

Hacker Accounting LLC

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

Phoenix, AZ 85029

March 23, 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 February 28, 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
 As of February 28, 2014

	Feb 28, 14
ASSETS	
Current Assets	
Checking/Savings	
117 · Checking/Compass	69,543.47
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	236,693.14
116 · Cash-MM	106,522.40
Total Checking/Savings	412,859.01
Accounts Receivable	
121 · Accounts Receivable	93,499.94
Total Accounts Receivable	93,499.94
Other Current Assets	
140 · Prepaid Insurance	-607.85
199 · Suspense	6,658.10
Total Other Current Assets	6,050.25
Total Current Assets	512,409.20
Fixed Assets	
1200 · Fixed Assets	
1210 · Land	9,000.00
1220 · Water District System	1,818,594.03
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	63,641.67
1243 · 43rd Ave Pump-2013	69,424.26
1244 · 39th Ave motor	2,501.14
1250 · Transportation Equipment	74,540.55
1260 · Office Furn & Fixtures	15,986.94
1281 · GPS Tracking - 2012	245.65
Total 1200 · Fixed Assets	2,125,712.88
1300 · Accumulated Depreciation	
1320 · Accum Depr-Water Distr Sys	-964,129.37
1330 · Accum Depr-Bldgs & Imp	-12,915.20
1340 · Accum Depr-Machinery & Equip	-19,423.00
1350 · Accum Depr- Transportation	-25,947.76
1360 · Accum Depr-Off Furn & Fix	-6,770.97
1300 · Accumulated Depreciation - Other	48,159.17
Total 1300 · Accumulated Depreciation	-981,027.13
Total Fixed Assets	1,144,685.75
Other Assets	
120 · Refundable Deposits	1,169.00
Total Other Assets	1,169.00
TOTAL ASSETS	1,658,263.95
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · Payroll Liabilities	859.95
203 · Accrued Power/Water	
2031 · Accrued Power	7,266.61
2032 · Accrued Water	4,603.65
203 · Accrued Power/Water - Other	-554.17
Total 203 · Accrued Power/Water	11,316.09

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of February 28, 2014

	<u>Feb 28, 14</u>
204 · Other Accrued Expenses	2,376.69
205 · Accrued Vacation	<u>1,895.20</u>
Total Other Current Liabilities	16,447.93
Total Current Liabilities	16,447.93
Total Liabilities	16,447.93
Equity	
209 · Retained Earnings	1,601,618.25
Net Income	<u>40,197.77</u>
Total Equity	1,641,816.02
TOTAL LIABILITIES & EQUITY	<u>1,658,263.95</u>

Sunburst Farms Irrigation District
Profit loss Budget vs Actual
February 2014

	<u>Feb 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Feb 14</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	11,575.26	14,766.00	-3,190.74	172,765.32	165,636.00	7,129.32
212 · Member Fees	31,439.16	31,439.17	-0.01	251,513.28	251,513.36	-0.08
213 · Other Services	40.00	40.00	0.00	400.90	320.00	80.90
214 · Escrow Transfer Fees	300.00	300.00	0.00	1,900.00	2,400.00	-500.00
215 · Finance Charges	965.39	600.00	365.39	7,209.91	4,800.00	2,409.91
Total Income	<u>44,319.81</u>	<u>47,145.17</u>	<u>-2,825.36</u>	<u>433,789.41</u>	<u>424,669.36</u>	<u>9,120.05</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	6,899.08	9,050.00	-2,150.92	111,063.00	103,600.00	7,463.00
331 · State Water Fees	583.34	583.33	0.01	4,666.72	4,666.68	0.04
351 · Pump Supply "Oil"	0.00	100.00	-100.00	0.00	800.00	-800.00
352 · Transportation Gas/Oil	509.71	724.50	-214.79	5,549.38	8,127.00	-2,577.62
361 · Irrigation Labor	3,527.05	3,680.00	-152.95	36,861.45	41,280.00	-4,418.55
371 · Payroll Taxes & Fringe	269.82	298.00	-28.18	2,794.64	3,402.50	-607.86
372 · Irrigators-Health Insurance	1,064.08	515.52	548.56	5,054.38	4,511.04	543.34
Total 310 · Direct Costs of Water Delivery	<u>12,853.08</u>	<u>14,951.35</u>	<u>-2,098.27</u>	<u>165,989.57</u>	<u>166,387.22</u>	<u>-397.65</u>
Total COGS	<u>12,853.08</u>	<u>14,951.35</u>	<u>-2,098.27</u>	<u>165,989.57</u>	<u>166,387.22</u>	<u>-397.65</u>
Gross Profit	<u>31,466.73</u>	<u>32,193.82</u>	<u>-727.09</u>	<u>267,799.84</u>	<u>258,282.14</u>	<u>9,517.70</u>
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,050.72	3,065.52	-14.80	27,071.59	26,823.54	248.05
363 · Admin Payroll Expense	2,983.16	2,997.44	-14.28	26,480.93	26,227.19	253.74
364 · Payroll Taxes/Fringe-Admin	557.22	559.44	-2.22	4,378.70	4,895.38	-516.68
365 · MNGR Gas Transportation	60.00	133.33	-73.33	635.73	1,066.65	-430.92
366 · Health Insurance "Salary"	442.02	477.25	-35.23	3,668.16	3,818.00	-149.84
375 · State Compensation Fund	0.00	411.58	-411.58	1,964.00	3,292.68	-1,328.68

UNAUDITED-SEE ACCOUNTANT'S COMPILATION REPORT

Sunburst Farms Irrigation District
Profit loss Budget vs Actual
February 2014

	<u>Feb 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Feb 14</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	9,166.67	9,166.67	0.00	73,333.36	73,333.36	0.00
414 · Building & Equipment Repair	0.00	183.33	-183.33	305.66	1,466.68	-1,161.02
416 · Pumps-Maintenance	0.00	241.67	-241.67	357.39	1,933.36	-1,575.97
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	3,521.75	4,769.23	-1,247.48	34,423.70	41,730.77	-7,307.07
417.2 · Materials	3,733.50	1,000.00	2,733.50	15,794.90	8,000.00	7,794.90
417.3 · Outside Service	0.00	1,250.00	-1,250.00	11,625.97	10,000.00	1,625.97
417.4 · MT Payroll Taxes	269.37	391.08	-121.71	2,609.97	3,421.92	-811.95
417.5 · MT Health Insurance	266.02	0.00	266.02	1,596.12	0.00	1,596.12
Total 417 · Maint/Repairs-Water System	7,790.64	7,410.31	380.33	66,050.66	63,152.69	2,897.97
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	44.09	1,080.00	-1,035.91	12,133.68	8,640.00	3,493.68
419.2 · Tractor	0.00	0.00	0.00	100.38	0.00	100.38
Total 419 · Repairs-Transportation	44.09	1,080.00	-1,035.91	12,234.06	8,640.00	3,594.06
420 · MNT Gas Transportation	156.05	300.00	-143.95	2,015.14	2,400.00	-384.86
421 · Electricity	100.10	200.00	-99.90	1,642.71	1,600.00	42.71
422 · Sewer & Water	11.82	16.67	-4.85	95.40	133.36	-37.96
423 · Telephone Expense	484.50	466.67	17.83	4,036.89	3,733.36	303.53
431 · Insurance Expense	1,333.34	1,333.33	0.01	10,921.72	10,666.68	255.04
441 · Legal Expense	500.00	1,250.00	-750.00	500.00	10,000.00	-9,500.00
442 · Accounting Expenses	0.00	300.00	-300.00	1,800.00	2,400.00	-600.00
443 · Auditing Expenses	1,340.00	400.00	940.00	4,070.00	3,200.00	870.00
444 · Collection Services	40.00	40.00	0.00	240.00	320.00	-80.00
446 · Other Contracted Services	243.27	458.33	-215.06	3,139.49	3,666.68	-527.19
451 · Postage	366.32	358.33	7.99	2,842.88	2,866.68	-23.80
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.67	-16.67	29.29	133.36	-104.07
483 · Office Supplies	67.38	400.00	-332.62	4,680.10	3,200.00	1,480.10
484 · Mileage	63.00	22.00	41.00	352.80	176.00	176.80
485 · Bank Charges	0.00	0.00	0.00	36.00	0.00	36.00

Sunburst Farms Irrigation District
Profit loss Budget vs Actual
February 2014

	<u>Feb 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Feb 14</u>	<u>YTD Budget</u>	<u>Variance</u>
486 · Dues & Subscriptions	0.00	200.00	-200.00	829.33	1,600.00	-770.67
Total 400 · Overhead Costs	28,800.30	31,488.54	-2,688.24	253,711.99	260,745.65	-7,033.66
Total Expense	28,800.30	31,488.54	-2,688.24	253,711.99	260,745.65	-7,033.66
Net Ordinary Income	2,666.43	705.28	1,961.15	14,087.85	-2,463.51	16,551.36
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
219 · Misc/Other Income	100.00	100.00	0.00	9,045.64	800.00	8,245.64
511 · Interest Income	65.41	125.00	-59.59	504.28	1,000.00	-495.72
Total Other Income	2,235.41	2,295.00	-59.59	26,109.92	18,360.00	7,749.92
Net Other Income	2,235.41	2,295.00	-59.59	26,109.92	18,360.00	7,749.92
Net Income	4,901.84	3,000.28	1,901.56	40,197.77	15,896.49	24,301.28

**Sunburst Farms Irrigation District
A/R Aging Summary
As of February 28, 2014**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2014	24,423.96	4,166.09	1,815.58	1,095.89	62,388.06	93,889.58
Total A/R 2013	23,221.74	2,519.37	2,802.29	2,115.27	81,135.37	111,794.04
Variance- Better/(Worse)	-1,202.22	-1,646.72	986.71	1,019.38	18,747.31	17,904.46