

Hacker Accounting LLC

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

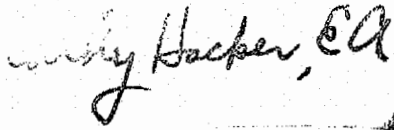
Phoenix, AZ 85029

July 25, 2018

Sunburst Farms Irrigation District
16040 N. 43rd Ave
Glendale, AZ 85306-2733

We have prepared the accompanying statement of income for the current month and year to date periods then ended and the balance sheet of Sunburst Farms Irrigation District for June 30, 2018. 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 "Wendy Hacker, CA". The signature is written in a cursive style and is positioned above a horizontal line.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Balance Sheet
As of June 30, 2018

	<u>Jun 30, 18</u>	<u>Jun 30, 17</u>
ASSETS		
Current Assets		
Checking/Savings		
117 · Operating Fund	30,116.31	61,204.29
118 · Emergency Fund	125,303.27	123,431.34
111 · Cash on Hand	100.00	100.00
114 · Capital Fund	29,970.79	95,619.27
Total Checking/Savings	<u>185,490.37</u>	<u>280,354.90</u>
Accounts Receivable		
121 · Accounts Receivable	152,168.58	120,576.61
Total Accounts Receivable	<u>152,168.58</u>	<u>120,576.61</u>
Other Current Assets		
180 · Inventory	13,631.64	0.00
140 · Prepaid Insurance	13,088.62	12,371.62
1499 · Undeposited Funds	725.70	0.00
Total Other Current Assets	<u>27,445.96</u>	<u>12,371.62</u>
Total Current Assets	<u>365,104.91</u>	<u>413,303.13</u>
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,566,839.00	2,453,159.99
1230 · Buildings & Improvements	163,901.86	163,901.86
1240 · Machinery & Equipment	59,843.75	59,843.75
1250 · Transportation Equipment	111,571.11	115,754.09
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	<u>2,927,142.66</u>	<u>2,817,646.63</u>
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,593,462.55	-1,482,779.55
Total 1300 · Accumulated Depreciation	<u>-1,593,462.55</u>	<u>-1,482,779.55</u>
Total Fixed Assets	<u>1,333,680.11</u>	<u>1,334,867.08</u>
TOTAL ASSETS	<u>1,698,785.02</u>	<u>1,748,170.21</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable		
2001 · Attorney Fees	19,691.00	0.00
200 · Accounts Payable - Other	3,852.96	3,852.96
Total 200 · Accounts Payable	<u>23,543.96</u>	<u>3,852.96</u>
Total Accounts Payable	<u>23,543.96</u>	<u>3,852.96</u>
Credit Cards		
Credit Cards		
CITI Card	1,122.38	1,311.40
Total Credit Cards	<u>1,122.38</u>	<u>1,311.40</u>
Total Credit Cards	<u>1,122.38</u>	<u>1,311.40</u>
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	66.65	102.69
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	<u>352.90</u>	<u>388.94</u>

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of June 30, 2018

	<u>Jun 30, 18</u>	<u>Jun 30, 17</u>
203 · Accrued Power/Water		
2031 · Accrued Power	10,301.25	11,988.40
2032 · Accrued Water	-1,142.56	0.00
Total 203 · Accrued Power/Water	<u>9,158.69</u>	<u>11,988.40</u>
204 · Other Accrued Expenses	5,019.92	5,019.92
205 · Accrued Vacation	6,370.80	6,370.80
Total Other Current Liabilities	<u>20,902.31</u>	<u>23,768.06</u>
Total Current Liabilities	<u>45,568.65</u>	<u>28,932.42</u>
Long Term Liabilities		
230 · Wells Fargo Bobcat Lease	26,330.97	38,003.73
Total Long Term Liabilities	<u>26,330.97</u>	<u>38,003.73</u>
Total Liabilities	<u>71,899.62</u>	<u>66,936.15</u>
Equity		
209 · Retained Earnings	1,681,234.06	1,627,897.83
Net Income	-54,348.66	53,336.23
Total Equity	<u>1,626,885.40</u>	<u>1,681,234.06</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,698,785.02</u></u>	<u><u>1,748,170.21</u></u>

Sunburst Farms Irrigation District
Profit/Loss Budget vs Actual
June 2018

	<u>Jun 18</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '17 - Jun 18</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 - Water Fees	30,937.16	27,984.00	2,953.16	300,301.52	267,120.00	33,181.52
212 - Member Fees	37,549.80	37,549.83	-0.03	450,597.60	450,598.00	-0.40
213 - Other Services	60.00	40.00	20.00	192.50	480.00	-287.50
214 - Escrow Transfer Fees	400.00	300.00	100.00	2,300.00	3,600.00	-1,300.00
215 - Finance Charges	1,192.40	750.00	442.40	11,315.10	9,000.00	2,315.10
Total Income	<u>70,139.36</u>	<u>66,623.83</u>	<u>3,515.53</u>	<u>764,706.72</u>	<u>730,798.00</u>	<u>33,908.72</u>
Cost of Goods Sold						
310 - Direct Costs of Water Delivery						
311 - Purchases-Power	17,956.43	18,337.00	-380.57	194,503.75	175,000.00	19,503.75
331 - State Water Fees	500.00	500.00	0.00	6,000.00	6,000.00	0.00
351 - Pump Supply "Oil"	0.00	133.33	-133.33	931.98	1,600.00	-668.02
352 - Transportation Gas/Oil	788.59	680.00	108.59	6,405.30	6,500.00	-94.70
361 - Irrigation Labor	6,253.86	6,748.00	-494.14	68,880.55	64,410.00	4,470.55
371 - Payroll Taxes & Fringe	478.49	568.00	-89.51	5,524.31	5,400.00	124.31
372 - Irrigators-Health Insurance	257.84	791.66	-533.82	3,609.76	9,500.00	-5,890.24
Total 310 - Direct Costs of Water Delivery	<u>26,235.21</u>	<u>27,757.99</u>	<u>-1,522.78</u>	<u>285,855.65</u>	<u>268,410.00</u>	<u>17,445.65</u>
Total COGS	<u>26,235.21</u>	<u>27,757.99</u>	<u>-1,522.78</u>	<u>285,855.65</u>	<u>268,410.00</u>	<u>17,445.65</u>
Gross Profit	<u>43,904.15</u>	<u>38,865.84</u>	<u>5,038.31</u>	<u>478,851.07</u>	<u>462,388.00</u>	<u>16,463.07</u>
Expense						
400 - Overhead Costs						
362 - Salaries-Supervisor	3,309.96	3,435.56	-125.60	43,221.45	44,660.00	-1,438.55
363 - Admin Payroll Expense	3,244.56	3,362.40	-117.84	42,858.03	43,710.00	-851.97
364 - Payroll Taxes/Fringe-Admin	519.76	611.55	-91.79	7,136.09	7,950.00	-813.91
365 - MNGR Gas Transportation	163.69	133.34	30.35	2,105.61	1,600.00	505.61
366 - Health Insurance "Salary"	864.36	875.00	-10.64	10,558.32	10,500.00	58.32
375 - State Compensation Fund	2,037.00	583.34	1,453.66	7,702.00	7,000.00	702.00

UNAUDITED-SEE ACCOUNTANT'S COMPILATION REPORT

Sunburst Farms Irrigation District
Profit/Loss Budget vs Actual
June 2018

	<u>Jun 18</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '17 - Jun 18</u>	<u>YTD Budget</u>	<u>Variance</u>
411 - Depreciation Expense	12,250.00	12,250.00	0.00	147,000.00	147,000.00	0.00
414 - Building & Equipment Repair	0.00	41.67	-41.67	17.14	500.00	-482.86
416 - Pumps-Maintenance	848.21	90.50	757.71	848.21	1,086.00	-237.79
417 - Maint/Repairs-Water System						
417.1 - Direct Labor	6,392.97	5,078.84	1,314.13	94,909.92	66,025.00	28,884.92
417.2 - Materials	1,830.61	1,666.67	163.94	17,595.58	20,000.00	-2,404.42
417.3 - Outside Service	2,601.90	833.34	1,768.56	8,441.28	10,000.00	-1,558.72
417.4 - MT Payroll Taxes	489.01	477.68	11.33	8,178.03	6,210.00	1,968.03
417.5 - MT Health Insurance	769.39	1,209.25	-439.86	13,312.72	14,511.00	-1,198.28
Total 417 - Maint/Repairs-Water System	12,083.88	9,265.78	2,818.10	142,437.53	116,746.00	25,691.53
419 - Repairs-Transportation						
419.1 - Fleet Vehicles	1,003.82	700.00	303.82	10,409.12	8,400.00	2,009.12
419.2 - Tractor	0.00	50.00	-50.00	6,111.63	600.00	5,511.63
Total 419 - Repairs-Transportation	1,003.82	750.00	253.82	16,520.75	9,000.00	7,520.75
420 - MNT Gas Transportation	331.40	230.76	100.64	3,478.64	3,000.00	478.64
421 - Electricity	216.05	208.34	7.71	2,379.41	2,500.00	-120.59
422 - Sewer & Water	17.65	16.67	0.98	210.87	200.00	10.87
423 - Telephone Expense	394.16	350.00	44.16	4,103.07	4,200.00	-96.93
424 - Alarm	0.00	60.00	-60.00	625.20	720.00	-94.80
431 - Insurance Expense	1,000.00	1,000.00	0.00	12,525.00	12,000.00	525.00
441 - Legal Expense	4,379.61	166.67	4,212.94	23,240.21	2,000.00	21,240.21
442 - Accounting Expenses	400.00	400.00	0.00	4,400.00	4,800.00	-400.00
443 - Auditing Expenses	0.00	425.00	-425.00	5,100.00	5,100.00	0.00
444 - Collection Services	50.00	30.00	20.00	130.00	360.00	-230.00
445 - Rent	0.00			0.00	0.00	0.00
446 - Other Contracted Services	408.52	400.00	8.52	3,809.40	4,800.00	-990.60
451 - Postage	373.36	375.00	-1.64	4,161.57	4,500.00	-338.43
461 - Licenses & Taxes	0.00			0.00	0.00	0.00
471 - Misc & Public Relations	0.00	16.67	-16.67	226.14	200.00	26.14
483 - Office Supplies	614.33	458.34	155.99	5,471.21	5,500.00	-28.79

Sunburst Farms Irrigation District
Profit/Loss Budget vs Actual
 June 2018.

	<u>Jun 18</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '17 - Jun 18</u>	<u>YTD Budget</u>	<u>Variance</u>
484 • Mileage	239.19	50.00	189.19	471.38	600.00	-128.62
485 • Bank Charges	0.00	5.00	-5.00	26.45	60.00	-33.55
486 • Dues & Subscriptions	0.00	83.34	-83.34	1,510.05	1,000.00	510.05
Total 400 • Overhead Costs	<u>44,749.51</u>	<u>35,674.93</u>	<u>9,074.58</u>	<u>492,273.73</u>	<u>441,292.00</u>	<u>50,981.73</u>
Total Expense	<u>44,749.51</u>	<u>35,674.93</u>	<u>9,074.58</u>	<u>492,273.73</u>	<u>441,292.00</u>	<u>50,981.73</u>
Net Ordinary Income	-845.36	3,190.91	-4,036.27	-13,422.66	21,096.00	-34,518.66
Other Income/Expense						
Other Income						
510 • Misc/Other Income	253.68	200.00	53.68	3,576.84	2,400.00	1,176.84
511 • Interest Income	100.21			639.93	0.00	639.93
541 • Gain/Loss on Sale of Equipment	0.00			15.90		
Total Other Income	<u>353.89</u>	<u>200.00</u>	<u>153.89</u>	<u>4,232.67</u>	<u>2,400.00</u>	<u>1,832.67</u>
Other Expense						
542 • Loss on 39th Avenue Pump	0.00			45,078.67		
512 • Bridle Path Cleanup	0.00			80.00	0.00	80.00
Total Other Expense	<u>0.00</u>			<u>45,158.67</u>	<u>0.00</u>	<u>45,158.67</u>
Net Other Income	<u>353.89</u>	<u>200.00</u>	<u>153.89</u>	<u>-40,926.00</u>	<u>2,400.00</u>	<u>-43,326.00</u>
Net Income	<u>-491.47</u>	<u>3,390.91</u>	<u>-3,882.38</u>	<u>-54,348.66</u>	<u>23,496.00</u>	<u>-77,844.66</u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of June 30, 2018

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Total A/R 2018	47,153.74	3,403.33	-195.52	2,553.91	99,253.12	152,168.58
Total A/R 2017	50,395.15	1,245.24	-374.82	1,701.73	67,609.31	120,576.61
Variance- Better/(Worse)	3,241.41	-2,158.09	-179.30	-852.18	-31,643.81	-31,591.97