

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

February 28, 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 January 31, 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 black ink that reads "Cathy Hacker, CA". The signature is written in a cursive style with a large, stylized 'C' and 'H'.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Balance Sheet 2016-2015
As of January 31, 2016

	Jan 31, 16	Jan 31, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	36,706.53	37,364.44
118 · First Bank	122,732.74	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	140,218.96	213,381.57
116 · Cash-MM	0.00	106,612.79
Total Checking/Savings	299,758.23	357,458.80
Accounts Receivable		
121 · Accounts Receivable	97,623.28	108,990.66
Total Accounts Receivable	97,623.28	108,990.66
Other Current Assets		
140 · Prepaid Insurance	-3,079.67	-1,720.37
199 · Suspense	34,641.71	187.00
Total Other Current Assets	31,562.04	-1,533.37
Total Current Assets	428,943.55	464,916.09
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,170,875.71	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	2,497,580.45	2,278,392.85
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,361,688.75	-1,241,787.53
Total 1300 · Accumulated Depreciation	-1,361,688.75	-1,241,787.53
Total Fixed Assets	1,135,891.70	1,036,605.32
Other Assets		
120 · Refundable Deposits	1,169.00	1,169.00
Total Other Assets	1,169.00	1,169.00
TOTAL ASSETS	1,566,004.25	1,502,690.41
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		
2012 · Wages Payable	13.33	0.00
2011 · Dental/Vision Payable	6.12	107.03
201 · Payroll Liabilities - Other	190.34	135.72
Total 201 · Payroll Liabilities	209.79	242.75
203 · Accrued Power/Water		
2031 · Accrued Power	4,583.44	6,146.14
2032 · Accrued Water	4,389.65	3,983.00
Total 203 · Accrued Power/Water	8,973.09	10,129.14

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet 2016-2015
As of January 31, 2016

	<u>Jan 31, 16</u>	<u>Jan 31, 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>16,881.28</u>	<u>18,070.29</u>
Total Current Liabilities	<u>17,364.68</u>	<u>18,553.69</u>
Total Liabilities	17,364.68	18,553.69
Equity		
209 · Retained Earnings	1,495,459.57	1,478,573.77
Net Income	53,180.00	5,562.95
Total Equity	<u>1,548,639.57</u>	<u>1,484,136.72</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,566,004.25</u></u>	<u><u>1,502,690.41</u></u>

Sunburst Farms Irrigation District
A/R Aging Summary
As of January 31, 2016

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Total A/R 2016	27,432.25	-3,771.28	6,132.66	4,583.45	63,246.20	97,623.28
Total A/R 2015	30,823.26	-1,768.79	6,335.40	6,773.99	66,826.80	108,990.66
Variance- Better/(Worse)	<u>3,391.01</u>	<u>2,002.49</u>	<u>202.74</u>	<u>2,190.54</u>	<u>3,580.60</u>	<u>11,367.38</u>

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
 January 2016

	Jan 16	Budget	Variance	Jul '15 - Jan 16	YTD Budget	Variance
Ordinary Income/Expense						
Income						
211 · Water Fees	12,838.07	14,460.00	-1,621.93	169,620.62	153,276.00	16,344.62
212 · Member Fees	39,040.20	39,040.75	-0.55	273,281.40	273,285.25	-3.85
213 · Other Services	60.00	40.00	20.00	120.00	280.00	-160.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	1,785.54	2,100.00	-314.46
215 · Finance Charges	0.00	750.00	-750.00	4,449.05	5,250.00	-800.95
Total Income	52,138.27	54,590.75	-2,452.48	449,256.61	434,191.25	15,065.36
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	6,721.27	9,210.84	-2,489.57	99,523.73	97,631.80	1,891.93
331 · State Water Fees	500.00	500.00	0.00	3,500.00	3,500.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	1,866.70	-1,866.70
352 · Transportation Gas/Oil	20.61	580.00	-559.39	3,682.60	6,148.00	-2,465.40
361 · Irrigation Labor	1,214.18	3,420.00	-2,205.82	32,246.67	36,272.00	-4,025.33
371 · Payroll Taxes & Fringe	143.79	305.00	-161.21	2,539.13	3,238.00	-698.87
372 · Irrigators-Health Insurance	754.67	691.66	63.01	5,330.96	4,841.70	489.26
Total 310 · Direct Costs of Water Delivery	9,354.52	14,974.16	-5,619.64	146,823.09	153,498.20	-6,675.11
Total COGS	9,354.52	14,974.16	-5,619.64	146,823.09	153,498.20	-6,675.11
Gross Profit	42,783.75	39,616.59	3,167.16	302,433.52	280,693.05	21,740.47
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,181.76	3,177.36	4.40	24,927.27	24,624.52	302.75
363 · Admin Payroll Expense	3,118.88	3,109.44	9.44	24,440.66	24,098.08	342.58
364 · Payroll Taxes/Fringe-Admin	771.92	520.52	251.40	4,169.70	4,034.14	135.56
365 · MNGR Gas Transportation	24.73	112.50	-87.77	701.85	787.50	-85.65
366 · Health Insurance "Salary"	764.94	693.16	71.78	5,457.39	4,852.20	605.19
375 · State Compensation Fund	0.00	500.00	-500.00	2,155.53	3,500.00	-1,344.47
411 · Depreciation Expense	10,177.46	9,830.00	347.46	69,504.92	68,810.00	694.92
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	291.70	-291.70
416 · Pumps-Maintenance	0.00	700.00	-700.00	805.45	1,400.00	-594.55

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
 January 2016

	Jan 16	Budget	Variance	Jul '15 - Jan 16	YTD Budget	Variance
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	3,504.10	4,150.96	-646.86	50,145.70	32,169.72	17,975.98
417.2 · Materials	3,365.72	1,666.66	1,699.06	11,716.66	11,666.70	49.96
417.3 · Outside Service	985.00	1,250.00	-265.00	1,994.15	8,750.00	-6,755.85
417.4 · MT Payroll Taxes	689.69	362.28	327.41	4,497.03	2,807.46	1,689.57
417.5 · MT Health Insurance	398.77	720.00	-321.23	2,797.31	5,040.00	-2,242.69
Total 417 · Maint/Repairs-Water System	8,943.28	8,149.90	793.38	71,150.85	60,433.88	10,716.97
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	146.65	833.33	-686.68	2,945.47	5,833.35	-2,887.88
419.2 · Tractor	0.00	125.00	-125.00	0.00	875.00	-875.00
Total 419 · Repairs-Transportation	146.65	958.33	-811.68	2,945.47	6,708.35	-3,762.88
420 · MNT Gas Transportation	184.70	300.00	-115.30	1,058.68	2,100.00	-1,041.32
421 · Electricity	133.31	250.00	-116.69	1,982.69	1,750.00	232.69
422 · Sewer & Water	14.35	16.67	-2.32	99.00	116.65	-17.65
423 · Telephone Expense	374.33	383.33	-9.00	2,252.86	2,683.35	-430.49
431 · Insurance Expense	1,500.00	1,500.00	0.00	10,855.00	10,500.00	355.00
441 · Legal Expense	0.00	833.34	-833.34	0.00	5,833.30	-5,833.30
442 · Accounting Expenses	400.00	400.00	0.00	2,400.00	2,800.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	4,890.00	2,916.65	1,973.35
444 · Collection Services	20.00	40.00	-20.00	100.00	280.00	-180.00
445 · Rent	0.00					
446 · Other Contracted Services	307.47	458.34	-150.87	3,283.20	4,926.00	-1,642.80
451 · Postage	343.00	375.00	-32.00	2,281.57	3,208.30	-926.73
471 · Misc & Public Relations	493.86	16.67	477.19	511.19	116.65	394.54
483 · Office Supplies	1,095.91	416.67	679.24	4,395.67	2,916.65	1,479.02
484 · Mileage	-3.84	66.67	-70.51	153.55	466.65	-313.10
485 · Bank Charges	-152.00	5.00	-157.00	1.55	35.00	-33.45
486 · Dues & Subscriptions	30.90	125.00	-94.10	783.96	875.00	-91.04
Total 400 · Overhead Costs	31,871.61	33,396.23	-1,524.62	243,861.53	243,689.57	171.96
Total Expense	31,871.61	33,396.23	-1,524.62	243,861.53	243,689.57	171.96
Net Ordinary Income	10,912.14	6,220.36	4,691.78	58,571.99	37,003.48	21,568.51

Sunburst Farms Irrigation District
Profit Loss Actual vs Budget
 January 2016

	<u>Jan 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Jan 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
Other Income						
510 · Misc/Other Income	300.00	250.00	50.00	1,276.00	1,750.00	-474.00
511 · Interest Income	69.14	41.67	27.47	512.01	291.65	220.36
Total Other Income	<u>369.14</u>	<u>291.67</u>	<u>77.47</u>	<u>1,788.01</u>	<u>2,041.65</u>	<u>-253.64</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>369.14</u>	<u>291.67</u>	<u>77.47</u>	<u>-5,391.99</u>	<u>2,041.65</u>	<u>-7,433.64</u>
Net Income	<u>11,281.28</u>	<u>6,512.03</u>	<u>4,769.25</u>	<u>53,180.00</u>	<u>39,045.13</u>	<u>14,134.87</u>