22
366 · Health Insurance "Salary"	716.77	693.00	23.77	5,876.16	5,547.00	329.16
375 · State Compensation Fund	1,565.70	464.25	1,101.45	3,912.70	3,714.00	198.70

**Sunburst Farms Irrigation District**  
**Profit Loss Budget vs Actual**  
February 2015

	Feb 15	Budget	Variance	Jul '14 - Feb 15	YTD Budget	Variance
411 · Depreciation Expense	9,931.66	9,580.33	351.33	77,815.28	76,642.68	1,172.60
414 · Building & Equipment Repair	0.00	166.66	-166.66	687.71	1,333.36	-645.65
416 · Pumps-Maintenance	0.00	116.66	-116.66	0.00	933.36	-933.36
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	6,554.34	4,312.00	2,242.34	50,493.24	37,730.00	12,763.24
417.2 · Materials	867.43	1,167.83	-300.40	15,442.57	9,342.68	6,099.89
417.3 · Outside Service	0.00	1,250.00	-1,250.00	10,047.00	10,000.00	47.00
417.4 · MT Payroll Taxes	793.10	357.00	436.10	4,209.47	3,123.75	1,085.72
417.5 · MT Health Insurance	365.88	720.00	-354.12	2,927.04	5,760.00	-2,832.96
<b>Total 417 · Maint/Repairs-Water System</b>	<b>8,580.75</b>	<b>7,806.83</b>	<b>773.92</b>	<b>83,119.32</b>	<b>65,956.43</b>	<b>17,162.89</b>
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	55.61	833.33	-777.72	2,050.49	6,666.68	-4,616.19
419.2 · Tractor	287.50	83.33	204.17	2,275.16	666.68	1,608.48
419 · Repairs-Transportation - Other	0.00			401.00		
<b>Total 419 · Repairs-Transportation</b>	<b>343.11</b>	<b>916.66</b>	<b>-573.55</b>	<b>4,726.65</b>	<b>7,333.36</b>	<b>-2,606.71</b>
420 · MNT Gas Transportation	206.93	300.00	-93.07	2,135.19	2,400.00	-264.81
421 · Electricity	178.75	200.00	-21.25	2,047.30	1,600.00	447.30
422 · Sewer & Water	13.45	16.66	-3.21	87.35	133.36	-46.01
423 · Telephone Expense	510.01	500.00	10.01	4,074.65	4,000.00	74.65
431 · Insurance Expense	1,466.66	1,466.66	0.00	12,088.28	11,733.36	354.92
441 · Legal Expense	0.00	1,250.00	-1,250.00	2,500.00	10,000.00	-7,500.00
442 · Accounting Expenses	400.00	400.00	0.00	3,200.00	3,200.00	0.00
443 · Auditing Expenses	3,150.00	416.66	2,733.34	6,005.00	3,333.36	2,671.64
444 · Collection Services	70.00	40.00	30.00	210.00	320.00	-110.00
445 · Rent	0.00			5,314.40		
446 · Other Contracted Services	248.87	458.33	-209.46	4,047.95	3,666.68	381.27
451 · Postage	381.94	375.00	6.94	3,225.50	3,000.00	225.50
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	133.36	-17.14
483 · Office Supplies	165.77	416.66	-250.89	3,291.45	3,333.36	-41.91

**Sunburst Farms Irrigation District**  
**Profit Loss Budget vs Actual**  
February 2015

	Feb 15	Budget	Variance	Jul '14 - Feb 15	YTD Budget	Variance
484 · Mileage	101.33	33.33	68.00	616.67	266.68	349.99
485 · Bank Charges	10.00	5.00	5.00	16.00	40.00	-24.00
486 · Dues & Subscriptions	0.00	125.00	-125.00	532.95	1,000.00	-467.05
487 · Petty Cash Over/Sht	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 400 · Overhead Costs</b>	<b>35,092.48</b>	<b>32,676.85</b>	<b>2,415.63</b>	<b>286,101.64</b>	<b>270,027.35</b>	<b>16,074.29</b>
<b>Total Expense</b>	<b>35,092.48</b>	<b>32,676.85</b>	<b>2,415.63</b>	<b>286,101.64</b>	<b>270,027.35</b>	<b>16,074.29</b>
<b>Net Ordinary Income</b>	<b>-2,539.11</b>	<b>1,913.23</b>	<b>-4,452.34</b>	<b>-1,001.56</b>	<b>12,549.21</b>	<b>-13,550.77</b>
<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	0.00	0.00	0.00	0.00	0.00	0.00
510 · Misc/Other Income	234.20	300.00	-65.80	8,939.20	2,400.00	6,539.20
511 · Interest Income	55.89	41.66	14.23	422.79	333.36	89.43
541 · Gain/Loss on Sale of Equipment	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Income</b>	<b>290.09</b>	<b>341.66</b>	<b>-51.57</b>	<b>9,361.99</b>	<b>2,733.36</b>	<b>6,628.63</b>
<b>Other Expense</b>						
512 · Bridle Path Cleanup	1,010.00	140.41	869.59	5,820.00	1,123.36	4,696.64
<b>Total Other Expense</b>	<b>1,010.00</b>	<b>140.41</b>	<b>869.59</b>	<b>5,820.00</b>	<b>1,123.36</b>	<b>4,696.64</b>
<b>Net Other Income</b>	<b>-719.91</b>	<b>201.25</b>	<b>-921.16</b>	<b>3,541.99</b>	<b>1,610.00</b>	<b>1,931.99</b>
<b>Net Income</b>	<b>-3,259.02</b>	<b>2,114.48</b>	<b>-5,373.50</b>	<b>2,540.43</b>	<b>14,159.21</b>	<b>-11,618.78</b>