

Hacker Accounting LLC
13201 N. 35th Avenue, Ste. B-3
Phoenix, AZ 85029

June 23, 2014

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

We have prepared the accompanying balance sheet of Sunburst Farms Irrigation District for May 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.

Hacker Accounting LLC

**Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2014**

Ordinary Income/Expense	May 14	Budget	Variance	Jul '13 - May 14	YTD Budget	Variance
Income						
211 · Water Fees	27,978.36	28,248.00	-269.64	239,481.96	225,984.00	13,497.96
212 · Member Fees	31,439.16	31,439.16	0.00	345,830.76	345,830.84	-0.08
213 · Other Services	0.00	40.00	-40.00	420.90	440.00	-19.10
214 · Escrow Transfer Fees	300.00	300.00	0.00	2,600.00	3,300.00	-700.00
215 · Finance Charges	776.08	600.00	176.08	9,606.65	6,600.00	3,006.65
Total Income	<u>60,493.60</u>	<u>60,627.16</u>	<u>-133.56</u>	<u>597,940.27</u>	<u>582,154.84</u>	<u>15,785.43</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	15,199.48	17,500.00	-2,300.52	144,986.43	140,900.00	4,086.43
331 · State Water Fees	583.34	583.33	0.01	6,416.74	6,416.67	0.07
351 · Pump Supply "Oil"	0.00	100.00	-100.00	0.00	1,100.00	-1,100.00
352 · Transportation Gas/Oil	837.32	1,386.00	-548.68	7,125.13	11,088.00	-3,962.87
361 · Irrigation Labor	6,359.29	7,040.00	-680.71	48,612.64	56,320.00	-7,707.36
371 · Payroll Taxes & Fringe	378.16	572.00	-193.84	3,455.14	4,624.00	-1,168.86
372 · Irrigators-Health Insurance	798.06	644.40	153.66	7,448.56	6,186.48	1,262.08
Total 310 · Direct Costs of Water Delivery	<u>24,155.65</u>	<u>27,825.73</u>	<u>-3,670.08</u>	<u>218,044.64</u>	<u>226,635.15</u>	<u>-8,590.51</u>
Total COGS	<u>24,155.65</u>	<u>27,825.73</u>	<u>-3,670.08</u>	<u>218,044.64</u>	<u>226,635.15</u>	<u>-8,590.51</u>
Gross Profit	36,337.95	32,801.43	3,536.52	379,895.63	355,519.69	24,375.94
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,813.40	3,831.90	-18.50	36,986.43	36,786.48	199.95
363 · Admin Payroll Expense	3,728.95	3,746.75	-17.80	36,176.20	35,968.56	207.64
364 · Payroll Taxes/Fringe-Admin	604.74	699.30	-94.56	5,990.50	6,713.56	-723.06
365 · MNGR Gas Transportation	49.12	133.34	-84.22	978.42	1,466.66	-488.24
366 · Health Insurance "Salary"	486.02	477.25	8.77	5,038.22	5,249.75	-211.53
375 · State Compensation Fund	1,174.00	411.58	762.42	6,129.00	4,527.42	1,601.58
411 · Depreciation Expense	10,574.19	9,166.66	1,407.53	107,655.87	100,833.34	6,822.53
414 · Building & Equipment Repair	0.00	183.33	-183.33	305.66	2,016.67	-1,711.01
416 · Pumps-Maintenance	0.00	241.66	-241.66	993.27	2,658.34	-1,665.07

**Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2014**

	May 14	Budget	Variance	Jul '13 - May 14	YTD Budget	Variance
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	3,492.63	5,961.54	-2,468.91	46,668.88	57,230.77	-10,561.89
417.2 · Materials	1,154.27	1,000.00	154.27	18,353.42	11,000.00	7,353.42
417.3 · Outside Service	2,142.90	1,250.00	892.90	15,214.81	13,750.00	1,464.81
417.4 · MT Payroll Taxes	268.07	488.84	-220.77	3,449.21	4,692.92	-1,243.71
417.5 · MT Health Insurance	266.02	0.00	266.02	2,394.18	0.00	2,394.18
Total 417 · Maint/Repairs-Water System	7,323.89	8,700.38	-1,376.49	86,080.50	86,673.69	-593.19
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	2,259.87	1,080.00	1,179.87	15,516.29	11,880.00	3,636.29
419.2 · Tractor	0.00	0.00	0.00	128.73	0.00	128.73
Total 419 · Repairs-Transportation	2,259.87	1,080.00	1,179.87	15,645.02	11,880.00	3,765.02
420 · MNT Gas Transportation	105.65	300.00	-194.35	2,537.68	3,300.00	-762.32
421 · Electricity	169.69	200.00	-30.31	2,036.78	2,200.00	-163.22
422 · Sewer & Water	11.82	16.66	-4.84	131.64	183.34	-51.70
423 · Telephone Expense	481.33	466.66	14.67	5,484.03	5,133.34	350.69
431 · Insurance Expense	547.11	1,333.33	-786.22	14,135.51	14,666.67	-531.16
441 · Legal Expense	5,927.14	1,250.00	4,677.14	6,427.14	13,750.00	-7,322.86
442 · Accounting Expenses	1,500.00	300.00	1,200.00	3,300.00	3,300.00	0.00
443 · Auditing Expenses	0.00	400.00	-400.00	4,630.00	4,400.00	230.00
444 · Collection Services	20.00	40.00	-20.00	300.00	440.00	-140.00
446 · Other Contracted Services	789.31	458.33	330.98	4,876.94	5,041.67	-164.73
451 · Postage	349.49	358.33	-8.84	4,081.20	3,941.67	139.53
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.66	-16.66	43.10	183.34	-140.24
483 · Office Supplies	452.96	400.00	52.96	5,772.00	4,400.00	1,372.00
484 · Mileage	93.75	22.00	71.75	473.04	242.00	231.04
485 · Bank Charges	0.00	0.00	0.00	36.00	0.00	36.00
486 · Dues & Subscriptions	308.64	200.00	108.64	1,736.81	2,200.00	-463.19
Total 400 · Overhead Costs	40,771.07	34,434.12	6,336.95	357,980.96	358,156.50	-175.54
Total Expense	40,771.07	34,434.12	6,336.95	357,980.96	358,156.50	-175.54
Net Ordinary Income	-4,433.12	-1,632.69	-2,800.43	21,914.67	-2,636.81	24,551.48

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2014

	<u>May 14</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '13 - May 14</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
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	22,772.50	22,770.00	2.50
219 · Misc/Other Income	1,021.75	100.00	921.75	12,104.39	1,100.00	11,004.39
511 · Interest Income	66.77	125.00	-58.23	672.90	1,375.00	-702.10
541 · Gain/Loss on Sale of Equipment	0.00			-353.00		
Total Other Income	<u>3,158.52</u>	<u>2,295.00</u>	<u>863.52</u>	<u>35,196.79</u>	<u>25,245.00</u>	<u>9,951.79</u>
Other Expense						
512 · Bridle Path Cleanup	0.00			1,685.00		
Total Other Expense	<u>0.00</u>			<u>1,685.00</u>		
Net Other Income	<u>3,158.52</u>	<u>2,295.00</u>	<u>863.52</u>	<u>33,511.79</u>	<u>25,245.00</u>	<u>8,266.79</u>
Net Income	<u>-1,274.60</u>	<u>662.31</u>	<u>-1,936.91</u>	<u>55,426.46</u>	<u>22,608.19</u>	<u>32,818.27</u>

Sunburst Farms Irrigation District
Balance Sheet
As of May 31, 2014

	May 31, 14
ASSETS	
Current Assets	
Checking/Savings	
117 · Checking/Compass	27,212.15
111 · Cash on Hand	100.00
114 · Compass Cap/Expd/Dep	197,034.90
116 · Cash-MM	106,547.26
Total Checking/Savings	330,894.31
Accounts Receivable	
121 · Accounts Receivable	114,856.99
Total Accounts Receivable	114,856.99
Other Current Assets	
140 · Prepaid Insurance	8,819.36
Total Other Current Assets	8,819.36
Total Current Assets	454,570.66
Fixed Assets	
1200 · Fixed Assets	
1210 · Land	9,000.00
1220 · Water District System	1,913,799.03
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	76,082.36
1244 · 39th Ave motor	2,501.14
1250 · Transportation Equipment	57,674.55
1260 · Office Furn & Fixtures	15,986.94
1281 · GPS Tracking - 2012	245.65
Total 1200 · Fixed Assets	2,210,709.98
1300 · Accumulated Depreciation	
1320 · Accum Depr-Water Distr Sys	-993,929.03
1330 · Accum Depr-Bldgs & Imp	-12,915.20
1340 · Accum Depr-Machinery & Equip	-19,423.00
1343 · Accum Depr-43rd Ave. Pump 2013	-150.00
1350 · Accum Depr- Transportation	-16,827.61
1360 · Accum Depr-Off Furn & Fix	-6,770.97
1300 · Accumulated Depreciation - Other	48,159.17
Total 1300 · Accumulated Depreciation	-1,001,856.64
Total Fixed Assets	1,208,853.34
Other Assets	
120 · Refundable Deposits	1,169.00
Total Other Assets	1,169.00
TOTAL ASSETS	1,664,593.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · Payroll Liabilities	859.95
203 · Accrued Power/Water	
2031 · Accrued Power	2,671.54
2032 · Accrued Water	-255.09
Total 203 · Accrued Power/Water	2,416.45

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Accrual Basis

Sunburst Farms Irrigation District

Balance Sheet

As of May 31, 2014

	<u>May 31, 14</u>
204 · Other Accrued Expenses	2,376.69
205 · Accrued Vacation	1,895.20
Total Other Current Liabilities	<u>7,548.29</u>
Total Current Liabilities	<u>7,548.29</u>
Total Liabilities	7,548.29
Equity	
209 · Retained Earnings	1,601,618.25
Net Income	55,426.46
Total Equity	<u>1,657,044.71</u>
TOTAL LIABILITIES & EQUITY	<u>1,664,593.00</u>

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2014	45,369.63	-2,541.56	4,151.11	2,008.30	65,869.51	114,856.99
Total A/R 2013	37,588.21	-2,585.77	3,828.58	1,509.25	58,867.33	99,207.60
Variance- Better/(Worse)	-7,781.42	-44.21	-322.53	-499.05	-7,002.18	-15,649.39