

**Hacker Accounting LLC**

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

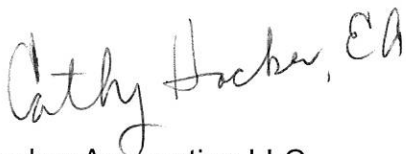
**Phoenix, AZ 85029**

November 24, 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 October 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.

A handwritten signature in cursive script that reads "Cathy Hacker, EA". The signature is written in black ink and is positioned above the printed name of the company.

Hacker Accounting LLC

## Sunburst Farms Irrigation District

# Balance Sheet

As of October 31, 2014

	Oct 31, 14	Oct 31, 13	\$ Change
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
117 · Checking/Compass	29,068.38	74,396.54	-45,328.16
111 · Cash on Hand	100.00	100.00	0.00
114 · Compass Cap/Expd/Dep	215,887.46	240,200.74	-24,313.28
116 · Cash-MM	106,587.93	106,499.40	88.53
Total Checking/Savings	351,643.77	421,196.68	-69,552.91
Accounts Receivable			
119 · Rebate Receivable	0.00	20,000.00	-20,000.00
121 · Accounts Receivable	110,173.03	121,359.62	-11,186.59
Total Accounts Receivable	110,173.03	141,359.62	-31,186.59
Other Current Assets			
140 · Prepaid Insurance	2,679.61	4,725.51	-2,045.90
1499 · Undeposited Funds	0.00	1,050.27	-1,050.27
Total Other Current Assets	2,679.61	5,775.78	-3,096.17
Total Current Assets	464,496.41	568,332.08	-103,835.67
Fixed Assets			
1200 · Fixed Assets			
1210 · Land	9,000.00	9,000.00	0.00
1220 · Water District System	1,913,799.03	1,740,699.03	173,100.00
1230 · Buildings & Improvements	13,366.41	13,366.41	0.00
1240 · Machinery & Equipment	19,423.00	19,423.00	0.00
1241 · Motor for 43rd Avenue	38,989.23	38,989.23	0.00
1242 · 39th Ave Pump-2013	93,435.46	63,641.67	29,793.79
1243 · 43rd Ave Pump-2013	76,082.36	69,424.26	6,658.10
1244 · 39th Ave motor	2,501.14	2,501.14	0.00
1250 · Transportation Equipment	57,674.55	50,052.45	7,622.10
1260 · Office Furn & Fixtures	15,986.94	15,986.94	0.00
1281 · GPS Tracking - 2012	245.65	245.65	0.00
Total 1200 · Fixed Assets	2,240,503.77	2,023,329.78	217,173.99
1300 · Accumulated Depreciation			
1320 · Accum Depr-Water Distr Sys	-1,051,149.47	-944,360.45	-106,789.02
Total 1300 · Accumulated Depreciation	-1,051,149.47	-944,360.45	-106,789.02
Total Fixed Assets	1,189,354.30	1,078,969.33	110,384.97
Other Assets			
120 · Refundable Deposits	1,169.00	1,169.00	0.00
Total Other Assets	1,169.00	1,169.00	0.00
<b>TOTAL ASSETS</b>	<b>1,655,019.71</b>	<b>1,648,470.41</b>	<b>6,549.30</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
201 · Payroll Liabilities			
2011 · Dental/Vision Payable	270.97	0.00	270.97
201 · Payroll Liabilities - Other	948.17	940.71	7.46
Total 201 · Payroll Liabilities	1,219.14	940.71	278.43
203 · Accrued Power/Water			
2031 · Accrued Power	11,097.56	15,149.45	-4,051.89
2032 · Accrued Water	5,775.98	2,270.29	3,505.69
Total 203 · Accrued Power/Water	16,873.54	17,419.74	-546.20

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Accrual Basis

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
As of October 31, 2014

	<u>Oct 31, 14</u>	<u>Oct 31, 13</u>	<u>\$ Change</u>
204 · Other Accrued Expenses	2,376.69	2,376.69	0.00
205 · Accrued Vacation	1,895.20	1,895.20	0.00
<b>Total Other Current Liabilities</b>	<u>22,364.57</u>	<u>22,632.34</u>	<u>-267.77</u>
<b>Total Current Liabilities</b>	<u>22,364.57</u>	<u>22,632.34</u>	<u>-267.77</u>
<b>Total Liabilities</b>	22,364.57	22,632.34	-267.77
<b>Equity</b>			
209 · Retained Earnings	1,636,735.65	1,601,618.25	35,117.40
Net Income	-4,080.51	24,219.82	-28,300.33
<b>Total Equity</b>	<u>1,632,655.14</u>	<u>1,625,838.07</u>	<u>6,817.07</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,655,019.71</u></u>	<u><u>1,648,470.41</u></u>	<u><u>6,549.30</u></u>

**Sunburst Farms Irrigation District**  
**Revenue Expense Budget Performance**  
 October 2014

Ordinary Income/Expense	Oct 14	Budget	Variance	Jul - Oct 14	YTD Budget	Variance
<b>Income</b>						
211 · Water Fees	28,746.24	27,361.00	1,385.24	91,159.62	110,540.00	-19,380.38
212 · Member Fees	34,229.52	34,229.41	0.11	136,918.08	136,917.64	0.44
213 · Other Services	20.00	40.00	-20.00	40.00	160.00	-120.00
214 · Escrow Transfer Fees	500.00	300.00	200.00	1,000.00	1,200.00	-200.00
215 · Finance Charges	860.70	833.33	27.37	3,176.34	3,333.32	-156.98
<b>Total Income</b>	<b>64,356.46</b>	<b>62,763.74</b>	<b>1,592.72</b>	<b>232,294.04</b>	<b>252,150.96</b>	<b>-19,856.92</b>
<b>Cost of Goods Sold</b>						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	13,178.36	17,950.00	-4,771.64	54,882.08	72,518.00	-17,635.92
331 · State Water Fees	569.00	569.00	0.00	2,276.00	2,276.00	0.00
351 · Pump Supply "Oil"	0.00	496.83	-496.83	0.00	1,987.36	-1,987.36
352 · Transportation Gas/Oil	314.29	1,060.00	-745.71	2,627.01	4,277.00	-1,649.99
361 · Irrigation Labor	3,651.07	5,850.00	-2,198.93	18,318.17	23,611.00	-5,292.83
371 · Payroll Taxes & Fringe	279.31	450.00	-170.69	1,397.43	1,948.00	-550.57
372 · Irrigators-Health Insurance	687.37	691.83	-4.46	2,749.48	2,767.36	-17.88
<b>Total 310 · Direct Costs of Water Delivery</b>	<b>18,679.40</b>	<b>27,067.66</b>	<b>-8,388.26</b>	<b>82,250.17</b>	<b>109,384.72</b>	<b>-27,134.55</b>
<b>Total COGS</b>	<b>18,679.40</b>	<b>27,067.66</b>	<b>-8,388.26</b>	<b>82,250.17</b>	<b>109,384.72</b>	<b>-27,134.55</b>
<b>Gross Profit</b>	<b>45,677.06</b>	<b>35,696.08</b>	<b>9,980.98</b>	<b>150,043.87</b>	<b>142,766.24</b>	<b>7,277.63</b>
<b>Expense</b>						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,899.20	3,969.00	-69.80	14,019.96	14,286.00	-266.04
363 · Admin Payroll Expense	3,822.15	3,886.00	-63.85	13,741.10	13,979.00	-237.90
364 · Payroll Taxes/Fringe-Admin	619.69	650.00	-30.31	2,219.40	2,340.00	-120.60
365 · MNGR Gas Transportation	221.91	112.50	109.41	559.87	450.00	109.87
366 · Health Insurance "Salary"	765.77	694.00	71.77	2,960.08	2,774.00	186.08
375 · State Compensation Fund	0.00	464.25	-464.25	1,174.00	1,857.00	-683.00

**Sunburst Farms Irrigation District**  
**Revenue Expense Budget Performance**  
 October 2014

	Oct 14	Budget	Variance	Jul - Oct 14	YTD Budget	Variance
411 · Depreciation Expense	9,679.66	9,580.33	99.33	38,718.64	38,321.36	397.28
414 · Building & Equipment Repair	0.00	166.66	-166.66	687.71	666.72	20.99
416 · Pumps-Maintenance	0.00	116.66	-116.66	0.00	466.72	-466.72
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	7,672.03	5,390.00	2,282.03	23,014.48	19,404.00	3,610.48
417.2 · Materials	13,502.51	1,167.83	12,334.68	19,657.16	4,671.36	14,985.80
417.3 · Outside Service	950.00	1,250.00	-300.00	9,420.00	5,000.00	4,420.00
417.4 · MT Payroll Taxes	419.93	446.25	-26.32	1,531.22	1,606.50	-75.28
417.5 · MT Health Insurance	365.88	720.00	-354.12	1,463.52	2,880.00	-1,416.48
Total 417 · Maint/Repairs-Water System	22,910.35	8,974.08	13,936.27	55,086.38	33,561.86	21,524.52
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	667.60	833.33	-165.73	1,215.66	3,333.36	-2,117.70
419.2 · Tractor	0.00	83.33	-83.33	1,124.46	333.36	791.10
419 · Repairs-Transportation - Other	0.00			0.00		
Total 419 · Repairs-Transportation	667.60	916.66	-249.06	2,340.12	3,666.72	-1,326.60
420 · MNT Gas Transportation	336.47	300.00	36.47	1,035.67	1,200.00	-164.33
421 · Electricity	373.35	200.00	173.35	1,276.42	800.00	476.42
422 · Sewer & Water	0.00	16.66	-16.66	27.32	66.72	-39.40
423 · Telephone Expense	683.62	500.00	183.62	2,134.44	2,000.00	134.44
431 · Insurance Expense	1,466.66	1,466.66	0.00	5,966.64	5,866.72	99.92
441 · Legal Expense	1,000.00	1,250.00	-250.00	1,000.00	5,000.00	-4,000.00
442 · Accounting Expenses	800.00	400.00	400.00	1,600.00	1,600.00	0.00
443 · Auditing Expenses	980.00	416.66	563.34	2,855.00	1,666.72	1,188.28
444 · Collection Services	10.00	40.00	-30.00	30.00	160.00	-130.00
445 · Rent	1,231.20			2,852.00		
446 · Other Contracted Services	1,651.65	458.33	1,193.32	2,569.15	1,833.36	735.79
451 · Postage	460.47	375.00	85.47	1,661.45	1,500.00	161.45
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	43.70	16.66	27.04	68.99	66.72	2.27
483 · Office Supplies	351.24	416.66	-65.42	1,314.21	1,666.72	-352.51

**Sunburst Farms Irrigation District**  
**Revenue Expense Budget Performance**  
**October 2014**

	<u>Oct 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Oct 14</u>	<u>YTD Budget</u>	<u>Variance</u>
484 · Mileage	111.61	33.33	78.28	267.96	133.36	134.60
485 · Bank Charges	2.00	5.00	-3.00	4.00	20.00	-16.00
486 · Dues & Subscriptions	235.53	125.00	110.53	515.95	500.00	15.95
487 · Petty Cash Over/Sht	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total 400 · Overhead Costs</b>	<b>52,323.83</b>	<b>35,550.10</b>	<b>16,773.73</b>	<b>156,686.46</b>	<b>136,449.70</b>	<b>20,236.76</b>
<b>Total Expense</b>	<b>52,323.83</b>	<b>35,550.10</b>	<b>16,773.73</b>	<b>156,686.46</b>	<b>136,449.70</b>	<b>20,236.76</b>
<b>Net Ordinary Income</b>	<b>-6,646.77</b>	<b>145.98</b>	<b>-6,792.75</b>	<b>-6,642.59</b>	<b>6,316.54</b>	<b>-12,959.13</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	1,365.00	300.00	1,065.00	3,531.25	1,200.00	2,331.25
511 · Interest Income	51.24	41.66	9.58	205.83	166.72	39.11
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>1,416.24</b>	<b>341.66</b>	<b>1,074.58</b>	<b>3,737.08</b>	<b>1,366.72</b>	<b>2,370.36</b>
<b>Other Expense</b>						
512 · Bridle Path Cleanup	0.00	140.41	-140.41	1,175.00	561.72	613.28
<b>Total Other Expense</b>	<b>0.00</b>	<b>140.41</b>	<b>-140.41</b>	<b>1,175.00</b>	<b>561.72</b>	<b>613.28</b>
<b>Net Other Income</b>	<b>1,416.24</b>	<b>201.25</b>	<b>1,214.99</b>	<b>2,562.08</b>	<b>805.00</b>	<b>1,757.08</b>
<b>Net Income</b>	<b>-5,230.53</b>	<b>347.23</b>	<b>-5,577.76</b>	<b>-4,080.51</b>	<b>7,121.54</b>	<b>-11,202.05</b>

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2014	39,628.40	-2,508.41	6,990.90	3,460.85	62,601.29	110,173.03
Total A/R 2013	45,807.96	-724.80	7,335.59	3,902.49	65,402.34	121,723.58
Variance- Better/(Worse)	6,179.56	1,783.61	344.69	441.64	2,801.05	11,550.55