

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

June 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 May 31, 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 cursive script that reads "Amy Hacker, CA". The signature is written in black ink and is positioned above a horizontal line.

Hacker Accounting LLC

**Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2018**

	<u>May 18</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '17 - May 18</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	33,462.08	33,072.00	390.08	269,364.36	239,136.00	30,228.36
212 · Member Fees	37,549.80	37,549.83	-0.03	413,047.80	413,048.17	-0.37
213 · Other Services	0.00	40.00	-40.00	132.50	440.00	-307.50
214 · Escrow Transfer Fees	100.00	300.00	-200.00	1,900.00	3,300.00	-1,400.00
215 · Finance Charges	1,135.56	750.00	385.56	10,122.70	8,250.00	1,872.70
Total Income	<u>72,247.44</u>	<u>71,711.83</u>	<u>535.61</u>	<u>694,567.36</u>	<u>664,174.17</u>	<u>30,393.19</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	19,470.02	21,671.00	-2,200.98	176,547.32	156,663.00	19,884.32
331 · State Water Fees	500.00	500.00	0.00	5,500.00	5,500.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	931.98	1,466.67	-534.69
352 · Transportation Gas/Oil	803.76	804.00	-0.24	5,616.71	5,820.00	-203.29
361 · Irrigation Labor	7,785.57	7,968.00	-182.43	62,626.69	57,662.00	4,964.69
371 · Payroll Taxes & Fringe	589.40	668.00	-78.60	5,045.82	4,832.00	213.82
372 · Irrigators-Health Insurance	257.84	791.66	-533.82	3,351.92	8,708.34	-5,356.42
Total 310 · Direct Costs of Water Delivery	<u>29,406.59</u>	<u>32,535.99</u>	<u>-3,129.40</u>	<u>259,620.44</u>	<u>240,652.01</u>	<u>18,968.43</u>
Total COGS	<u>29,406.59</u>	<u>32,535.99</u>	<u>-3,129.40</u>	<u>259,620.44</u>	<u>240,652.01</u>	<u>18,968.43</u>
Gross Profit	42,840.85	39,175.84	3,665.01	434,946.92	423,522.16	11,424.76
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	4,137.45	4,294.60	-157.15	39,911.49	41,224.44	-1,312.95
363 · Admin Payroll Expense	4,055.70	4,202.70	-147.00	39,613.47	40,347.60	-734.13
364 · Payroll Taxes/Fringe-Admin	649.70	764.40	-114.70	6,616.33	7,338.45	-722.12
365 · MNGR Gas Transportation	72.20	133.34	-61.14	1,941.92	1,466.66	475.26
366 · Health Insurance "Salary"	923.36	875.00	48.36	9,693.96	9,625.00	68.96
375 · State Compensation Fund	0.00	583.34	-583.34	5,665.00	6,416.66	-751.66

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2018

	<u>May 18</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '17 - May 18</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	12,250.00	12,250.00	0.00	134,750.00	134,750.00	0.00
414 · Building & Equipment Repair	0.00	41.67	-41.67	17.14	458.33	-441.19
416 · Pumps-Maintenance	0.00	90.50	-90.50	0.00	995.50	-995.50
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	8,706.79	6,348.55	2,358.24	88,516.95	60,946.16	27,570.79
417.2 · Materials	999.08	1,666.67	-667.59	15,764.97	18,333.33	-2,568.36
417.3 · Outside Service	20.00	833.34	-813.34	5,839.38	9,166.66	-3,327.28
417.4 · MT Payroll Taxes	652.65	597.10	55.55	7,689.02	5,732.32	1,956.70
417.5 · MT Health Insurance	1,027.23	1,209.25	-182.02	12,543.33	13,301.75	-758.42
Total 417 · Maint/Repairs-Water System	11,405.75	10,654.91	750.84	130,353.65	107,480.22	22,873.43
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	44.02	700.00	-655.98	9,405.30	7,700.00	1,705.30
419.2 · Tractor	-379.55	50.00	-429.55	6,111.63	550.00	5,561.63
Total 419 · Repairs-Transportation	-335.53	750.00	-1,085.53	15,516.93	8,250.00	7,266.93
420 · MNT Gas Transportation						
421 · Electricity	409.90	288.45	121.45	3,147.24	2,769.24	378.00
422 · Sewer & Water	184.83	208.34	-23.51	2,163.36	2,291.66	-128.30
423 · Telephone Expense	17.34	16.67	0.67	193.22	183.33	9.89
424 · Alarm	189.58	350.00	-160.42	3,708.91	3,850.00	-141.09
431 · Insurance Expense	156.30	60.00	96.30	625.20	660.00	-34.80
441 · Legal Expense	1,100.00	1,000.00	100.00	11,525.00	11,000.00	525.00
442 · Accounting Expenses	0.00	166.67	-166.67	18,860.60	1,833.33	17,027.27
443 · Auditing Expenses	400.00	400.00	0.00	4,000.00	4,400.00	-400.00
444 · Collection Services	0.00	425.00	-425.00	5,100.00	4,675.00	425.00
445 · Rent	20.00	30.00	-10.00	80.00	330.00	-250.00
446 · Other Contracted Services	0.00	0.00	0.00	0.00	0.00	0.00
451 · Postage	294.12	400.00	-105.88	3,400.88	4,400.00	-999.12
461 · Licenses & Taxes	363.40	375.00	-11.60	3,788.21	4,125.00	-336.79
471 · Misc & Public Relations	0.00	16.67	-16.67	0.00	0.00	0.00
483 · Office Supplies	0.00	0.00	0.00	226.14	183.33	42.81
Total 420 · MNT Gas Transportation	1,201.97	458.34	743.63	4,856.88	5,041.66	-184.78

Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
 May 2018

	<u>May 18</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '17 - May 18</u>	<u>YTD Budget</u>	<u>Variance</u>
484 · Mileage	273.47	50.00	223.47	232.19	550.00	-317.81
485 · Bank Charges	0.00	5.00	-5.00	26.45	55.00	-28.55
486 · Dues & Subscriptions	0.00	83.34	-83.34	1,510.05	916.66	593.39
Total 400 · Overhead Costs	37,769.54	38,973.94	-1,204.40	447,524.22	405,617.07	41,907.15
Total Expense	37,769.54	38,973.94	-1,204.40	447,524.22	405,617.07	41,907.15
Net Ordinary Income	5,071.31	201.90	4,869.41	-12,577.30	17,905.09	-30,482.39
Other Income/Expense						
Other Income						
510 · Misc/Other Income	364.75	200.00	164.75	3,323.16	2,200.00	1,123.16
511 · Interest Income	105.48			539.72	0.00	539.72
541 · Gain/Loss on Sale of Equipment	0.00			15.90		
Total Other Income	470.23	200.00	270.23	3,878.78	2,200.00	1,678.78
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	0.00			45,158.67	0.00	45,158.67
Net Other Income	470.23	200.00	270.23	-41,279.89	2,200.00	-43,479.89
Net Income	5,541.54	401.90	5,139.64	-53,857.19	20,105.09	-73,962.28

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of May 31, 2018

	<u>May 31, 18</u>	<u>May 31, 17</u>
ASSETS		
Current Assets		
Checking/Savings		
117 · Operating Fund	19,021.79	70,719.53
118 · Emergency Fund	125,203.79	123,390.77
111 · Cash on Hand	100.00	100.00
114 · Capital Fund	30,942.79	90,011.51
Total Checking/Savings	<u>175,268.37</u>	<u>284,221.81</u>
Accounts Receivable		
121 · Accounts Receivable	151,534.92	114,758.62
Total Accounts Receivable	<u>151,534.92</u>	<u>114,758.62</u>
Other Current Assets		
180 · Inventory	13,631.64	0.00
140 · Prepaid Insurance	14,088.62	9,495.96
1499 · Undeposited Funds	0.00	6,113.87
199 · Suspense	0.00	46,831.78
Total Other Current Assets	<u>27,720.26</u>	<u>62,441.61</u>
Total Current Assets	<u>354,523.55</u>	<u>461,422.04</u>
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,566,839.00	2,440,647.96
1230 · Buildings & Improvements	163,901.86	163,901.86
1240 · Machinery & Equipment	59,843.75	59,843.75
1250 · Transportation Equipment	111,571.11	71,690.64
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	<u>2,927,142.66</u>	<u>2,761,071.15</u>
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,581,212.55	-1,476,133.58
Total 1300 · Accumulated Depreciation	<u>-1,581,212.55</u>	<u>-1,476,133.58</u>
Total Fixed Assets	<u>1,345,930.11</u>	<u>1,284,937.57</u>
TOTAL ASSETS	<u>1,700,453.66</u>	<u>1,746,359.61</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	1,166.37
Total 200 · Accounts Payable	<u>23,543.96</u>	<u>1,166.37</u>
Total Accounts Payable	<u>23,543.96</u>	<u>1,166.37</u>
Credit Cards		
Credit Cards		
CITI Card	99.66	1,193.90
Total Credit Cards	<u>99.66</u>	<u>1,193.90</u>
Total Credit Cards	<u>99.66</u>	<u>1,193.90</u>
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	77.05	25.31
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	<u>363.30</u>	<u>311.56</u>

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of May 31, 2018

	<u>May 31, 18</u>	<u>May 31, 17</u>
203 · Accrued Power/Water		
2031 · Accrued Power	12,018.01	13,510.38
2032 · Accrued Water	-1,642.56	125.50
Total 203 · Accrued Power/Water	<u>10,375.45</u>	<u>13,635.88</u>
204 · Other Accrued Expenses	5,019.92	3,145.17
205 · Accrued Vacation	6,370.80	5,822.66
Total Other Current Liabilities	<u>22,129.47</u>	<u>22,915.27</u>
Total Current Liabilities	45,773.09	25,275.54
Long Term Liabilities		
230 · Wells Fargo Bobcat Lease	27,303.70	38,229.64
Total Long Term Liabilities	<u>27,303.70</u>	<u>38,229.64</u>
Total Liabilities	73,076.79	63,505.18
Equity		
209 · Retained Earnings	1,681,234.06	1,627,897.83
Net Income	-53,857.19	54,956.60
Total Equity	<u>1,627,376.87</u>	<u>1,682,854.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,700,453.66</u></u>	<u><u>1,746,359.61</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of May 31, 2018

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2018	<u>47,484.42</u>	<u>-1,942.57</u>	<u>5,684.69</u>	<u>1,358.39</u>	<u>98,949.99</u>	<u>151,534.92</u>
Total A/R 2017	<u>50,073.26</u>	<u>-3,612.50</u>	<u>3,100.93</u>	<u>-109.71</u>	<u>65,306.64</u>	<u>114,758.62</u>
Variance- Better/(Worse)	<u>2,588.84</u>	<u>-1,669.93</u>	<u>-2,583.76</u>	<u>-1,468.10</u>	<u>-33,643.35</u>	<u>-36,776.30</u>