

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

January 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 December 31, 2015 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 black ink that reads "Cathy Hacker, CPA". The signature is written in a cursive style with a large, stylized initial 'C'.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
 December 2015

	<u>Dec 15</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 15</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	12,245.21	14,460.00	-2,214.79	156,782.55	138,816.00	17,966.55
212 · Member Fees	39,040.20	39,040.75	-0.55	234,241.20	234,244.50	-3.30
213 · Other Services	0.00	40.00	-40.00	60.00	240.00	-180.00
214 · Escrow Transfer Fees	300.00	300.00	0.00	1,585.54	1,800.00	-214.46
215 · Finance Charges	786.14	750.00	36.14	4,449.05	4,500.00	-50.95
Total Income	<u>52,371.55</u>	<u>54,590.75</u>	<u>-2,219.20</u>	<u>397,118.34</u>	<u>379,600.50</u>	<u>17,517.84</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	6,354.00	9,210.84	-2,856.84	92,802.46	88,420.96	4,381.50
331 · State Water Fees	500.00	500.00	0.00	3,000.00	3,000.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	1,600.04	-1,600.04
352 · Transportation Gas/Oil	242.84	580.00	-337.16	3,661.99	5,568.00	-1,906.01
361 · Irrigation Labor	2,931.58	3,420.00	-488.42	31,032.49	32,852.00	-1,819.51
371 · Payroll Taxes & Fringe	224.29	305.00	-80.71	2,395.34	2,933.00	-537.66
372 · Irrigators-Health Insurance	754.67	691.66	63.01	4,576.29	4,150.04	426.25
Total 310 · Direct Costs of Water Delivery	<u>11,007.38</u>	<u>14,974.16</u>	<u>-3,966.78</u>	<u>137,468.57</u>	<u>138,524.04</u>	<u>-1,055.47</u>
Total COGS	<u>11,007.38</u>	<u>14,974.16</u>	<u>-3,966.78</u>	<u>137,468.57</u>	<u>138,524.04</u>	<u>-1,055.47</u>
Gross Profit	41,364.17	39,616.59	1,747.58	259,649.77	241,076.46	18,573.31
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	4,277.20	3,971.70	305.50	21,745.51	21,447.16	298.35
363 · Admin Payroll Expense	4,198.60	3,886.80	311.80	21,321.78	20,988.64	333.14
364 · Payroll Taxes/Fringe-Admin	667.50	650.65	16.85	3,397.78	3,513.62	-115.84
365 · MNGR Gas Transportation	100.60	112.50	-11.90	677.12	675.00	2.12
366 · Health Insurance "Salary"	813.94	693.16	120.78	4,692.45	4,159.04	533.41
375 · State Compensation Fund	1,077.76	500.00	577.76	2,155.53	3,000.00	-844.47
411 · Depreciation Expense	10,177.46	9,830.00	347.46	59,327.46	58,980.00	347.46
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	250.04	-250.04
416 · Pumps-Maintenance	0.00			805.45	700.00	105.45

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
 December 2015

	<u>Dec 15</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 15</u>	<u>YTD Budget</u>	<u>Variance</u>
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	15,121.89	5,188.70	9,933.19	46,641.60	28,018.76	18,622.84
417.2 · Materials	1,871.26	1,666.66	204.60	8,350.94	10,000.04	-1,649.10
417.3 · Outside Service	600.00	1,250.00	-650.00	1,009.15	7,500.00	-6,490.85
417.4 · MT Payroll Taxes	1,301.96	452.85	849.11	3,807.34	2,445.18	1,362.16
417.5 · MT Health Insurance	398.77	720.00	-321.23	2,398.54	4,320.00	-1,921.46
Total 417 · Maint/Repairs-Water System	19,293.88	9,278.21	10,015.67	62,207.57	52,283.98	9,923.59
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	184.41	833.33	-648.92	2,798.82	5,000.02	-2,201.20
419.2 · Tractor	0.00	125.00	-125.00	0.00	750.00	-750.00
Total 419 · Repairs-Transportation	184.41	958.33	-773.92	2,798.82	5,750.02	-2,951.20
420 · MNT Gas Transportation						
421 · Electricity	137.34	300.00	-162.66	873.98	1,800.00	-926.02
422 · Sewer & Water	192.21	250.00	-57.79	1,849.38	1,500.00	349.38
423 · Telephone Expense	15.15	16.67	-1.52	84.65	99.98	-15.33
431 · Insurance Expense	294.92	383.33	-88.41	1,878.53	2,300.02	-421.49
441 · Legal Expense	1,500.00	1,500.00	0.00	9,355.00	9,000.00	355.00
442 · Accounting Expenses	0.00	833.34	-833.34	0.00	4,999.96	-4,999.96
443 · Auditing Expenses	400.00	400.00	0.00	2,000.00	2,400.00	-400.00
444 · Collection Services	1,810.00	416.67	1,393.33	4,890.00	2,499.98	2,390.02
445 · Rent	10.00	40.00	-30.00	80.00	240.00	-160.00
446 · Other Contracted Services	0.00			3,283.20	4,926.00	-1,642.80
451 · Postage	792.14	458.34	333.80	1,974.10	2,749.96	-775.86
471 · Misc & Public Relations	343.00	375.00	-32.00	2,210.52	2,250.00	-39.48
483 · Office Supplies	0.00	16.67	-16.67	17.33	99.98	-82.65
484 · Mileage	389.64	416.67	-27.03	3,299.76	2,499.98	799.78
485 · Bank Charges	-4.80	66.67	-71.47	157.39	399.98	-242.59
486 · Dues & Subscriptions	228.00	5.00	223.00	153.55	30.00	123.55
Total 400 · Overhead Costs	0.00	125.00	-125.00	753.06	750.00	3.06
Total 400 · Overhead Costs	46,898.95	35,526.37	11,372.58	211,989.92	210,293.34	1,696.58
Total Expense	46,898.95	35,526.37	11,372.58	211,989.92	210,293.34	1,696.58
Net Ordinary Income	-5,534.78	4,090.22	-9,625.00	47,659.85	30,783.12	16,876.73

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
 December 2015

	<u>Dec 15</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 15</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
Other Income						
510 · Misc/Other Income	150.00	250.00	-100.00	976.00	1,500.00	-524.00
511 · Interest Income	70.81	41.67	29.14	442.87	249.98	192.89
Total Other Income	<u>220.81</u>	<u>291.67</u>	<u>-70.86</u>	<u>1,418.87</u>	<u>1,749.98</u>	<u>-331.11</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>220.81</u>	<u>291.67</u>	<u>-70.86</u>	<u>-5,761.13</u>	<u>1,749.98</u>	<u>-7,511.11</u>
Net Income	<u><u>-5,313.97</u></u>	<u><u>4,381.89</u></u>	<u><u>-9,695.86</u></u>	<u><u>41,898.72</u></u>	<u><u>32,533.10</u></u>	<u><u>9,365.62</u></u>

Sunburst Farms Irrigation District Balance Sheet As of December 31, 2015

	Dec 31, 15	Dec 31, 14
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	26,770.88	15,693.94
118 · First Bank	122,693.75	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	172,848.88	225,438.87
116 · Cash-MM	0.00	106,605.74
Total Checking/Savings	322,413.51	347,838.55
Accounts Receivable		
121 · Accounts Receivable	96,247.44	95,387.32
Total Accounts Receivable	96,247.44	95,387.32
Other Current Assets		
140 · Prepaid Insurance	-1,579.67	-253.71
1499 · Undeposited Funds	1,412.44	0.00
199 · Suspense	29,524.32	0.00
198 · Suspense New Office Building	129,462.06	0.00
Total Other Current Assets	158,819.15	-253.71
Total Current Assets	577,480.10	442,972.16
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	1,996,921.63	1,951,688.11
1230 · Buildings & Improvements	13,366.41	13,366.41
1240 · Machinery & Equipment	19,423.00	19,423.00
1241 · Motor for 43rd Avenue	38,989.23	38,989.23
1242 · 39th Ave Pump-2013	93,435.46	93,435.46
1243 · 43rd Ave Pump-2013	76,082.36	76,082.36
1244 · 39th Ave motor	2,501.14	2,501.14
1250 · Transportation Equipment	57,674.55	57,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
1281 · GPS Tracking - 2012	245.65	245.65
Total 1200 · Fixed Assets	2,323,626.37	2,278,392.85
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,351,511.29	-1,232,107.87
Total 1300 · Accumulated Depreciation	-1,351,511.29	-1,232,107.87
Total Fixed Assets	972,115.08	1,046,284.98
Other Assets		
120 · Refundable Deposits	1,169.00	1,169.00
Total Other Assets	1,169.00	1,169.00
TOTAL ASSETS	1,550,764.18	1,490,426.14
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	483.40	483.40
Total Accounts Payable	483.40	483.40
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	24.22	107.05
201 · Payroll Liabilities - Other	190.34	135.72
Total 201 · Payroll Liabilities	214.56	242.77

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of December 31, 2015

	<u>Dec 31, 15</u>	<u>Dec 31, 14</u>
203 · Accrued Power/Water		
2031 · Accrued Power	1,119.88	3,706.21
2032 · Accrued Water	3,889.65	3,414.00
Total 203 · Accrued Power/Water	<u>5,009.53</u>	<u>7,120.21</u>
204 · Other Accrued Expenses	4,376.48	4,376.48
205 · Accrued Vacation	3,321.92	3,321.92
Total Other Current Liabilities	<u>12,922.49</u>	<u>15,061.38</u>
Total Current Liabilities	<u>13,405.89</u>	<u>15,544.78</u>
Total Liabilities	13,405.89	15,544.78
Equity		
209 · Retained Earnings	1,495,459.57	1,478,573.77
Net Income	41,898.72	-3,692.41
Total Equity	<u>1,537,358.29</u>	<u>1,474,881.36</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,550,764.18</u></u>	<u><u>1,490,426.14</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of December 31, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2015	<u>26,978.63</u>	<u>-1,534.54</u>	<u>6,979.56</u>	<u>4,484.65</u>	<u>59,339.14</u>	<u>96,247.44</u>
Total A/R 2014	<u>20,592.40</u>	<u>-3,240.20</u>	<u>10,019.61</u>	<u>2,237.88</u>	<u>65,777.63</u>	<u>95,387.32</u>
Variance- Better/(Worse)	<u>-6,386.23</u>	<u>-1,705.66</u>	<u>3,040.05</u>	<u>-2,246.77</u>	<u>6,438.49</u>	<u>-860.12</u>