

**Hacker Accounting LLC**

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

**Phoenix, AZ 85029**

January 31, 2014

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 December 31, 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**  
**Balance Sheet**  
 As of December 31, 2013

|  | Dec 31, 13          |
|--|---------------------|
| <b>ASSETS</b>                                |                     |
| <b>Current Assets</b>                        |                     |
| Checking/Savings                             |                     |
| 117 · Checking/Compass                       | 81,968.25           |
| 111 · Cash on Hand                           | 100.00              |
| 114 · Compass Cap/Expd/Dep                   | 269,526.99          |
| 116 · Cash-MM                                | 106,497.19          |
| <b>Total Checking/Savings</b>                | <b>458,092.43</b>   |
| <b>Accounts Receivable</b>                   |                     |
| 121 · Accounts Receivable                    | 102,692.52          |
| <b>Total Accounts Receivable</b>             | <b>102,692.52</b>   |
| <b>Other Current Assets</b>                  |                     |
| 140 · Prepaid Insurance                      | 3,286.40            |
| 1499 · Undeposited Funds                     | 4,052.91            |
| <b>Total Other Current Assets</b>            | <b>7,339.31</b>     |
| <b>Total Current Assets</b>                  | <b>568,124.26</b>   |
| <b>Fixed Assets</b>                          |                     |
| 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              |
| <b>Total 1200 · Fixed Assets</b>             | <b>2,059,806.88</b> |
| 1300 · Accumulated Depreciation              |                     |
| 1320 · Accum Depr-Water Distr Sys            | -940,659.37         |
| 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           |
| <b>Total 1300 · Accumulated Depreciation</b> | <b>-957,557.13</b>  |
| <b>Total Fixed Assets</b>                    | <b>1,102,249.75</b> |
| <b>Other Assets</b>                          |                     |
| 120 · Refundable Deposits                    | 2,038.00            |
| <b>Total Other Assets</b>                    | <b>2,038.00</b>     |
| <b>TOTAL ASSETS</b>                          | <b>1,672,412.01</b> |
| <b>LIABILITIES &amp; EQUITY</b>              |                     |
| <b>Liabilities</b>                           |                     |
| <b>Current Liabilities</b>                   |                     |
| <b>Other Current Liabilities</b>             |                     |
| 201 · Payroll Liabilities                    | 13.71               |
| 203 · Accrued Power/Water                    |                     |
| 2031 · Accrued Power                         | 6,062.69            |
| 2032 · Accrued Water                         | 3,436.97            |
| <b>Total 203 · Accrued Power/Water</b>       | <b>9,499.66</b>     |

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Accrual Basis

Sunburst Farms Irrigation District  
**Balance Sheet**  
As of December 31, 2013

|                                       | <u>Dec 31, 13</u>          |
|---------------------------------------|----------------------------|
| 204 · Other Accrued Expenses          | 5,224.83                   |
| Total Other Current Liabilities       | <u>14,738.20</u>           |
| Total Current Liabilities             | <u>14,738.20</u>           |
| Total Liabilities                     | 14,738.20                  |
| Equity                                |                            |
| 209 · Retained Earnings               | 1,620,260.37               |
| Net Income                            | 37,413.44                  |
| Total Equity                          | <u>1,657,673.81</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b><u>1,672,412.01</u></b> |

**Sunburst Farms Irrigation District**  
**Profit Loss Budget vs Actual**  
December 2013

|   | <u>Dec 13</u>    | <u>Budget</u>    | <u>Variance</u> | <u>Jul - Dec 13</u> | <u>YTD Budget</u> | <u>Variance</u>  |
|---|------------------|------------------|-----------------|---------------------|-------------------|------------------|
| <b>Ordinary Income/Expense</b>                    |                  |                  |                 |                     |                   |                  |
| <b>Income</b>                                     |                  |                  |                 |                     |                   |                  |
| 211 · Water Fees                                  | 14,457.84        | 6,420.00         | 8,037.84        | 141,679.68          | 139,314.00        | 2,365.68         |
| 212 · Member Fees                                 | 31,439.16        | 31,439.17        | -0.01           | 188,634.96          | 188,635.02        | -0.06            |
| 213 · Other Services                              | 40.00            | 40.00            | 0.00            | 320.90              | 240.00            | 80.90            |
| 214 · Escrow Transfer Fees                        | 0.00             | 300.00           | -300.00         | 1,400.00            | 1,800.00          | -400.00          |
| 215 · Finance Charges                             | 914.75           | 600.00           | 314.75          | 5,269.04            | 3,600.00          | 1,669.04         |
| <b>Total Income</b>                               | <u>46,851.75</u> | <u>38,799.17</u> | <u>8,052.58</u> | <u>337,304.58</u>   | <u>333,589.02</u> | <u>3,715.56</u>  |
| <b>Cost of Goods Sold</b>                         |                  |                  |                 |                     |                   |                  |
| 310 · Direct Costs of Water Delivery              |                  |                  |                 |                     |                   |                  |
| 311 · Purchases-Power                             | 10,915.86        | 3,850.00         | 7,065.86        | 89,203.19           | 87,500.00         | 1,703.19         |
| 331 · State Water Fees                            | 583.34           | 583.33           | 0.01            | 3,500.04            | 3,500.02          | 0.02             |
| 351 · Pump Supply "Oil"                           | 0.00             | 100.00           | -100.00         | 0.00                | 600.00            | -600.00          |
| 352 · Transportation Gas/Oil                      | 409.65           | 315.00           | 94.65           | 4,719.63            | 6,835.50          | -2,115.87        |
| 361 · Irrigation Labor                            | 2,422.50         | 1,600.00         | 822.50          | 29,946.17           | 34,720.00         | -4,773.83        |
| 371 · Payroll Taxes & Fringe                      | 185.33           | 130.00           | 55.33           | 2,289.46            | 2,871.00          | -581.54          |
| 372 · Irrigators-Health Insurance                 | 532.04           | 515.52           | 16.52           | 3,192.24            | 3,351.12          | -158.88          |
| <b>Total 310 · Direct Costs of Water Delivery</b> | <u>15,048.72</u> | <u>7,093.85</u>  | <u>7,954.87</u> | <u>132,850.73</u>   | <u>139,377.64</u> | <u>-6,526.91</u> |
| <b>Total COGS</b>                                 | <u>15,048.72</u> | <u>7,093.85</u>  | <u>7,954.87</u> | <u>132,850.73</u>   | <u>139,377.64</u> | <u>-6,526.91</u> |
| <b>Gross Profit</b>                               | <u>31,803.03</u> | <u>31,705.32</u> | <u>97.71</u>    | <u>204,453.85</u>   | <u>194,211.38</u> | <u>10,242.47</u> |
| <b>Expense</b>                                    |                  |                  |                 |                     |                   |                  |
| 400 · Overhead Costs                              |                  |                  |                 |                     |                   |                  |
| 362 · Salaries-Supervisor                         | 3,450.72         | 3,065.52         | 385.20          | 20,207.47           | 19,926.12         | 281.35           |
| 363 · Admin Payroll Expense                       | 3,383.16         | 2,997.44         | 385.72          | 19,768.82           | 19,483.26         | 285.56           |
| 364 · Payroll Taxes/Fringe-Admin                  | 539.09           | 559.44           | -20.35          | 3,120.88            | 3,636.55          | -515.67          |
| 365 · MNGR Gas Transportation                     | 70.00            | 133.34           | -63.34          | 414.89              | 799.99            | -385.10          |
| 366 · Health Insurance "Salary"                   | 442.02           | 477.25           | -35.23          | 2,740.12            | 2,863.50          | -123.38          |
| 375 · State Compensation Fund                     | 0.00             | 411.58           | -411.58         | 1,964.00            | 2,469.52          | -505.52          |

**Sunburst Farms Irrigation District**  
**Profit Loss Budget vs Actual**  
**December 2013**

|   | <u>Dec 13</u>   | <u>Budget</u>   | <u>Variance</u> | <u>Jul - Dec 13</u> | <u>YTD Budget</u> | <u>Variance</u> |
|---|-----------------|-----------------|-----------------|---------------------|-------------------|-----------------|
| 411 · Depreciation Expense                    | 9,166.67        | 9,166.67        | 0.00            | 55,000.02           | 55,000.02         | 0.00            |
| 414 · Building & Equipment Repair             | 0.00            | 183.33          | -183.33         | 305.66              | 1,100.02          | -794.36         |
| 416 · Pumps-Maintenance                       | 0.00            | 241.67          | -241.67         | 357.39              | 1,450.02          | -1,092.63       |
| 417 · Maint/Repairs-Water System              |                 |                 |                 |                     |                   |                 |
| 417.1 · Direct Labor                          | 5,630.79        | 4,769.23        | 861.56          | 24,333.45           | 31,000.00         | -6,666.55       |
| 417.2 · Materials                             | 2,469.37        | 1,000.00        | 1,469.37        | 11,452.31           | 6,000.00          | 5,452.31        |
| 417.3 · Outside Service                       | 13.00           | 1,250.00        | -1,237.00       | 11,625.97           | 7,500.00          | 4,125.97        |
| 417.4 · MT Payroll Taxes                      | 430.71          | 391.08          | 39.63           | 1,878.15            | 2,542.00          | -663.85         |
| 417.5 · MT Health Insurance                   | 266.02          | 0.00            | 266.02          | 1,064.08            | 0.00              | 1,064.08        |
| <b>Total 417 · Maint/Repairs-Water System</b> | <b>8,809.89</b> | <b>7,410.31</b> | <b>1,399.58</b> | <b>50,353.96</b>    | <b>47,042.00</b>  | <b>3,311.96</b> |
| 419 · Repairs-Transportation                  |                 |                 |                 |                     |                   |                 |
| 419.1 · Fleet Vehicles                        | 987.24          | 1,080.00        | -92.76          | 9,540.37            | 6,480.00          | 3,060.37        |
| 419.2 · Tractor                               | 0.00            | 0.00            | 0.00            | 4.02                | 0.00              | 4.02            |
| <b>Total 419 · Repairs-Transportation</b>     | <b>987.24</b>   | <b>1,080.00</b> | <b>-92.76</b>   | <b>9,544.39</b>     | <b>6,480.00</b>   | <b>3,064.39</b> |
| 420 · MNT Gas Transportation                  | 184.09          | 300.00          | -115.91         | 1,647.58            | 1,800.00          | -152.42         |
| 421 · Electricity                             | 114.83          | 200.00          | -85.17          | 1,444.74            | 1,200.00          | 244.74          |
| 422 · Sewer & Water                           | 11.82           | 16.67           | -4.85           | 71.76               | 100.02            | -28.26          |
| 423 · Telephone Expense                       | 495.08          | 466.67          | 28.41           | 3,064.34            | 2,800.02          | 264.32          |
| 431 · Insurance Expense                       | 1,333.34        | 1,333.33        | 0.01            | 8,255.04            | 8,000.02          | 255.02          |
| 441 · Legal Expense                           | 0.00            | 1,250.00        | -1,250.00       | 0.00                | 7,500.00          | -7,500.00       |
| 442 · Accounting Expenses                     | 300.00          | 300.00          | 0.00            | 1,500.00            | 1,800.00          | -300.00         |
| 443 · Auditing Expenses                       | 0.00            | 400.00          | -400.00         | 0.00                | 2,400.00          | -2,400.00       |
| 444 · Collection Services                     | 50.00           | 40.00           | 10.00           | 180.00              | 240.00            | -60.00          |
| 446 · Other Contracted Services               | 312.24          | 458.33          | -146.09         | 2,344.70            | 2,750.02          | -405.32         |
| 451 · Postage                                 | 340.33          | 358.33          | -18.00          | 2,112.92            | 2,150.02          | -37.10          |
| 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               | 100.02            | -70.73          |
| 483 · Office Supplies                         | 335.48          | 400.00          | -64.52          | 3,028.05            | 2,400.00          | 628.05          |
| 484 · Mileage                                 | 90.46           | 22.00           | 68.46           | 289.80              | 132.00            | 157.80          |
| 485 · Bank Charges                            | 10.00           | 0.00            | 10.00           | 24.00               | 0.00              | 24.00           |

**Sunburst Farms Irrigation District**  
**Profit Loss Budget vs Actual**  
December 2013

|                                    | <u>Dec 13</u>            | <u>Budget</u>          | <u>Variance</u>          | <u>Jul - Dec 13</u>     | <u>YTD Budget</u>       | <u>Variance</u>         |
|------------------------------------|--------------------------|------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| 486 · Dues & Subscriptions         | 28.81                    | 200.00                 | -171.19                  | 537.33                  | 1,200.00                | -662.67                 |
| Total 400 · Overhead Costs         | <u>30,455.27</u>         | <u>31,488.55</u>       | <u>-1,033.28</u>         | <u>188,307.15</u>       | <u>194,823.12</u>       | <u>-6,515.97</u>        |
| <b>Total Expense</b>               | <u>30,455.27</u>         | <u>31,488.55</u>       | <u>-1,033.28</u>         | <u>188,307.15</u>       | <u>194,823.12</u>       | <u>-6,515.97</u>        |
| <b>Net Ordinary Income</b>         | 1,347.76                 | 216.77                 | 1,130.99                 | 16,146.70               | -611.74                 | 16,758.44               |
| <b>Other Income/Expense</b>        |                          |                        |                          |                         |                         |                         |
| 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                     | 12,420.00               | 12,420.00               | 0.00                    |
| 219 · Misc/Other Income            | -19,900.44               | 100.00                 | -20,000.44               | 8,494.14                | 600.00                  | 7,894.14                |
| 511 · Interest Income              | 62.38                    | 125.00                 | -62.62                   | 352.60                  | 750.00                  | -397.40                 |
| <b>Total Other Income</b>          | <u>-17,768.06</u>        | <u>2,295.00</u>        | <u>-20,063.06</u>        | <u>21,266.74</u>        | <u>13,770.00</u>        | <u>7,496.74</u>         |
| <b>Net Other Income</b>            | <u>-17,768.06</u>        | <u>2,295.00</u>        | <u>-20,063.06</u>        | <u>21,266.74</u>        | <u>13,770.00</u>        | <u>7,496.74</u>         |
| <b>Net Income</b>                  | <u><u>-16,420.30</u></u> | <u><u>2,511.77</u></u> | <u><u>-18,932.07</u></u> | <u><u>37,413.44</u></u> | <u><u>13,158.26</u></u> | <u><u>24,255.18</u></u> |

# Sunburst Farms Irrigation District

## A/R Aging Summary

As of December 31, 2013

|                          | <u>Current</u>   | <u>1 - 30</u>    | <u>31 - 60</u>  | <u>61 - 90</u>  | <u>&gt; 90</u>   | <u>TOTAL</u>     |
|--------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| Total A/R 2013           | 25,601.64        | -2,157.36        | 6,664.93        | 3,410.72        | 69,172.59        | 102,692.52       |
| Total A/R 2012           | <u>21,171.21</u> | <u>-1,837.31</u> | <u>9,030.59</u> | <u>3,055.78</u> | <u>88,499.19</u> | 119,919.46       |
| Variance- Better/(Worse) | <u>-4,430.43</u> | <u>320.05</u>    | <u>2,365.66</u> | <u>-354.94</u>  | <u>19,326.60</u> | <u>17,226.94</u> |