

Hacker Accounting LLC

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

Phoenix, AZ 85029

July 27, 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 June 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.

Hacker Accounting LLC

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

	<u>Jun 30, 16</u>	<u>Jun 30, 15</u>
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	78,266.49	27,756.88
118 · First Bank	122,938.67	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	77,909.26	226,827.68
116 · Cash-MM	0.00	106,604.59
Total Checking/Savings	<u>279,214.42</u>	<u>361,289.15</u>
Accounts Receivable		
121 · Accounts Receivable	121,816.07	99,657.39
Total Accounts Receivable	<u>121,816.07</u>	<u>99,657.39</u>
Other Current Assets		
140 · Prepaid Insurance	4,309.17	11,825.17
1499 · Undeposited Funds	1,966.41	0.00
199 · Suspense	28,301.65	0.00
198 · Suspense New Office Building	0.00	22,389.96
Total Other Current Assets	<u>34,577.23</u>	<u>34,215.13</u>
Total Current Assets	<u>435,607.72</u>	<u>495,161.67</u>
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,328,021.11	2,199,002.42
1230 · Buildings & Improvements	163,901.86	13,366.41
1240 · Machinery & Equipment	19,668.65	19,668.65
1250 · Transportation Equipment	65,773.15	57,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	<u>2,602,351.71</u>	<u>2,314,698.97</u>
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,406,802.26	-1,286,410.04
1330 · Accum Depr-Bldgs & Imp	12,078.41	0.00
1350 · Accum Depr- Transportation	5,000.00	0.00
Total 1300 · Accumulated Depreciation	<u>-1,389,723.85</u>	<u>-1,286,410.04</u>
Total Fixed Assets	<u>1,212,627.86</u>	<u>1,028,288.93</u>
Other Assets		
120 · Refundable Deposits	1,443.47	1,443.47
Total Other Assets	<u>1,443.47</u>	<u>1,443.47</u>
TOTAL ASSETS	<u><u>1,649,679.05</u></u>	<u><u>1,524,894.07</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	562.07	562.07
Total Accounts Payable	<u>562.07</u>	<u>562.07</u>
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	4.72	54.62
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	<u>290.97</u>	<u>340.87</u>
203 · Accrued Power/Water		
2031 · Accrued Power	11,937.40	10,241.10
2032 · Accrued Water	-1,164.90	0.00
Total 203 · Accrued Power/Water	<u>10,772.50</u>	<u>10,241.10</u>

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Accrual Basis

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

	<u>Jun 30, 16</u>	<u>Jun 30, 15</u>
204 - Other Accrued Expenses	5,590.78	5,590.78
205 - Accrued Vacation	4,174.56	4,174.56
Total Other Current Liabilities	<u>20,828.81</u>	<u>20,347.31</u>
Total Current Liabilities	<u>21,390.88</u>	<u>20,909.38</u>
Total Liabilities	<u>21,390.88</u>	<u>20,909.38</u>
Equity		
209 - Retained Earnings	1,503,984.69	1,478,573.77
Net Income	124,303.48	25,410.92
Total Equity	<u>1,628,288.17</u>	<u>1,503,984.69</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,649,679.05</u></u>	<u><u>1,524,894.07</u></u>

Sunburst Farm Irrigation District
Profit Loss Budget vs Actual

June 2016

	<u>Jun 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Jun 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	37,721.32	31,812.00	5,909.32	307,898.87	274,740.00	33,158.87
212 · Member Fees	39,040.20	39,040.75	-0.55	468,482.40	468,489.00	-6.60
213 · Other Services	20.00	40.00	-20.00	280.00	480.00	-200.00
214 · Escrow Transfer Fees	300.00	300.00	0.00	2,985.54	3,600.00	-614.46
215 · Finance Charges	874.95	750.00	124.95	9,350.42	9,000.00	350.42
Total Income	<u>77,956.47</u>	<u>71,942.75</u>	<u>6,013.72</u>	<u>788,997.23</u>	<u>756,309.00</u>	<u>32,688.23</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	18,243.71	20,262.84	-2,019.13	177,970.57	175,000.00	2,970.57
331 · State Water Fees	500.00	500.00	0.00	6,000.00	6,000.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	3,200.00	-3,200.00
352 · Transportation Gas/Oil	918.31	1,256.00	-337.69	6,767.38	11,000.00	-4,232.62
361 · Irrigation Labor	10,586.55	7,524.00	3,062.55	66,319.56	65,000.00	1,319.56
371 · Payroll Taxes & Fringe	820.12	671.00	149.12	5,751.85	5,800.00	-48.15
372 · Irrigators-Health Insurance	671.04	691.66	-20.62	8,371.02	8,300.00	71.02
Total 310 · Direct Costs of Water Delivery	<u>31,739.73</u>	<u>31,172.16</u>	<u>567.57</u>	<u>271,180.38</u>	<u>274,300.00</u>	<u>-3,119.62</u>
Total COGS	<u>31,739.73</u>	<u>31,172.16</u>	<u>567.57</u>	<u>271,180.38</u>	<u>274,300.00</u>	<u>-3,119.62</u>
Gross Profit	46,216.74	40,770.59	5,446.15	517,816.85	482,009.00	35,807.85
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,977.20	3,971.70	5.50	42,426.95	42,100.00	326.95
363 · Admin Payroll Expense	3,898.60	3,886.80	11.80	41,594.50	41,200.00	394.50
364 · Payroll Taxes/Fringe-Admin	621.60	650.65	-29.05	7,215.96	6,897.00	318.96
365 · MNGR Gas Transportation	56.10	112.50	-56.40	1,031.46	1,350.00	-318.54
366 · Health Insurance "Salary"	813.94	693.16	120.78	9,380.09	8,318.00	1,062.09
375 · State Compensation Fund	1,446.20	500.00	946.20	8,328.33	6,000.00	2,328.33
411 · Depreciation Expense	10,177.46	9,830.00	347.46	120,392.22	117,960.00	2,432.22
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	500.00	-500.00
416 · Pumps-Maintenance	0.00	0.00	0.00	1,199.75	1,400.00	-200.25
417 · Maint/Repairs-Water System						

Sunburst Farm Irrigation District
Profit Loss Budget vs Actual

June 2016

	<u>Jun 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Jun 16</u>	<u>YTD Budget</u>	<u>Variance</u>
417.1 · Direct Labor	2,539.55	5,188.70	-2,649.15	52,790.19	55,000.00	-2,209.81
417.2 · Materials	2,707.51	1,666.66	1,040.85	26,109.36	20,000.00	6,109.36
417.3 · Outside Service	155.00	1,250.00	-1,095.00	12,029.98	15,000.00	-2,970.02
417.4 · MT Payroll Taxes	285.64	452.85	-167.21	5,401.95	4,800.00	601.95
417.5 · MT Health Insurance	0.00	720.00	-720.00	3,930.60	8,640.00	-4,709.40
Total 417 · Maint/Repairs-Water System	5,687.70	9,278.21	-3,590.51	100,262.08	103,440.00	-3,177.92
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	886.75	833.33	53.42	8,429.62	10,000.00	-1,570.38
419.2 · Tractor	0.00	125.00	-125.00	1,145.85	1,500.00	-354.15
419 · Repairs-Transportation - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total 419 · Repairs-Transportation	886.75	958.33	-71.58	9,575.47	11,500.00	-1,924.53
420 · MNT Gas Transportation	76.17	300.00	-223.83	1,430.75	3,600.00	-2,169.25
421 · Electricity	253.79	250.00	3.79	2,849.93	3,000.00	-150.07
422 · Sewer & Water	13.55	16.67	-3.12	169.01	200.00	-30.99
423 · Telephone Expense	344.87	383.33	-38.46	3,783.15	4,600.00	-816.85
424 · Alarm	652.02	0.00	652.02	652.02	0.00	652.02
431 · Insurance Expense	1,500.00	1,500.00	0.00	18,343.00	18,000.00	343.00
441 · Legal Expense	0.00	833.34	-833.34	0.00	10,000.00	-10,000.00
442 · Accounting Expenses	800.00	400.00	400.00	4,800.00	4,800.00	0.00
443 · Auditing Expenses	0.00	416.67	-416.67	4,890.00	5,000.00	-110.00
444 · Collection Services	30.00	40.00	-10.00	280.00	480.00	-200.00
445 · Rent	0.00	0.00	0.00	2,483.20	4,926.00	-2,442.80
446 · Other Contracted Services	586.39	458.34	128.05	4,243.15	5,500.00	-1,256.85
451 · Postage	335.47	375.00	-39.53	4,387.73	4,500.00	-112.27
471 · Misc & Public Relations	0.00	16.67	-16.67	511.19	200.00	311.19
483 · Office Supplies	293.82	416.67	-122.85	6,567.18	5,000.00	1,567.18
484 · Mileage	58.65	66.67	-8.02	630.73	800.00	-169.27
485 · Bank Charges	0.00	5.00	-5.00	1.55	60.00	-58.45
486 · Dues & Subscriptions	0.00	125.00	-125.00	1,386.17	1,500.00	-113.83
Total 400 · Overhead Costs	32,510.28	35,526.37	-3,016.09	398,815.57	412,831.00	-14,015.43
Total Expense	32,510.28	35,526.37	-3,016.09	398,815.57	412,831.00	-14,015.43
Net Ordinary Income	13,706.46	5,244.22	8,462.24	119,001.28	69,178.00	49,823.28

Sunburst Farm Irrigation District
Profit Loss Budget vs Actual

June 2016

	<u>Jun 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - Jun 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
Other Income						
510 · Misc/Other Income	250.00	250.00	0.00	11,635.00	3,000.00	8,635.00
511 · Interest Income	69.06	41.67	27.39	847.20	500.00	347.20
Total Other Income	<u>319.06</u>	<u>291.67</u>	<u>27.39</u>	<u>12,482.20</u>	<u>3,500.00</u>	<u>8,982.20</u>
Other Expense						
512 · Bridle Path Cleanup	0.00	0.00	0.00	7,180.00	0.00	7,180.00
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,180.00</u>	<u>0.00</u>	<u>7,180.00</u>
Net Other Income	<u>319.06</u>	<u>291.67</u>	<u>27.39</u>	<u>5,302.20</u>	<u>3,500.00</u>	<u>1,802.20</u>
Net Income	<u><u>14,025.52</u></u>	<u><u>5,535.89</u></u>	<u><u>8,489.63</u></u>	<u><u>124,303.48</u></u>	<u><u>72,678.00</u></u>	<u><u>51,625.48</u></u>

**Sunburst Farm Irrigation District
A/R Aging Summary
As of June 30, 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	51325.79	2988.55	-55.02	1425.11	66131.64	121816.07
Total A/R 2015	46882.19	1650.90	-1412.70	1480.44	51056.56	99657.39
Variance- Better/(Worse)	-4443.60	-1337.65	-1357.68	55.33	-15075.08	-22158.68