

Hacker Accounting LLC

13201 N. 35th Avenue, Ste. B-3

Phoenix, AZ 85029

March 24, 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 February 29, 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, CA". 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 February 29, 2016

	Feb 29, 16	Feb 28, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	29,278.70	14,185.34
118 · First Bank	122,774.44	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	140,244.83	236,928.60
116 · Cash-MM	0.00	106,610.97
Total Checking/Savings	292,397.97	357,824.91
Accounts Receivable		
121 · Accounts Receivable	111,611.20	108,022.28
Total Accounts Receivable	111,611.20	108,022.28
Other Current Assets		
140 · Prepaid Insurance	-4,579.67	-3,187.03
199 · Suspense	13,228.69	1,402.77
Total Other Current Assets	8,649.02	-1,784.26
Total Current Assets	412,658.19	464,062.93
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,207,808.41	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	2,534,513.15	2,278,392.85
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,371,866.21	-1,251,719.19
Total 1300 · Accumulated Depreciation	-1,371,866.21	-1,251,719.19
Total Fixed Assets	1,162,646.94	1,026,673.66
Other Assets		
120 · Refundable Deposits	1,169.00	1,169.00
Total Other Assets	1,169.00	1,169.00
TOTAL ASSETS	1,576,474.13	1,491,905.59
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	-11.98	107.01
201 · Payroll Liabilities - Other	190.34	135.72
Total 201 · Payroll Liabilities	178.36	242.73
203 · Accrued Power/Water		
2031 · Accrued Power	6,219.72	3,989.71
2032 · Accrued Water	-2,275.25	-1,386.35
Total 203 · Accrued Power/Water	3,944.47	2,603.36

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of February 29, 2016

	<u>Feb 29, 16</u>	<u>Feb 28, 15</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>11,821.23</u>	<u>10,544.49</u>
Total Current Liabilities	<u>12,304.63</u>	<u>11,027.89</u>
Total Liabilities	12,304.63	11,027.89
Equity		
209 · Retained Earnings	1,495,459.57	1,478,573.77
Net Income	68,709.93	2,303.93
Total Equity	<u>1,564,169.50</u>	<u>1,480,877.70</u>
TOTAL LIABILITIES & EQUITY	<u>1,576,474.13</u>	<u>1,491,905.59</u>

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
February 2016

	Feb 16	Budget	Variance	Jul '15 - Feb 16	YTD Budget	Variance
Ordinary Income/Expense						
Income						
211 · Water Fees	13,587.57	13,014.00	573.57	183,208.19	166,290.00	16,918.19
212 · Member Fees	39,040.20	39,040.75	-0.55	312,321.60	312,326.00	-4.40
213 · Other Services	140.00	40.00	100.00	260.00	320.00	-60.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	1,985.54	2,400.00	-414.46
215 · Finance Charges	1,637.85	750.00	887.85	6,086.90	6,000.00	86.90
Total Income	<u>54,605.62</u>	<u>53,144.75</u>	<u>1,460.87</u>	<u>503,862.23</u>	<u>487,336.00</u>	<u>16,526.23</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	10,764.54	8,289.84	2,474.70	110,288.27	105,921.64	4,366.63
331 · State Water Fees	500.00	500.00	0.00	4,000.00	4,000.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	2,133.36	-2,133.36
352 · Transportation Gas/Oil	297.33	522.00	-224.67	3,979.93	6,670.00	-2,690.07
361 · Irrigation Labor	3,771.27	3,078.00	693.27	36,017.94	39,350.00	-3,332.06
371 · Payroll Taxes & Fringe	445.02	274.50	170.52	2,984.15	3,512.50	-528.35
372 · Irrigators-Health Insurance	754.67	691.66	63.01	6,085.63	5,533.36	552.27
Total 310 · Direct Costs of Water Delivery	<u>16,532.83</u>	<u>13,622.66</u>	<u>2,910.17</u>	<u>163,355.92</u>	<u>167,120.86</u>	<u>-3,764.94</u>
Total COGS	<u>16,532.83</u>	<u>13,622.66</u>	<u>2,910.17</u>	<u>163,355.92</u>	<u>167,120.86</u>	<u>-3,764.94</u>
Gross Profit	<u>38,072.79</u>	<u>39,522.09</u>	<u>-1,449.30</u>	<u>340,506.31</u>	<u>320,215.14</u>	<u>20,291.17</u>
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,181.76	3,177.36	4.40	28,109.03	27,801.88	307.15
363 · Admin Payroll Expense	3,118.88	3,109.44	9.44	27,559.54	27,207.52	352.02
364 · Payroll Taxes/Fringe-Admin	767.04	520.52	246.52	4,936.74	4,554.66	382.08
365 · MNGR Gas Transportation	71.40	112.50	-41.10	773.25	900.00	-126.75
366 · Health Insurance "Salary"	764.94	693.16	71.78	6,222.33	5,545.36	676.97
375 · State Compensation Fund	0.00	500.00	-500.00	2,155.53	4,000.00	-1,844.47
411 · Depreciation Expense	10,177.46	9,830.00	347.46	79,682.38	78,640.00	1,042.38
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	333.36	-333.36
416 · Pumps-Maintenance	0.00			805.45	1,400.00	-594.55

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
February 2016

	Feb 16	Budget	Variance	Jul '15 - Feb 16	YTD Budget	Variance
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	-6,058.63	4,150.96	-10,209.59	44,087.07	36,320.68	7,766.39
417.2 · Materials	12,214.39	1,666.66	10,547.73	23,931.05	13,333.36	10,597.69
417.3 · Outside Service	2,721.00	1,250.00	1,471.00	4,715.15	10,000.00	-5,284.85
417.4 · MT Payroll Taxes	-142.51	362.28	-504.79	4,341.19	3,169.74	1,171.45
417.5 · MT Health Insurance	398.77	720.00	-321.23	3,196.08	5,760.00	-2,563.92
Total 417 · Maint/Repairs-Water System	9,133.02	8,149.90	983.12	80,270.54	68,583.78	11,686.76
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	34.58	833.33	-798.75	2,980.05	6,666.68	-3,686.63
419.2 · Tractor	1,145.85	125.00	1,020.85	1,145.85	1,000.00	145.85
Total 419 · Repairs-Transportation	1,180.43	958.33	222.10	4,125.90	7,666.68	-3,540.78
420 · MNT Gas Transportation	58.48	300.00	-241.52	1,117.16	2,400.00	-1,282.84
421 · Electricity	142.49	250.00	-107.51	2,125.18	2,000.00	125.18
422 · Sewer & Water	13.06	16.67	-3.61	112.06	133.32	-21.26
423 · Telephone Expense	295.98	383.33	-87.35	2,548.84	3,066.68	-517.84
431 · Insurance Expense	1,500.00	1,500.00	0.00	12,355.00	12,000.00	355.00
441 · Legal Expense	0.00	833.34	-833.34	0.00	6,666.64	-6,666.64
442 · Accounting Expenses	400.00	400.00	0.00	2,800.00	3,200.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	4,890.00	3,333.32	1,556.68
444 · Collection Services	80.00	40.00	40.00	180.00	320.00	-140.00
445 · Rent	0.00					
446 · Other Contracted Services	368.51	458.34	-89.83	3,283.20	4,926.00	-1,642.80
451 · Postage	416.68	375.00	41.68	2,970.20	3,000.00	-29.80
471 · Misc & Public Relations	0.00	16.67	-16.67	511.19	133.32	377.87
483 · Office Supplies	657.47	416.67	240.80	5,053.14	3,333.32	1,719.82
484 · Mileage	-3.84	66.67	-70.51	149.71	533.32	-383.61
485 · Bank Charges	0.00	5.00	-5.00	1.55	40.00	-38.45
486 · Dues & Subscriptions	0.00	125.00	-125.00	783.96	1,000.00	-216.04
Total 400 · Overhead Costs	32,323.76	32,696.23	-372.47	276,171.96	276,385.80	-213.84
Total Expense	32,323.76	32,696.23	-372.47	276,171.96	276,385.80	-213.84
Net Ordinary Income	5,749.03	6,825.86	-1,076.83	64,334.35	43,829.34	20,505.01

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
February 2016

	<u>Feb 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Feb 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
Other Income						
217 · Capital Expenditure Reserved	-255.00			-255.00		
510 · Misc/Other Income	9,955.00	250.00	9,705.00	11,231.00	2,000.00	9,231.00
511 · Interest Income	67.57	41.67	25.90	579.58	333.32	246.26
Total Other Income	<u>9,767.57</u>	<u>291.67</u>	<u>9,475.90</u>	<u>11,555.58</u>	<u>2,333.32</u>	<u>9,222.26</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>9,767.57</u>	<u>291.67</u>	<u>9,475.90</u>	<u>4,375.58</u>	<u>2,333.32</u>	<u>2,042.26</u>
Net Income	<u><u>15,516.60</u></u>	<u><u>7,117.53</u></u>	<u><u>8,399.07</u></u>	<u><u>68,709.93</u></u>	<u><u>46,162.66</u></u>	<u><u>22,547.27</u></u>

**Sunburst Farms Irrigation District
A/R Aging Summary
As of February 29, 2016**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2016	<u>39,294.98</u>	<u>5,994.17</u>	<u>2,356.86</u>	<u>280.73</u>	<u>63,684.46</u>	<u>111,611.20</u>
Total A/R 2015	<u>30,738.12</u>	<u>4,067.44</u>	<u>4,180.15</u>	<u>2,817.86</u>	<u>66,218.71</u>	<u>108,022.28</u>
Variance- Better/(Worse)	<u>-8,556.86</u>	<u>-1,926.73</u>	<u>1,823.29</u>	<u>2,537.13</u>	<u>2,534.25</u>	<u>-3,588.92</u>