

**Hacker Accounting LLC**

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

**Phoenix, AZ 85029**

July 2, 2013

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 May 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**  
**A/R Aging Summary**  
**As of May 31, 2013**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
<b>Total A/R 2013</b>	<u><u>37,588.21</u></u>	<u><u>-2,585.77</u></u>	<u><u>3,828.58</u></u>	<u><u>1,509.25</u></u>	<u><u>58,867.33</u></u>	<u><u>99,207.60</u></u>
<b>Total A/R 2012</b>	<u><u>45,225.41</u></u>	<u><u>-1,043.48</u></u>	<u><u>4,881.58</u></u>	<u><u>2,290.79</u></u>	<u><u>82,101.90</u></u>	<u><u>133,456.20</u></u>
<b>Variance- Better/(Worse)</b>	<u><u>7,637.20</u></u>	<u><u>1,542.29</u></u>	<u><u>1,053.00</u></u>	<u><u>781.54</u></u>	<u><u>23,234.57</u></u>	<u><u>34,248.60</u></u>

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

Accrual Basis

	May 31, 13
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	274,895.98
116 · Cash-MM	106,458.78
117 · Checking/Compass	43,406.38
<b>Total Checking/Savings</b>	<b>424,861.14</b>
Accounts Receivable	
121 · Accounts Receivable	99,207.60
<b>Total Accounts Receivable</b>	<b>99,207.60</b>
Other Current Assets	
140 · Prepaid Insurance	12,276.94
<b>Total Other Current Assets</b>	<b>12,276.94</b>
<b>Total Current Assets</b>	<b>536,345.68</b>
<b>Fixed Assets</b>	
1210 · Land	9,000.00
1220 · Water District System	1,735,229.82
1230 · Buildings & Improvements	13,366.41
1240 · Machinery & Equipment	22,782.00
1241 · Motor for 43rd Avenue	24,679.00
1242 · 39th Ave. Pump 2013	63,641.67
1243 · 43rd Ave. Pump - 2013	40,000.00
1250 · Transportation Equipment	69,377.45
1260 · Office Furn & Fixtures	21,677.94
1281 · GPS Tracking - 2012	245.65
1320 · Accum Depreciation	-922,977.28
<b>Total Fixed Assets</b>	<b>1,077,022.66</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>1,615,406.34</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
203 · Accrued Power/Water	7,791.47
204 · Other Accrued Expenses	5,224.83
220 · 43rd Ave Pump	3,257.91
221 · 39th Ave Pump	2,282.10
<b>Total Other Current Liabilities</b>	<b>18,556.31</b>
<b>Total Current Liabilities</b>	<b>18,556.31</b>
<b>Total Liabilities</b>	<b>18,556.31</b>
<b>Equity</b>	
209 · Retained Earnings	1,547,147.81
Net Income	49,702.22
<b>Total Equity</b>	<b>1,596,850.03</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,615,406.34</b>

**Sunburst Farms Irrigation District**  
**Profit/Loss Budget vs Actual**  
**May 2013**

	<u>May 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '12 - May 13</u>	<u>YTD Budget</u>	<u>Variance</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
211 · Water Fees	26,325.00	29,700.00	-3,375.00	256,979.25	240,840.00	16,139.25
212 · Member Fees	28,234.80	28,235.00	-0.20	310,651.00	310,585.00	66.00
213 · Other Services	0.00	0.00	0.00	290.00	0.00	290.00
214 · Escrow Transfer Fees	300.00	250.00	50.00	3,000.00	2,750.00	250.00
215 · Finance Charges	-8,784.79	414.00	-9,198.79	1,748.28	4,554.00	-2,805.72
219 · Misc/Other Income	5.25	62.00	-56.75	13,873.41	687.00	13,186.41
<b>Total Income</b>	<u>46,080.26</u>	<u>58,661.00</u>	<u>-12,580.74</u>	<u>586,541.94</u>	<u>559,416.00</u>	<u>27,125.94</u>
<b>Cost of Goods Sold</b>						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	16,416.57	18,832.00	-2,415.43	168,073.91	152,710.00	15,363.91
331 · State Water Fees	421.41	729.00	-307.59	4,635.51	5,916.00	-1,280.49
351 · Pump Supply "Oil"	0.00	307.00	-307.00	0.00	2,487.00	-2,487.00
352 · Transportation Gas/Oil	1,379.54	1,516.00	-136.46	10,140.02	12,282.00	-2,141.98
361 · Irrigation Labor	8,433.07	7,061.00	1,372.07	52,012.38	57,238.00	-5,225.62
371 · Payroll Taxes & Fringe	645.14	651.00	-5.86	3,805.66	5,286.00	-1,480.34
372 · Irrigators-Health Insurance	582.30	616.00	-33.70	6,211.20	4,995.00	1,216.20
<b>Total 310 · Direct Costs of Water Delivery</b>	<u>27,878.03</u>	<u>29,712.00</u>	<u>-1,833.97</u>	<u>244,878.68</u>	<u>240,914.00</u>	<u>3,964.68</u>
<b>Total COGS</b>	<u>27,878.03</u>	<u>29,712.00</u>	<u>-1,833.97</u>	<u>244,878.68</u>	<u>240,914.00</u>	<u>3,964.68</u>
<b>Gross Profit</b>	18,202.23	28,949.00	-10,746.77	341,663.26	318,502.00	23,161.26
<b>Expense</b>						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,702.35	3,240.00	462.35	35,842.56	35,640.00	202.56
363 · Admin Payroll Expense	3,620.35	3,168.00	452.35	35,055.36	34,848.00	207.36
364 · Payroll Taxes/Fringe-Admin	577.40	592.00	-14.60	6,232.94	6,506.00	-273.06
365 · MNGR Gas Transportation	94.68			1,376.13	0.00	1,376.13
366 · Health Insurance "Salary"	414.10	389.00	25.10	4,097.95	4,269.00	-171.05

**Sunburst Farms Irrigation District**  
**Profit/Loss Budget vs Actual**  
**May 2013**

	<u>May 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '12 - May 13</u>	<u>YTD Budget</u>	<u>Variance</u>
375 · State Compensation Fund	1,169.00	402.00	767.00	5,626.97	4,418.00	1,208.97
411 · Depreciation Expense	7,954.83	7,877.00	77.83	87,503.13	86,638.00	865.13
414 · Building & Equipment Repair	0.00	167.00	-167.00	599.56	1,833.00	-1,233.44
416 · Pumps-Maintenance	0.00	167.00	-167.00	4,087.33	1,833.00	2,254.33
<b>417 · Maint/Repairs-Water System</b>						
417.1 · Direct Labor	2,258.50	5,370.00	-3,111.50	35,049.44	59,126.00	-24,076.56
417.2 · Materials	2,034.08	833.00	1,201.08	9,244.75	9,167.00	77.75
417.3 · Outside Service	10,034.57	1,250.00	8,784.57	23,991.43	13,750.00	10,241.43
417.4 · MT Payroll Taxes	172.79	423.00	-250.21	2,799.73	4,672.00	-1,872.27
417.5 · MT Health Insurance	0.00	511.00	-511.00	1,164.60	5,615.00	-4,450.40
<b>Total 417 · Maint/Repairs-Water System</b>	<b>14,499.94</b>	<b>8,387.00</b>	<b>6,112.94</b>	<b>72,249.95</b>	<b>92,330.00</b>	<b>-20,080.05</b>
<b>419 · Repairs-Transportation</b>						
419.1 · Fleet Vehicles	464.02	417.00	47.02	12,340.11	4,583.00	7,757.11
419.2 · Tractor	0.00	84.00	-84.00	123.04	916.00	-792.96
<b>Total 419 · Repairs-Transportation</b>	<b>464.02</b>	<b>501.00</b>	<b>-36.98</b>	<b>12,463.15</b>	<b>5,499.00</b>	<b>6,964.15</b>
420 · MNT Gas Transportation	108.00			2,658.99	0.00	2,658.99
421 · Electricity	225.54	196.00	29.54	2,186.64	2,154.00	32.64
422 · Sewer & Water	11.85	14.00	-2.15	117.66	161.00	-43.34
423 · Telephone Expense	592.34	375.00	217.34	3,886.83	4,125.00	-238.17
431 · Insurance Expense	1,495.90	1,250.00	245.90	11,737.30	13,750.00	-2,012.70
441 · Legal Expense	3,556.10	500.00	3,056.10	14,334.60	5,500.00	8,834.60
442 · Accounting Expenses	0.00	250.00	-250.00	900.00	2,750.00	-1,850.00
443 · Auditing Expenses	0.00	0.00	0.00	4,500.00	3,000.00	1,500.00
444 · Collection Services	20.00	50.00	-30.00	380.00	450.00	-70.00
446 · Other Contracted Services	311.38	291.00	20.38	4,141.80	3,209.00	932.80
451 · Postage	341.95	341.00	0.95	3,593.20	3,759.00	-165.80
461 · Licenses & Taxes	0.00	0.00	0.00	4.00	0.00	4.00
471 · Misc & Public Relations	40.59	16.67	23.92	0.59	183.37	-182.78
483 · Office Supplies	547.04	400.00	147.04	3,404.69	4,400.00	-995.31
484 · Mileage	60.45	22.00	38.45	187.21	228.00	-40.79

**Sunburst Farms Irrigation District**  
**Profit/Loss Budget vs Actual**  
**May 2013**

	<u>May 13</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '12 - May 13</u>	<u>YTD Budget</u>	<u>Variance</u>
485 · Bank Charges	0.00	0.00	0.00	8.00	0.00	8.00
486 · Dues & Subscriptions	0.00	113.00	-113.00	1,711.71	1,237.00	474.71
<b>Total 400 · Overhead Costs</b>	<u>39,807.81</u>	<u>28,708.67</u>	<u>11,099.14</u>	<u>318,888.25</u>	<u>318,720.37</u>	<u>167.88</u>
<b>Total Expense</b>	<u>39,807.81</u>	<u>28,708.67</u>	<u>11,099.14</u>	<u>318,888.25</u>	<u>318,720.37</u>	<u>167.88</u>
<b>Net Ordinary Income</b>	-21,605.58	240.33	-21,845.91	22,775.01	-218.37	22,993.38
<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	2,070.00	2,070.00	0.00	22,770.00	22,770.00	0.00
511 · Interest Income	69.61	50.00	19.61	507.21	550.00	-42.79
541 · Gain/Loss on Sale of Equipment	0.00			3,650.00		
<b>Total Other Income</b>	<u>2,139.61</u>	<u>2,120.00</u>	<u>19.61</u>	<u>26,927.21</u>	<u>23,320.00</u>	<u>3,607.21</u>
<b>Net Other Income</b>	<u>2,139.61</u>	<u>2,120.00</u>	<u>19.61</u>	<u>26,927.21</u>	<u>23,320.00</u>	<u>3,607.21</u>
<b>Net Income</b>	<u><u>-19,465.97</u></u>	<u><u>2,360.33</u></u>	<u><u>-21,826.30</u></u>	<u><u>49,702.22</u></u>	<u><u>23,101.63</u></u>	<u><u>26,600.59</u></u>