

Hacker Accounting LLC

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


Phoenix, AZ 85029

June 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 May 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 cursive script that reads "Cathy Hacker, EA". The signature is written in black ink and is positioned above the printed name of the firm.

Hacker Accounting LLC

**Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2016**

	<u>May 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - May 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	33,221.85	28,920.00	4,301.85	270,177.55	242,928.00	27,249.55
212 · Member Fees	39,040.20	39,040.75	-0.55	429,442.20	429,448.25	-6.05
213 · Other Services	0.00	40.00	-40.00	260.00	440.00	-180.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	2,685.54	3,300.00	-614.46
215 · Finance Charges	847.95	750.00	97.95	8,475.47	8,250.00	225.47
Total Income	73,310.00	69,050.75	4,259.25	711,040.76	684,366.25	26,674.51
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	18,858.07	18,420.84	437.23	159,726.86	154,737.16	4,989.70
331 · State Water Fees	500.00	500.00	0.00	5,500.00	5,500.00	0.00
351 · Pump Supply "Oil"	0.00	266.66	-266.66	0.00	2,933.34	-2,933.34
352 · Transportation Gas/Oil	834.60	1,160.00	-325.40	5,849.07	9,744.00	-3,894.93
361 · Irrigation Labor	7,634.79	6,840.00	794.79	55,733.01	57,476.00	-1,742.99
371 · Payroll Taxes & Fringe	665.44	610.00	55.44	4,931.73	5,129.00	-197.27
372 · Irrigators-Health Insurance	671.04	691.66	-20.62	7,699.98	7,608.34	91.64
Total 310 · Direct Costs of Water Delivery	29,163.94	28,489.16	674.78	239,440.65	243,127.84	-3,687.19
Total COGS	29,163.94	28,489.16	674.78	239,440.65	243,127.84	-3,687.19
Gross Profit	44,146.06	40,561.59	3,584.47	471,600.11	441,238.41	30,361.70
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,181.76	3,177.36	4.40	38,449.75	38,128.30	321.45
363 · Admin Payroll Expense	3,118.88	3,109.44	9.44	37,695.90	37,313.20	382.70
364 · Payroll Taxes/Fringe-Admin	497.28	520.52	-23.24	6,594.36	6,246.35	348.01
365 · MNGR Gas Transportation	62.80	112.50	-49.70	975.36	1,237.50	-262.14
366 · Health Insurance "Salary"	764.94	693.16	71.78	8,566.15	7,624.84	941.31
375 · State Compensation Fund	3,432.00	500.00	2,932.00	6,882.13	5,500.00	1,382.13
411 · Depreciation Expense	10,177.46	9,830.00	347.46	110,214.76	108,130.00	2,084.76
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	458.34	-458.34
416 · Pumps-Maintenance	394.30	0.00	394.30	1,199.75	1,400.00	-200.25

**Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2016**

	<u>May 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - May 16</u>	<u>YTD Budget</u>	<u>Variance</u>
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	1,172.06	4,150.96	-2,978.90	50,250.64	49,811.30	439.34
417.2 · Materials	692.41	1,666.66	-974.25	23,401.85	18,333.34	5,068.51
417.3 · Outside Service	5,046.00	1,250.00	3,796.00	11,874.98	13,750.00	-1,875.02
417.4 · MT Payroll Taxes	89.67	362.28	-272.61	5,116.31	4,347.15	769.16
417.5 · MT Health Insurance	0.00	720.00	-720.00	3,930.60	7,920.00	-3,989.40
Total 417 · Maint/Repairs-Water System	7,000.14	8,149.90	-1,149.76	94,574.38	94,161.79	412.59
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	4,370.53	833.33	3,537.20	7,542.87	9,166.67	-1,623.80
419.2 · Tractor	0.00	125.00	-125.00	1,145.85	1,375.00	-229.15
419 · Repairs-Transportation - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total 419 · Repairs-Transportation	4,370.53	958.33	3,412.20	8,688.72	10,541.67	-1,852.95
420 · MNT Gas Transportation	65.45	300.00	-234.55	1,354.58	3,300.00	-1,945.42
421 · Electricity	170.52	250.00	-79.48	2,596.14	2,750.00	-153.86
422 · Sewer & Water	14.46	16.67	-2.21	155.46	183.33	-27.87
423 · Telephone Expense	297.53	383.33	-85.80	3,438.28	4,216.67	-778.39
431 · Insurance Expense	1,600.00	1,500.00	100.00	16,843.00	16,500.00	343.00
441 · Legal Expense	0.00	833.34	-833.34	0.00	9,166.66	-9,166.66
442 · Accounting Expenses	400.00	400.00	0.00	4,000.00	4,400.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	4,890.00	4,583.33	306.67
444 · Collection Services	30.00	40.00	-10.00	250.00	440.00	-190.00
445 · Rent	0.00	0.00	0.00	2,483.20	4,926.00	-2,442.80
446 · Other Contracted Services	242.02	458.34	-216.32	3,656.76	5,041.66	-1,384.90
451 · Postage	335.47	375.00	-39.53	4,052.26	4,125.00	-72.74
471 · Misc & Public Relations	0.00	16.67	-16.67	511.19	183.33	327.86
483 · Office Supplies	513.10	416.67	96.43	6,273.36	4,583.33	1,690.03
484 · Mileage	131.49	66.67	64.82	572.08	733.33	-161.25
485 · Bank Charges	0.00	5.00	-5.00	1.55	55.00	-53.45
486 · Dues & Subscriptions	602.21	125.00	477.21	1,386.17	1,375.00	11.17
Total 400 · Overhead Costs	37,402.34	32,696.23	4,706.11	366,305.29	377,304.63	-10,999.34
Total Expense	37,402.34	32,696.23	4,706.11	366,305.29	377,304.63	-10,999.34
Net Ordinary Income	6,743.72	7,865.36	-1,121.64	105,294.82	63,933.78	41,361.04

**Sunburst Farms Irrigation District
Profit Loss Budget vs Actual
May 2016**

	<u>May 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '15 - May 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
Other Income						
510 · Misc/Other Income	-281.00	250.00	-531.00	11,385.00	2,750.00	8,635.00
511 · Interest Income	71.75	41.67	30.08	778.14	458.33	319.81
Total Other Income	<u>-209.25</u>	<u>291.67</u>	<u>-500.92</u>	<u>12,163.14</u>	<u>3,208.33</u>	<u>8,954.81</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>-209.25</u>	<u>291.67</u>	<u>-500.92</u>	<u>4,983.14</u>	<u>3,208.33</u>	<u>1,774.81</u>
Net Income	<u>6,534.47</u>	<u>8,157.03</u>	<u>-1,622.56</u>	<u>110,277.96</u>	<u>67,142.11</u>	<u>43,135.85</u>

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

	May 31, 16	May 31, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	65,901.35	29,982.08
118 · First Bank	122,898.26	0.00
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	169,154.15	220,892.13
116 · Cash-MM	0.00	106,605.83
Total Checking/Savings	358,053.76	357,580.04
Accounts Receivable		
121 · Accounts Receivable	118,584.73	94,886.91
Total Accounts Receivable	118,584.73	94,886.91
Other Current Assets		
140 · Prepaid Insurance	5,809.17	8,886.99
199 · Suspense	17,066.48	5,961.26
198 · Suspense New Office Building	0.00	12,147.53
Total Other Current Assets	22,875.65	26,995.78
Total Current Assets	499,514.14	479,462.73
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,258,183.28	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	47,232.15	57,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	2,513,972.88	2,314,698.97
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,396,624.80	-1,282,378.17
1330 · Accum Depr-Bldgs & Imp	12,078.41	0.00
1300 · Accumulated Depreciation - Other	5,000.00	0.00
Total 1300 · Accumulated Depreciation	-1,379,546.39	-1,282,378.17
Total Fixed Assets	1,134,426.49	1,032,320.80
Other Assets		
120 · Refundable Deposits	1,443.47	1,169.00
Total Other Assets	1,443.47	1,169.00
TOTAL ASSETS	1,635,384.10	1,512,952.53
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	562.07	483.40
Total Accounts Payable	562.07	483.40
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	-72.83	106.95
201 · Payroll Liabilities - Other	340.87	190.34
Total 201 · Payroll Liabilities	268.04	297.29
203 · Accrued Power/Water		
2031 · Accrued Power	11,562.48	10,725.90
2032 · Accrued Water	-1,036.48	320.65
Total 203 · Accrued Power/Water	10,526.00	11,046.55

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Accrual Basis

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

	<u>May 31, 16</u>	<u>May 31, 15</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>20,559.38</u>	<u>19,042.24</u>
Total Current Liabilities	<u>21,121.45</u>	<u>19,525.64</u>
Total Liabilities	<u>21,121.45</u>	<u>19,525.64</u>
Equity		
209 · Retained Earnings	1,503,984.69	1,478,573.77
Net Income	110,277.96	14,853.12
Total Equity	<u>1,614,262.65</u>	<u>1,493,426.89</u>
TOTAL LIABILITIES & EQUITY	<u>1,635,384.10</u>	<u>1,512,952.53</u>

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2016	<u>47,465.13</u>	<u>-1,488.74</u>	<u>3,594.74</u>	<u>2,837.41</u>	<u>66,176.19</u>	<u>118,584.73</u>
Total A/R 2015	<u>42,284.97</u>	<u>-2,381.14</u>	<u>3,344.20</u>	<u>2,649.59</u>	<u>48,989.29</u>	<u>94,886.91</u>
Variance- Better/(Worse)	<u>-5,180.16</u>	<u>-892.40</u>	<u>-250.54</u>	<u>-187.82</u>	<u>-17,186.90</u>	<u>-23,697.82</u>