

Hacker Accounting LLC

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

Phoenix, AZ 85029

April 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 March 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.

Cathy Hacker, EA

Hacker Accounting LLC

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
 March 2016

| | <u>Mar 16</u> | <u>Budget</u> | <u>Variance</u> | <u>Jul '15 - Mar 16</u> | <u>YTD Budget</u> | <u>Variance</u> |
|---|------------------|------------------|-----------------|-------------------------|-------------------|------------------|
| Ordinary Income/Expense | | | | | | |
| Income | | | | | | |
| 211 · Water Fees | 19,701.75 | 18,798.00 | 903.75 | 202,909.94 | 185,088.00 | 17,821.94 |
| 212 · Member Fees | 39,040.20 | 39,040.75 | -0.55 | 351,361.80 | 351,366.75 | -4.95 |
| 213 · Other Services | 0.00 | 40.00 | -40.00 | 260.00 | 360.00 | -100.00 |
| 214 · Escrow Transfer Fees | 400.00 | 300.00 | 100.00 | 2,385.54 | 2,700.00 | -314.46 |
| 215 · Finance Charges | 756.40 | 750.00 | 6.40 | 6,843.30 | 6,750.00 | 93.30 |
| Total Income | <u>59,898.35</u> | <u>58,928.75</u> | <u>969.60</u> | <u>563,760.58</u> | <u>546,264.75</u> | <u>17,495.83</u> |
| Cost of Goods Sold | | | | | | |
| 310 · Direct Costs of Water Delivery | | | | | | |
| 311 · Purchases-Power | 14,002.22 | 11,973.84 | 2,028.38 | 124,290.49 | 117,895.48 | 6,395.01 |
| 331 · State Water Fees | 500.00 | 500.00 | 0.00 | 4,500.00 | 4,500.00 | 0.00 |
| 351 · Pump Supply "Oil" | 0.00 | 266.66 | -266.66 | 0.00 | 2,400.02 | -2,400.02 |
| 352 · Transportation Gas/Oil | 393.20 | 754.00 | -360.80 | 4,373.13 | 7,424.00 | -3,050.87 |
| 361 · Irrigation Labor | 4,693.98 | 4,446.00 | 247.98 | 40,711.92 | 43,796.00 | -3,084.08 |
| 371 · Payroll Taxes & Fringe | 582.45 | 396.50 | 185.95 | 3,566.60 | 3,909.00 | -342.40 |
| 372 · Irrigators-Health Insurance | 754.67 | 691.66 | 63.01 | 6,840.30 | 6,225.02 | 615.28 |
| Total 310 · Direct Costs of Water Delivery | <u>20,926.52</u> | <u>19,028.66</u> | <u>1,897.86</u> | <u>184,282.44</u> | <u>186,149.52</u> | <u>-1,867.08</u> |
| Total COGS | <u>20,926.52</u> | <u>19,028.66</u> | <u>1,897.86</u> | <u>184,282.44</u> | <u>186,149.52</u> | <u>-1,867.08</u> |
| Gross Profit | 38,971.83 | 39,900.09 | -928.26 | 379,478.14 | 360,115.23 | 19,362.91 |
| Expense | | | | | | |
| 400 · Overhead Costs | | | | | | |
| 362 · Salaries-Supervisor | 3,977.20 | 3,971.70 | 5.50 | 32,086.23 | 31,773.58 | 312.65 |
| 363 · Admin Payroll Expense | 3,898.60 | 3,886.80 | 11.80 | 31,458.14 | 31,094.32 | 363.82 |
| 364 · Payroll Taxes/Fringe-Admin | 663.06 | 650.65 | 12.41 | 5,599.80 | 5,205.31 | 394.49 |
| 365 · MNGR Gas Transportation | 47.13 | 112.50 | -65.37 | 820.38 | 1,012.50 | -192.12 |
| 366 · Health Insurance "Salary" | 813.94 | 693.16 | 120.78 | 7,036.27 | 6,238.52 | 797.75 |
| 375 · State Compensation Fund | 1,294.60 | 500.00 | 794.60 | 3,450.13 | 4,500.00 | -1,049.87 |
| 411 · Depreciation Expense | 10,177.46 | 9,830.00 | 347.46 | 89,859.84 | 88,470.00 | 1,389.84 |
| 414 · Building & Equipment Repair | 0.00 | 41.66 | -41.66 | 0.00 | 375.02 | -375.02 |
| 416 · Pumps-Maintenance | 0.00 | | | 805.45 | 1,400.00 | -594.55 |

Sunburst Farm Irrigation District
Revenue & Expense Budget Performance
 March 2016

| | <u>Mar 16</u> | <u>Budget</u> | <u>Variance</u> | <u>Jul '15 - Mar 16</u> | <u>YTD Budget</u> | <u>Variance</u> |
|---|------------------|------------------|------------------|-------------------------|-------------------|------------------|
| 417 · Maint/Repairs-Water System | | | | | | |
| 417.1 · Direct Labor | 4,750.32 | 5,188.70 | -438.38 | 48,837.39 | 41,509.38 | 7,328.01 |
| 417.2 · Materials | 228.83 | 1,666.66 | -1,437.83 | 24,159.88 | 15,000.02 | 9,159.86 |
| 417.3 · Outside Service | 1,323.83 | 1,250.00 | 73.83 | 6,038.98 | 11,250.00 | -5,211.02 |
| 417.4 · MT Payroll Taxes | 642.71 | 452.85 | 189.86 | 4,983.90 | 3,622.59 | 1,361.31 |
| 417.5 · MT Health Insurance | 398.77 | 720.00 | -321.23 | 3,594.85 | 6,480.00 | -2,885.15 |
| Total 417 · Maint/Repairs-Water System | 7,344.46 | 9,278.21 | -1,933.75 | 87,615.00 | 77,861.99 | 9,753.01 |
| 419 · Repairs-Transportation | | | | | | |
| 419.1 · Fleet Vehicles | 93.90 | 833.33 | -739.43 | 3,073.95 | 7,500.01 | -4,426.06 |
| 419.2 · Tractor | 0.00 | 125.00 | -125.00 | 1,145.85 | 1,125.00 | 20.85 |
| Total 419 · Repairs-Transportation | 93.90 | 958.33 | -864.43 | 4,219.80 | 8,625.01 | -4,405.21 |
| 420 · MNT Gas Transportation | 116.11 | 300.00 | -183.89 | 1,233.27 | 2,700.00 | -1,466.73 |
| 421 · Electricity | 145.98 | 250.00 | -104.02 | 2,271.16 | 2,250.00 | 21.16 |
| 422 · Sewer & Water | 14.47 | 16.67 | -2.20 | 126.53 | 149.99 | -23.46 |
| 423 · Telephone Expense | 295.98 | 383.33 | -87.35 | 2,844.82 | 3,450.01 | -605.19 |
| 431 · Insurance Expense | 1,500.00 | 1,500.00 | 0.00 | 13,855.00 | 13,500.00 | 355.00 |
| 441 · Legal Expense | 0.00 | 833.34 | -833.34 | 0.00 | 7,499.98 | -7,499.98 |
| 442 · Accounting Expenses | 400.00 | 400.00 | 0.00 | 3,200.00 | 3,600.00 | -400.00 |
| 443 · Auditing Expenses | 0.00 | 416.67 | -416.67 | 4,890.00 | 3,749.99 | 1,140.01 |
| 444 · Collection Services | 30.00 | 40.00 | -10.00 | 210.00 | 360.00 | -150.00 |
| 445 · Rent | -800.00 | | | 2,483.20 | 4,926.00 | -2,442.80 |
| 446 · Other Contracted Services | 342.86 | 458.34 | -115.48 | 2,992.94 | 4,124.98 | -1,132.04 |
| 451 · Postage | 367.16 | 375.00 | -7.84 | 3,337.36 | 3,375.00 | -37.64 |
| 471 · Misc & Public Relations | 0.00 | 16.67 | -16.67 | 511.19 | 149.99 | 361.20 |
| 483 · Office Supplies | 430.56 | 416.67 | 13.89 | 5,483.70 | 3,749.99 | 1,733.71 |
| 484 · Mileage | -4.80 | 66.67 | -71.47 | 144.91 | 599.99 | -455.08 |
| 485 · Bank Charges | 0.00 | 5.00 | -5.00 | 1.55 | 45.00 | -43.45 |
| 486 · Dues & Subscriptions | 0.00 | 125.00 | -125.00 | 783.96 | 1,125.00 | -341.04 |
| Total 400 · Overhead Costs | 31,148.67 | 35,526.37 | -4,377.70 | 307,320.63 | 311,912.17 | -4,591.54 |
| Total Expense | 31,148.67 | 35,526.37 | -4,377.70 | 307,320.63 | 311,912.17 | -4,591.54 |
| Net Ordinary Income | 7,823.16 | 4,373.72 | 3,449.44 | 72,157.51 | 48,203.06 | 23,954.45 |

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
 March 2016

| | <u>Mar 16</u> | <u>Budget</u> | <u>Variance</u> | <u>Jul '15 - Mar 16</u> | <u>YTD Budget</u> | <u>Variance</u> |
|------------------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Other Income/Expense | | | | | | |
| Other Income | | | | | | |
| 217 · Capital Expenditure Reserved | 0.00 | | | -255.00 | | |
| 510 · Misc/Other Income | 1,445.00 | 250.00 | 1,195.00 | 12,676.00 | 2,250.00 | 10,426.00 |
| 511 · Interest Income | 63.92 | 41.67 | 22.25 | 643.51 | 374.99 | 268.52 |
| Total Other Income | <u>1,508.92</u> | <u>291.67</u> | <u>1,217.25</u> | <u>13,064.51</u> | <u>2,624.99</u> | <u>10,439.52</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>1,508.92</u> | <u>291.67</u> | <u>1,217.25</u> | <u>5,884.51</u> | <u>2,624.99</u> | <u>3,259.52</u> |
| Net Income | <u><u>9,332.08</u></u> | <u><u>4,665.39</u></u> | <u><u>4,666.69</u></u> | <u><u>78,042.02</u></u> | <u><u>50,828.05</u></u> | <u><u>27,213.97</u></u> |

Sunburst Farms Irrigation District
Balance Sheet
As of March 31, 2016

| | <u>Mar 31, 16</u> | <u>Mar 31, 15</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| 117 · Checking/Compass | 19,869.76 | 8,770.06 |
| 118 · First Bank | 122,816.15 | 0.00 |
| 111 · Cash on Hand | 100.00 | 100.00 |
| 114 · Compass Cap/Expd/Dep | 156,422.67 | 237,075.98 |
| 116 · Cash-MM | 0.00 | 106,610.02 |
| Total Checking/Savings | <u>299,208.58</u> | <u>352,556.06</u> |
| Accounts Receivable | | |
| 121 · Accounts Receivable | 101,759.25 | 104,903.13 |
| Total Accounts Receivable | <u>101,759.25</u> | <u>104,903.13</u> |
| Other Current Assets | | |
| 140 · Prepaid Insurance | 8,809.17 | 11,820.31 |
| 1499 · Undeposited Funds | 3,813.98 | 1,477.80 |
| 199 · Suspense | 23,570.85 | 0.00 |
| 198 · Suspense New Office Building | 0.00 | 12,147.53 |
| Total Other Current Assets | <u>36,194.00</u> | <u>25,445.64</u> |
| Total Current Assets | <u>437,161.83</u> | <u>482,904.83</u> |
| Fixed Assets | | |
| 1200 · Fixed Assets | | |
| 1210 · Land | 9,000.00 | 9,000.00 |
| 1220 · Water District System | 2,209,068.29 | 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 | <u>2,535,773.03</u> | <u>2,278,392.85</u> |
| 1300 · Accumulated Depreciation | | |
| 1320 · Accum Depr-Water Distr Sys | -1,376,269.88 | -1,261,524.85 |
| Total 1300 · Accumulated Depreciation | <u>-1,376,269.88</u> | <u>-1,261,524.85</u> |
| Total Fixed Assets | <u>1,159,503.15</u> | <u>1,016,868.00</u> |
| Other Assets | | |
| 120 · Refundable Deposits | 1,443.47 | 1,169.00 |
| Total Other Assets | <u>1,443.47</u> | <u>1,169.00</u> |
| TOTAL ASSETS | <u><u>1,598,108.45</u></u> | <u><u>1,500,941.83</u></u> |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| 200 · Accounts Payable | 562.07 | 483.40 |
| Total Accounts Payable | <u>562.07</u> | <u>483.40</u> |
| Other Current Liabilities | | |
| 201 · Payroll Liabilities | | |
| 2011 · Dental/Vision Payable | -59.15 | 106.99 |
| 201 · Payroll Liabilities - Other | 340.87 | 135.72 |
| Total 201 · Payroll Liabilities | <u>281.72</u> | <u>242.71</u> |

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of March 31, 2016

| | <u>Mar 31, 16</u> | <u>Mar 31, 15</u> |
|--|----------------------------|----------------------------|
| 203 · Accrued Power/Water | | |
| 2031 · Accrued Power | 7,509.10 | 6,818.27 |
| 2032 · Accrued Water | -2,664.90 | -817.35 |
| 203 · Accrued Power/Water - Other | 628.42 | 0.00 |
| Total 203 · Accrued Power/Water | <u>5,472.62</u> | <u>6,000.92</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>15,519.68</u> | <u>13,942.03</u> |
| Total Current Liabilities | <u>16,081.75</u> | <u>14,425.43</u> |
| Total Liabilities | 16,081.75 | 14,425.43 |
| Equity | | |
| 209 · Retained Earnings | 1,503,984.69 | 1,478,573.77 |
| Net Income | 78,042.01 | 7,942.63 |
| Total Equity | <u>1,582,026.70</u> | <u>1,486,516.40</u> |
| TOTAL LIABILITIES & EQUITY | <u><u>1,598,108.45</u></u> | <u><u>1,500,941.83</u></u> |

**Sunburst Farms Irrigation District
A/R Aging Summary
As of March 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 | <u>38,037.64</u> | <u>-6,571.74</u> | <u>8,164.79</u> | <u>-883.19</u> | <u>62,935.69</u> | <u>101,683.19</u> |
| Total A/R 2015 | <u>28,626.92</u> | <u>-3,376.20</u> | <u>8,622.38</u> | <u>2,469.47</u> | <u>68,560.56</u> | <u>104,903.13</u> |
| Variance- Better/(Worse) | <u>-9,410.72</u> | <u>3,195.54</u> | <u>457.59</u> | <u>3,352.66</u> | <u>5,624.87</u> | <u>3,219.94</u> |