

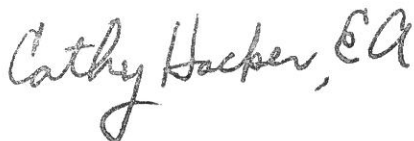
Hacker Accounting LLC
13201 N. 35th Avenue, Ste. B-3
Phoenix, AZ 85029

May 25, 2016

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 April 30, 2016 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 cursive script that reads "Cathy Hacker, CPA". The signature is written in black ink and is positioned above the printed name of the firm.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Balance Sheet
 As of April 30, 2016

	Apr 30, 16	Apr 30, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	47,473.55	26,481.45
118 · First Bank	122,855.18	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	169,125.48	220,853.16
116 · Cash-MM	0.00	106,606.78
Total Checking/Savings	339,554.21	354,041.39
Accounts Receivable		
121 · Accounts Receivable	117,028.47	90,591.21
Total Accounts Receivable	117,028.47	90,591.21
Other Current Assets		
140 · Prepaid Insurance	7,309.17	10,353.65
1499 · Undeposited Funds	-133.91	0.00
199 · Suspense	17,066.48	4,877.46
198 · Suspense New Office Building	0.00	12,147.53
Total Other Current Assets	24,241.74	27,378.64
Total Current Assets	480,824.42	472,011.24
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,258,183.28	2,190,844.60
1230 · Buildings & Improvements	163,901.86	13,366.41
1240 · Machinery & Equipment	19,668.65	19,668.65
1250 · Transportation Equipment	47,232.15	57,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	2,513,972.88	2,306,541.15
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,369,368.93	-1,272,572.51
Total 1300 · Accumulated Depreciation	-1,369,368.93	-1,272,572.51
Total Fixed Assets	1,144,603.95	1,033,968.64
Other Assets		
120 · Refundable Deposits	1,443.47	1,169.00
Total Other Assets	1,443.47	1,169.00
TOTAL ASSETS	1,626,871.84	1,507,148.88
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	562.07	483.40
Total Accounts Payable	562.07	483.40
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	-57.60	106.97
201 · Payroll Liabilities - Other	340.87	190.34
Total 201 · Payroll Liabilities	283.27	297.31
203 · Accrued Power/Water		
2031 · Accrued Power	10,069.46	9,629.32
2032 · Accrued Water	-2,164.90	-248.35
203 · Accrued Power/Water - Other	628.42	0.00
Total 203 · Accrued Power/Water	8,532.98	9,380.97

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of April 30, 2016

	<u>Apr 30, 16</u>	<u>Apr 30, 15</u>
204 · Other Accrued Expenses	5,590.78	4,376.48
205 · Accrued Vacation	4,174.56	3,321.92
Total Other Current Liabilities	<u>18,581.59</u>	<u>17,376.68</u>
Total Current Liabilities	<u>19,143.66</u>	<u>17,860.08</u>
Total Liabilities	19,143.66	17,860.08
Equity		
209 · Retained Earnings	1,503,984.69	1,478,573.77
Net Income	103,743.49	10,715.03
Total Equity	<u>1,607,728.18</u>	<u>1,489,288.80</u>
TOTAL LIABILITIES & EQUITY	<u>1,626,871.84</u>	<u>1,507,148.88</u>

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
April 2016

	<u>Apr 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Apr 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	34,045.76	28,920.00	5,125.76	236,955.70	214,008.00	22,947.70
212 · Member Fees	39,040.20	39,040.75	-0.55	390,402.00	390,407.50	-5.50
213 · Other Services	0.00	40.00	-40.00	260.00	400.00	-140.00
214 · Escrow Transfer Fees	100.00	300.00	-200.00	2,485.54	3,000.00	-514.46
215 · Finance Charges	784.22	750.00	34.22	7,627.52	7,500.00	127.52
Total Income	73,970.18	69,050.75	4,919.43	637,730.76	615,315.50	22,415.26
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	16,578.30	18,420.84	-1,842.54	140,868.79	136,316.32	4,552.47
331 · State Water Fees	500.00	500.00	0.00	5,000.00	5,000.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	2,666.68	-2,666.68
352 · Transportation Gas/Oil	641.34	1,160.00	-518.66	5,014.47	8,584.00	-3,569.53
361 · Irrigation Labor	7,386.30	6,840.00	546.30	48,098.22	50,636.00	-2,537.78
371 · Payroll Taxes & Fringe	699.69	610.00	89.69	4,266.29	4,519.00	-252.71
372 · Irrigators-Health Insurance	188.64	691.66	-503.02	7,028.94	6,916.68	112.26
Total 310 · Direct Costs of Water Delivery	25,994.27	28,489.16	-2,494.89	210,276.71	214,638.68	-4,361.97
Total COGS	25,994.27	28,489.16	-2,494.89	210,276.71	214,638.68	-4,361.97
Gross Profit	47,975.91	40,561.59	7,414.32	427,454.05	400,676.82	26,777.23
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,181.76	3,177.36	4.40	35,267.99	34,950.94	317.05
363 · Admin Payroll Expense	3,118.88	3,109.44	9.44	34,577.02	34,203.76	373.26
364 · Payroll Taxes/Fringe-Admin	497.28	520.52	-23.24	6,097.08	5,725.83	371.25
365 · MNGR Gas Transportation	92.18	112.50	-20.32	912.56	1,125.00	-212.44
366 · Health Insurance "Salary"	764.94	693.16	71.78	7,801.21	6,931.68	869.53
375 · State Compensation Fund	0.00	500.00	-500.00	3,450.13	5,000.00	-1,549.87
411 · Depreciation Expense	10,177.46	9,830.00	347.46	100,037.30	98,300.00	1,737.30
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	416.68	-416.68
416 · Pumps-Maintenance	0.00	0.00	0.00	805.45	1,400.00	-594.55

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
April 2016

	<u>Apr 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Apr 16</u>	<u>YTD Budget</u>	<u>Variance</u>
417 - Maint/Repairs-Water System						
417.1 - Direct Labor	241.19	4,150.96	-3,909.77	49,078.58	45,660.34	3,418.24
417.2 - Materials	-1,450.44	1,666.66	-3,117.10	22,709.44	16,666.68	6,042.76
417.3 - Outside Service	790.00	1,250.00	-460.00	6,828.98	12,500.00	-5,671.02
417.4 - MT Payroll Taxes	42.74	362.28	-319.54	5,026.64	3,984.87	1,041.77
417.5 - MT Health Insurance	335.75	720.00	-384.25	3,930.60	7,200.00	-3,269.40
Total 417 - Maint/Repairs-Water System	-40.76	8,149.90	-8,190.66	87,574.24	86,011.89	1,562.35
419 - Repairs-Transportation						
419.1 - Fleet Vehicles	98.39	833.33	-734.94	3,172.34	8,333.34	-5,161.00
419.2 - Tractor	0.00	125.00	-125.00	1,145.85	1,250.00	-104.15
Total 419 - Repairs-Transportation	98.39	958.33	-859.94	4,318.19	9,583.34	-5,265.15
420 - MNT Gas Transportation						
421 - Electricity	154.46	250.00	-95.54	2,425.62	2,500.00	-74.38
422 - Sewer & Water	14.47	16.67	-2.20	141.00	166.66	-25.66
423 - Telephone Expense	295.93	383.33	-87.40	3,140.75	3,833.34	-692.59
431 - Insurance Expense	1,388.00	1,500.00	-112.00	15,243.00	15,000.00	243.00
441 - Legal Expense	0.00	833.34	-833.34	0.00	8,333.32	-8,333.32
442 - Accounting Expenses	400.00	400.00	0.00	3,600.00	4,000.00	-400.00
443 - Auditing Expenses	0.00	416.67	-416.67	4,890.00	4,166.66	723.34
444 - Collection Services	10.00	40.00	-30.00	220.00	400.00	-180.00
445 - Rent	0.00			2,483.20	4,926.00	-2,442.80
446 - Other Contracted Services	421.80	458.34	-36.54	3,414.74	4,583.32	-1,168.58
451 - Postage	379.43	375.00	4.43	3,716.79	3,750.00	-33.21
461 - Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 - Misc & Public Relations	0.00	16.67	-16.67	511.19	166.66	344.53
483 - Office Supplies	276.56	416.67	-140.11	5,760.26	4,166.66	1,593.60
484 - Mileage	295.68	66.67	229.01	440.59	666.66	-226.07
485 - Bank Charges	0.00	5.00	-5.00	1.55	50.00	-48.45
486 - Dues & Subscriptions	0.00	125.00	-125.00	783.96	1,250.00	-466.04
Total 400 - Overhead Costs	21,582.32	32,696.23	-11,113.91	328,902.95	344,608.40	-15,705.45
Total Expense	21,582.32	32,696.23	-11,113.91	328,902.95	344,608.40	-15,705.45
Net Ordinary Income	26,393.59	7,865.36	18,528.23	98,551.10	56,068.42	42,482.68

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
 April 2016

	Apr 16	Budget	Variance	Jul '15 - Apr 16	YTD Budget	Variance
Other Income/Expense						
Other Income						
510 · Misc/Other Income	-755.00	250.00	-1,005.00	11,666.00	2,500.00	9,166.00
511 · Interest Income	62.88	41.67	21.21	706.39	416.66	289.73
Total Other Income	<u>-692.12</u>	<u>291.67</u>	<u>-983.79</u>	<u>12,372.39</u>	<u>2,916.66</u>	<u>9,455.73</u>
Other Expense						
512 · Bridle Path Cleanup	0.00			7,180.00		
Total Other Expense	<u>0.00</u>			<u>7,180.00</u>		
Net Other Income	<u>-692.12</u>	<u>291.67</u>	<u>-983.79</u>	<u>5,192.39</u>	<u>2,916.66</u>	<u>2,275.73</u>
Net Income	<u><u>25,701.47</u></u>	<u><u>8,157.03</u></u>	<u><u>17,544.44</u></u>	<u><u>103,743.49</u></u>	<u><u>58,985.08</u></u>	<u><u>44,758.41</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of April 30, 2016

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2016	<u>47,950.54</u>	<u>7,299.54</u>	<u>-4,695.66</u>	<u>5,189.10</u>	<u>61,284.95</u>	<u>117,028.47</u>
Total A/R 2015	<u>39,330.02</u>	<u>2,896.25</u>	<u>-1,353.98</u>	<u>3,949.92</u>	<u>45,769.00</u>	<u>90,591.21</u>
Variance- Better/(Worse)	<u>-8,620.52</u>	<u>-4,403.29</u>	<u>3,341.68</u>	<u>-1,239.18</u>	<u>-15,515.95</u>	<u>-26,437.26</u>