

Hacker Accounting LLC

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

Phoenix, AZ 85029

February 11, 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 January 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.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jan 14</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	19,510.38	11,556.00	7,954.38	161,190.06	150,870.00	10,320.06
212 · Member Fees	31,439.16	31,439.17	-0.01	220,074.12	220,074.19	-0.07
213 · Other Services	40.00	40.00	0.00	360.90	280.00	80.90
214 · Escrow Transfer Fees	200.00	300.00	-100.00	1,600.00	2,100.00	-500.00
215 · Finance Charges	975.48	600.00	375.48	6,244.52	4,200.00	2,044.52
Total Income	<u>52,165.02</u>	<u>43,935.17</u>	<u>8,229.85</u>	<u>389,469.60</u>	<u>377,524.19</u>	<u>11,945.41</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	14,960.73	7,050.00	7,910.73	104,163.92	94,550.00	9,613.92
331 · State Water Fees	583.34	583.33	0.01	4,083.38	4,083.35	0.03
351 · Pump Supply "Oil"	0.00	100.00	-100.00	0.00	700.00	-700.00
352 · Transportation Gas/Oil	320.04	567.00	-246.96	5,039.67	7,402.50	-2,362.83
361 · Irrigation Labor	3,388.23	2,880.00	508.23	33,334.40	37,600.00	-4,265.60
371 · Payroll Taxes & Fringe	235.36	233.50	1.86	2,524.82	3,104.50	-579.68
372 · Irrigators-Health Insurance	798.06	644.40	153.66	3,990.30	3,995.52	-5.22
Total 310 · Direct Costs of Water Delivery	<u>20,285.76</u>	<u>12,058.23</u>	<u>8,227.53</u>	<u>153,136.49</u>	<u>151,435.87</u>	<u>1,700.62</u>
Total COGS	<u>20,285.76</u>	<u>12,058.23</u>	<u>8,227.53</u>	<u>153,136.49</u>	<u>151,435.87</u>	<u>1,700.62</u>
Gross Profit	<u>31,879.26</u>	<u>31,876.94</u>	<u>2.32</u>	<u>236,333.11</u>	<u>226,088.32</u>	<u>10,244.79</u>
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,813.40	3,831.90	-18.50	24,020.87	23,758.02	262.85
363 · Admin Payroll Expense	3,728.95	3,746.49	-17.54	23,497.77	23,229.75	268.02
364 · Payroll Taxes/Fringe-Admin	700.60	699.39	1.21	3,821.48	4,335.94	-514.46
365 · MNGR Gas Transportation	160.84	133.33	27.51	575.73	933.32	-357.59
366 · Health Insurance "Salary"	486.02	477.25	8.77	3,226.14	3,340.75	-114.61
375 · State Compensation Fund	0.00	411.58	-411.58	1,964.00	2,881.10	-917.10

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jan 14</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	9,166.67	9,166.67	0.00	64,166.69	64,166.69	0.00
414 · Building & Equipment Repair	0.00	183.33	-183.33	305.66	1,283.35	-977.69
416 · Pumps-Maintenance	0.00	241.67	-241.67	357.39	1,691.69	-1,334.30
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	6,568.50	5,961.54	606.96	30,901.95	36,961.54	-6,059.59
417.2 · Materials	609.09	1,000.00	-390.91	12,061.40	7,000.00	5,061.40
417.3 · Outside Service	0.00	1,250.00	-1,250.00	11,625.97	8,750.00	2,875.97
417.4 · MT Payroll Taxes	462.45	488.84	-26.39	2,340.60	3,030.84	-690.24
417.5 · MT Health Insurance	266.02	0.00	266.02	1,330.10	0.00	1,330.10
Total 417 · Maint/Repairs-Water System	7,906.06	8,700.38	-794.32	58,260.02	55,742.38	2,517.64
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	2,549.22	1,080.00	1,469.22	12,089.59	7,560.00	4,529.59
419.2 · Tractor	96.36	0.00	96.36	100.38	0.00	100.38
Total 419 · Repairs-Transportation	2,645.58	1,080.00	1,565.58	12,189.97	7,560.00	4,629.97
420 · MNT Gas Transportation	211.51	300.00	-88.49	1,859.09	2,100.00	-240.91
421 · Electricity	97.87	200.00	-102.13	1,542.61	1,400.00	142.61
422 · Sewer & Water	11.82	16.67	-4.85	83.58	116.69	-33.11
423 · Telephone Expense	488.05	466.67	21.38	3,552.39	3,266.69	285.70
431 · Insurance Expense	1,333.34	1,333.33	0.01	9,588.38	9,333.35	255.03
441 · Legal Expense	0.00	1,250.00	-1,250.00	0.00	8,750.00	-8,750.00
442 · Accounting Expenses	300.00	300.00	0.00	1,800.00	2,100.00	-300.00
443 · Auditing Expenses	2,730.00	400.00	2,330.00	2,730.00	2,800.00	-70.00
444 · Collection Services	20.00	40.00	-20.00	200.00	280.00	-80.00
446 · Other Contracted Services	551.52	458.33	93.19	2,896.22	3,208.35	-312.13
451 · Postage	363.64	358.33	5.31	2,476.56	2,508.35	-31.79
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	116.69	-87.40
483 · Office Supplies	1,584.67	400.00	1,184.67	4,612.72	2,800.00	1,812.72
484 · Mileage	0.00	22.00	-22.00	289.80	154.00	135.80
485 · Bank Charges	12.00	0.00	12.00	36.00	0.00	36.00

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
 January 2014

	<u>Jan 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - Jan 14</u>	<u>YTD Budget</u>	<u>Variance</u>
486 · Dues & Subscriptions	292.00	200.00	92.00	829.33	1,400.00	-570.67
Total 400 · Overhead Costs	<u>36,604.54</u>	<u>34,433.99</u>	<u>2,170.55</u>	<u>224,911.69</u>	<u>229,257.11</u>	<u>-4,345.42</u>
Total Expense	<u>36,604.54</u>	<u>34,433.99</u>	<u>2,170.55</u>	<u>224,911.69</u>	<u>229,257.11</u>	<u>-4,345.42</u>
Net Ordinary Income	-4,725.28	-2,557.05	-2,168.23	11,421.42	-3,168.79	14,590.21
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	14,490.00	14,490.00	0.00
219 · Misc/Other Income	451.50	100.00	351.50	8,945.64	700.00	8,245.64
511 · Interest Income	<u>86.27</u>	<u>125.00</u>	<u>-38.73</u>	<u>438.87</u>	<u>875.00</u>	<u>-436.13</u>
Total Other Income	<u>2,607.77</u>	<u>2,295.00</u>	<u>312.77</u>	<u>23,874.51</u>	<u>16,065.00</u>	<u>7,809.51</u>
Net Other Income	<u>2,607.77</u>	<u>2,295.00</u>	<u>312.77</u>	<u>23,874.51</u>	<u>16,065.00</u>	<u>7,809.51</u>
Net Income	<u><u>-2,117.51</u></u>	<u><u>-262.05</u></u>	<u><u>-1,855.46</u></u>	<u><u>35,295.93</u></u>	<u><u>12,896.21</u></u>	<u><u>22,399.72</u></u>

Sunburst Farms Irrigation District
Balance Sheet
 As of January 31, 2014

	Jan 31, 14
ASSETS	
Current Assets	
Checking/Savings	
117 · Checking/Compass	85,416.21
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	269,584.22
116 · Cash-MM	106,514.23
Total Checking/Savings	461,614.66
Accounts Receivable	
121 · Accounts Receivable	107,346.53
Total Accounts Receivable	107,346.53
Other Current Assets	
140 · Prepaid Insurance	1,953.06
1499 · Undeposited Funds	4,037.71
199 · Suspense	6,658.10
Total Other Current Assets	12,648.87
Total Current Assets	581,610.06
Fixed Assets	
1200 · Fixed Assets	
1210 · Land	9,000.00
1220 · Water District System	1,752,688.03
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	2,059,806.88
1300 · Accumulated Depreciation	
1320 · Accum Depr-Water Distr Sys	-949,826.04
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	-966,723.80
Total Fixed Assets	1,093,083.08
Other Assets	
120 · Refundable Deposits	2,038.00
Total Other Assets	2,038.00
TOTAL ASSETS	1,676,731.14
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · Payroll Liabilities	-67.05
203 · Accrued Power/Water	
2031 · Accrued Power	11,996.75
2032 · Accrued Water	4,020.31
Total 203 · Accrued Power/Water	16,017.06

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of January 31, 2014

	<u>Jan 31, 14</u>
204 · Other Accrued Expenses	5,224.83
Total Other Current Liabilities	<u>21,174.84</u>
Total Current Liabilities	<u>21,174.84</u>
Total Liabilities	21,174.84
Equity	
209 · Retained Earnings	1,620,260.37
Net Income	<u>35,295.93</u>
Total Equity	<u>1,655,556.30</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,676,731.14</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of January 31, 2014

	<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>31,698.63</u>	<u>-2,169.58</u>	<u>3,500.95</u>	<u>3,940.68</u>	<u>70,375.85</u>	<u>107,346.53</u>
Total A/R 2013	<u>23,216.66</u>	<u>-4,182.82</u>	<u>5,045.88</u>	<u>4,533.34</u>	<u>86,113.94</u>	<u>114,727.00</u>
Variance- Better/-Worse	<u>-8,481.97</u>	<u>-2,013.24</u>	<u>1,544.93</u>	<u>592.66</u>	<u>15,738.09</u>	<u>7,380.47</u>