

**Hacker Accounting LLC**

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

**Phoenix, AZ 85029**

November 24, 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 October 31, 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, EA". The signature is written in a cursive style with a large, stylized initial 'C'.

Hacker Accounting LLC

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
 As of October 31, 2015

	Oct 31, 15	Oct 31, 14
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
117 · Checking/Compass	53,955.19	29,068.38
118 · First Bank	122,610.43	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	192,680.27	215,887.46
116 · Cash-MM	0.00	106,587.93
<b>Total Checking/Savings</b>	369,345.89	351,643.77
<b>Accounts Receivable</b>		
121 · Accounts Receivable	109,253.19	110,173.03
<b>Total Accounts Receivable</b>	109,253.19	110,173.03
<b>Other Current Assets</b>		
140 · Prepaid Insurance	1,420.33	2,679.61
198 · Suspense New Office Building	103,638.18	0.00
<b>Total Other Current Assets</b>	105,058.51	2,679.61
<b>Total Current Assets</b>	583,657.59	464,496.41
<b>Fixed Assets</b>		
<b>1200 · Fixed Assets</b>		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	1,987,994.23	1,913,799.03
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	93,435.46
1243 · 43rd Ave Pump-2013	76,082.36	76,082.36
1244 · 39th Ave motor	2,501.14	2,501.14
1250 · Transportation Equipment	57,674.55	57,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
1281 · GPS Tracking - 2012	245.65	245.65
<b>Total 1200 · Fixed Assets</b>	2,314,698.97	2,240,503.77
<b>1300 · Accumulated Depreciation</b>		
1320 · Accum Depr-Water Distr Sys	-1,331,503.83	-1,212,622.55
<b>Total 1300 · Accumulated Depreciation</b>	-1,331,503.83	-1,212,622.55
<b>Total Fixed Assets</b>	983,195.14	1,027,881.22
<b>Other Assets</b>		
120 · Refundable Deposits	1,169.00	1,169.00
<b>Total Other Assets</b>	1,169.00	1,169.00
<b>TOTAL ASSETS</b>	<b>1,568,021.73</b>	<b>1,493,546.63</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
200 · Accounts Payable	483.40	483.40
<b>Total Accounts Payable</b>	483.40	483.40
<b>Other Current Liabilities</b>		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	6.81	270.97
201 · Payroll Liabilities - Other	190.34	135.72
<b>Total 201 · Payroll Liabilities</b>	197.15	406.69
203 · Accrued Power/Water		
2031 · Accrued Power	6,719.72	8,188.88
2032 · Accrued Water	2,889.65	2,276.00
<b>Total 203 · Accrued Power/Water</b>	9,609.37	10,464.88

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11/24/15  
Accrual Basis

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
**As of October 31, 2015**

	<u>Oct 31, 15</u>	<u>Oct 31, 14</u>
204 · Other Accrued Expenses	4,376.48	4,376.48
205 · Accrued Vacation	3,321.92	3,321.92
<b>Total Other Current Liabilities</b>	<u>17,504.92</u>	<u>18,569.97</u>
<b>Total Current Liabilities</b>	<u>17,988.32</u>	<u>19,053.37</u>
<b>Total Liabilities</b>	17,988.32	19,053.37
<b>Equity</b>		
209 · Retained Earnings	1,495,459.57	1,478,573.77
Net Income	54,573.84	-4,080.51
<b>Total Equity</b>	<u>1,550,033.41</u>	<u>1,474,493.26</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,568,021.73</u></u>	<u><u>1,493,546.63</u></u>

# Sunburst Farms Irrigation District Profit Loss Budget vs Actual October 2015

Ordinary Income/Expense	Oct 15	Budget	Variance	Jul - Oct 15	YTD Budget	Variance
<b>Income</b>						
211 · Water Fees	24,369.92	28,920.00	-4,550.08	131,773.98	105,558.00	26,215.98
212 · Member Fees	39,040.20	39,040.75	-0.55	156,160.80	156,163.00	-2.20
213 · Other Services	0.00	40.00	-40.00	60.00	160.00	-100.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	885.54	1,200.00	-314.46
215 · Finance Charges	739.71	750.00	-10.29	2,850.59	3,000.00	-149.41
<b>Total Income</b>	<u>64,349.83</u>	<u>69,050.75</u>	<u>-4,700.92</u>	<u>291,730.91</u>	<u>266,081.00</u>	<u>25,649.91</u>
<b>Cost of Goods Sold</b>						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	16,472.43	18,420.84	-1,948.41	75,672.86	67,236.28	8,436.58
331 · State Water Fees	500.00	500.00	0.00	2,000.00	2,000.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	1,066.72	-1,066.72
352 · Transportation Gas/Oil	596.56	1,160.00	-563.44	3,108.60	4,234.00	-1,125.40
361 · Irrigation Labor	6,038.92	6,840.00	-801.08	24,536.84	24,986.00	-449.16
371 · Payroll Taxes & Fringe	479.89	610.05	-130.16	1,898.41	2,231.50	-333.09
372 · Irrigators-Health Insurance	754.67	691.66	63.01	3,066.95	2,766.72	300.23
<b>Total 310 · Direct Costs of Water Delivery</b>	<u>24,842.47</u>	<u>28,489.21</u>	<u>-3,646.74</u>	<u>110,283.66</u>	<u>104,521.22</u>	<u>5,762.44</u>
<b>Total COGS</b>	<u>24,842.47</u>	<u>28,489.21</u>	<u>-3,646.74</u>	<u>110,283.66</u>	<u>104,521.22</u>	<u>5,762.44</u>
<b>Gross Profit</b>	39,507.36	40,561.54	-1,054.18	181,447.25	161,559.78	19,887.47
<b>Expense</b>						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,977.20	3,971.70	5.50	14,286.55	14,298.10	-11.55
363 · Admin Payroll Expense	3,898.60	3,886.80	11.80	14,004.30	13,992.40	11.90
364 · Payroll Taxes/Fringe-Admin	621.60	650.65	-29.05	2,233.00	2,342.45	-109.45
365 · MINGR Gas Transportation	94.67	112.50	-17.83	472.67	450.00	22.67
366 · Health Insurance "Salary"	813.94	693.16	120.78	3,113.57	2,772.72	340.85
375 · State Compensation Fund	0.00	500.00	-500.00	1,077.77	2,000.00	-922.23

# Sunburst Farms Irrigation District Profit Loss Budget vs Actual October 2015

	<u>Oct 15</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Oct 15</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	9,830.00	9,830.00	0.00	39,320.00	39,320.00	0.00
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	166.72	-166.72
416 · Pumps-Maintenance	0.00			805.45	700.00	105.45
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	7,565.16	5,188.70	2,376.46	21,690.02	18,679.10	3,010.92
417.2 · Materials	941.59	1,666.66	-725.07	3,523.97	6,666.72	-3,142.75
417.3 · Outside Service	0.00	1,250.00	-1,250.00	409.15	5,000.00	-4,590.85
417.4 · MT Payroll Taxes	588.61	452.85	135.76	1,700.81	1,630.05	70.76
417.5 · MT Health Insurance	398.77	720.00	-321.23	1,601.00	2,880.00	-1,279.00
Total 417 · Maint/Repairs-Water System	9,494.13	9,278.21	215.92	28,924.95	34,855.87	-5,930.92
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	262.71	833.33	-570.62	1,159.78	3,333.36	-2,173.58
419.2 · Tractor	0.00	125.00	-125.00	0.00	500.00	-500.00
Total 419 · Repairs-Transportation	262.71	958.33	-695.62	1,159.78	3,833.36	-2,673.58
420 · MNT Gas Transportation	153.87	300.00	-146.13	590.55	1,200.00	-609.45
421 · Electricity	408.39	250.00	158.39	1,480.22	1,000.00	480.22
422 · Sewer & Water	16.42	16.67	-0.25	55.60	66.64	-11.04
423 · Telephone Expense	294.38	383.33	-88.95	1,289.25	1,533.36	-244.11
431 · Insurance Expense	1,500.00	1,500.00	0.00	6,100.00	6,000.00	100.00
441 · Legal Expense	0.00	833.34	-833.34	0.00	3,333.28	-3,333.28
442 · Accounting Expenses	400.00	400.00	0.00	1,200.00	1,600.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	0.00	1,666.64	-1,666.64
444 · Collection Services	0.00	40.00	-40.00	70.00	160.00	-90.00
445 · Rent	1,641.60	985.20	656.40	3,283.20	3,940.80	-657.60
446 · Other Contracted Services	298.82	458.34	-159.52	851.61	1,833.28	-981.67
451 · Postage	480.20	375.00	105.20	1,529.42	1,500.00	29.42
471 · Misc & Public Relations	0.00	16.67	-16.67	0.00	66.64	-66.64
483 · Office Supplies	208.52	416.67	-208.15	2,113.72	1,666.64	447.08
484 · Mileage	-4.80	66.67	-71.47	166.03	266.64	-100.61
485 · Bank Charges	0.00	5.00	-5.00	-74.45	20.00	-94.45

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

	<u>Oct 15</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Oct 15</u>	<u>YTD Budget</u>	<u>Variance</u>
486 · Dues & Subscriptions	223.90	125.00	98.90	753.06	500.00	253.06
Total 400 · Overhead Costs	34,614.15	36,511.57	-1,897.42	124,806.25	141,085.54	-16,279.29
Total Expense	34,614.15	36,511.57	-1,897.42	124,806.25	141,085.54	-16,279.29
Net Ordinary Income	4,893.21	4,049.97	843.24	56,641.00	20,474.24	36,166.76
Other Income/Expense						
Other Income						
510 · Misc/Other Income	25.50	250.00	-224.50	375.00	1,000.00	-625.00
511 · Interest Income	76.98	41.67	35.31	297.84	166.64	131.20
Total Other Income	102.48	291.67	-189.19	672.84	1,166.64	-493.80
Other Expense						
512 · Bridle Path Cleanup	2,740.00			2,740.00		
Total Other Expense	2,740.00			2,740.00		
Net Other Income	-2,637.52	291.67	-2,929.19	-2,067.16	1,166.64	-3,233.80
Net Income	<u>2,255.69</u>	<u>4,341.64</u>	<u>-2,085.95</u>	<u>54,573.84</u>	<u>21,640.88</u>	<u>32,932.96</u>

**Sunburst Farms Irrigation District**  
**A/R Aging Summary**  
**As of October 31, 2015**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2015	44,698.12	-2,568.76	8,070.29	1,279.16	57,774.38	109,253.19
Total A/R 2014	39,628.40	-2,508.41	6,990.90	3,460.85	62,601.29	110,173.03
Variance- Better/(Worse)	-5,069.72	60.35	-1,079.39	2,181.69	4,826.91	919.84