

**Hacker Accounting LLC**

**13201 N. 35<sup>th</sup> Avenue, Ste. B-3**

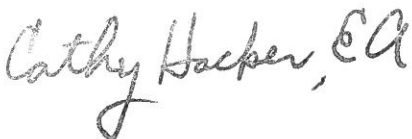
**Phoenix, AZ 85029**

September 29, 2017

Sunburst Farms Irrigation District  
16040 N. 43<sup>rd</sup> Ave  
Glendale, AZ 85306-2733

We have prepared the accompanying balance sheet of Sunburst Farms Irrigation District for August 31, 2017 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, CPA". The signature is written in black ink and is positioned to the left of the printed name of the firm.

Hacker Accounting LLC

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
 As of August 31, 2017

	Aug 31, 17	Aug 31, 16
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
117 · Checking/Compass	53,750.00	61,669.66
118 · First Bank	123,515.22	123,022.21
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	110,919.70	91,425.20
<b>Total Checking/Savings</b>	288,284.92	276,217.07
<b>Accounts Receivable</b>		
121 · Accounts Receivable	112,936.27	124,876.01
<b>Total Accounts Receivable</b>	112,936.27	124,876.01
<b>Other Current Assets</b>		
140 · Prepaid Insurance	6,579.33	5,866.63
1499 · Undeposited Funds	741.58	0.00
199 · Suspense	7,500.00	28,301.65
<b>Total Other Current Assets</b>	14,820.91	34,168.28
<b>Total Current Assets</b>	416,042.10	435,261.36
<b>Fixed Assets</b>		
<b>1200 · Fixed Assets</b>		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,473,874.83	2,322,029.61
1230 · Buildings & Improvements	163,901.86	163,901.86
1240 · Machinery & Equipment	59,843.75	19,668.65
1250 · Transportation Equipment	118,470.03	65,773.15
1260 · Office Furn & Fixtures	15,986.94	15,986.94
<b>Total 1200 · Fixed Assets</b>	2,841,077.41	2,596,360.21
<b>1300 · Accumulated Depreciation</b>		
1320 · Accum Depr-Water Distr Sys	-1,514,818.58	-1,365,743.49
<b>Total 1300 · Accumulated Depreciation</b>	-1,514,818.58	-1,365,743.49
<b>Total Fixed Assets</b>	1,326,258.83	1,230,616.72
<b>TOTAL ASSETS</b>	<b>1,742,300.93</b>	<b>1,665,878.08</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
200 · Accounts Payable	1,166.37	1,166.37
<b>Total Accounts Payable</b>	1,166.37	1,166.37
<b>Credit Cards</b>		
CITI Card	2,480.79	0.00
<b>Total Credit Cards</b>	2,480.79	0.00
<b>Total Credit Cards</b>	2,480.79	0.00
<b>Other Current Liabilities</b>		
201 · Payroll Liabilities		
2012 · Wages Payable	3.45	0.00
2011 · Dental/Vision Payable	148.12	-13.46
201 · Payroll Liabilities - Other	286.25	286.25
<b>Total 201 · Payroll Liabilities</b>	437.82	272.79
203 · Accrued Power/Water		
2031 · Accrued Power	1,572.32	12,188.02
2032 · Accrued Water	1,000.00	1,000.00
<b>Total 203 · Accrued Power/Water</b>	2,572.32	13,188.02
204 · Other Accrued Expenses	3,145.17	3,145.17
205 · Accrued Vacation	5,822.66	5,822.66

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Accrual Basis

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
**As of August 31, 2017**

	<u>Aug 31, 17</u>	<u>Aug 31, 16</u>
<b>Total Other Current Liabilities</b>	11,977.97	22,428.64
<b>Total Current Liabilities</b>	15,625.13	23,595.01
<b>Long Term Liabilities</b>		
230 · Wells Fargo Bobcat Lease	41,827.39	0.00
<b>Total Long Term Liabilities</b>	41,827.39	0.00
<b>Total Liabilities</b>	57,452.52	23,595.01
<b>Equity</b>		
209 · Retained Earnings	1,671,959.04	1,627,897.83
Net Income	12,889.37	14,385.24
<b>Total Equity</b>	1,684,848.41	1,642,283.07
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>1,742,300.93</b></u>	<u><b>1,665,878.08</b></u>

**Sunburst Farms Irrigation District**  
**Revenue & Expense Budget Performance**  
**August 2017**

Ordinary Income/Expense	Aug 17	Budget	\$ Over Budget	Jul - Aug 17	YTD Budget	\$ Over Budget
<b>Income</b>						
211 · Water Fees	25,681.68	27,984.00	-2,302.32	57,438.56	54,696.00	2,742.56
212 · Member Fees	37,549.80	37,549.83	-0.03	75,099.60	75,099.70	-0.10
213 · Other Services	52.50	40.00	12.50	92.50	80.00	12.50
214 · Escrow Transfer Fees	100.00	300.00	-200.00	300.00	600.00	-300.00
215 · Finance Charges	853.02	750.00	103.02	1,648.88	1,500.00	148.88
<b>Total Income</b>	<b>64,237.00</b>	<b>66,623.83</b>	<b>-2,386.83</b>	<b>134,579.54</b>	<b>131,975.70</b>	<b>2,603.84</b>
<b>Cost of Goods Sold</b>						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	9,497.58	18,302.00	-8,804.42	29,367.85	35,805.50	-6,437.65
331 · State Water Fees	500.00	500.00	0.00	1,000.00	1,000.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	0.00	266.70	-266.70
352 · Transportation Gas/Oil	651.47	682.00	-30.53	1,432.02	1,333.00	99.02
361 · Irrigation Labor	6,672.36	6,745.00	-72.64	12,985.78	13,184.50	-198.72
371 · Payroll Taxes & Fringe	551.59	564.00	-12.41	1,095.03	1,101.50	-6.47
372 · Irrigators-Health Insurance	257.84	791.66	-533.82	515.68	1,583.40	-1,067.72
<b>Total 310 · Direct Costs of Water Delivery</b>	<b>18,130.84</b>	<b>27,717.99</b>	<b>-9,587.15</b>	<b>46,396.36</b>	<b>54,274.60</b>	<b>-7,878.24</b>
<b>Total COGS</b>	<b>18,130.84</b>	<b>27,717.99</b>	<b>-9,587.15</b>	<b>46,396.36</b>	<b>54,274.60</b>	<b>-7,878.24</b>
<b>Gross Profit</b>	<b>46,106.16</b>	<b>38,905.84</b>	<b>7,200.32</b>	<b>88,183.18</b>	<b>77,701.10</b>	<b>10,482.08</b>
<b>Expense</b>						
400 · Overhead Costs						
362 · Salaries-Supervisor	4,162.18	4,295.60	-133.42	7,439.38	7,732.16	-292.78
363 · Admin Payroll Expense	4,079.85	4,202.70	-122.85	7,292.29	7,565.10	-272.81
364 · Payroll Taxes/Fringe-Admin	652.68	764.40	-111.72	1,164.40	1,375.95	-211.55
365 · MNGR Gas Transportation	94.27	133.30	-39.03	145.06	266.60	-121.54
366 · Health Insurance "Salary"	913.36	875.00	38.36	1,737.72	1,750.00	-12.28
375 · State Compensation Fund	0.00	583.33	-583.33	0.00	1,166.66	-1,166.66

**Sunburst Farms Irrigation District**  
**Revenue & Expense Budget Performance**  
**August 2017**

	<u>Aug 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Jul - Aug 17</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>
411 · Depreciation Expense	12,250.00	12,250.00	0.00	24,500.00	24,500.00	0.00
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	83.32	-83.32
416 · Pumps-Maintenance	0.00	90.50	-90.50	0.00	181.00	-181.00
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	6,548.01	6,348.57	199.44	10,836.19	11,427.43	-591.24
417.2 · Materials	2,805.57	1,666.66	1,138.91	7,805.18	3,333.32	4,471.86
417.3 · Outside Service	2,191.92	833.33	1,358.59	1,914.42	1,666.66	247.76
417.4 · MT Payroll Taxes	534.42	597.14	-62.72	786.23	1,074.83	-288.60
417.5 · MT Health Insurance	1,209.26	1,209.25	0.01	2,418.52	2,418.50	0.02
<b>Total 417 · Maint/Repairs-Water System</b>	<b>13,289.18</b>	<b>10,654.95</b>	<b>2,634.23</b>	<b>23,760.54</b>	<b>19,920.74</b>	<b>3,839.80</b>
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	824.41	700.00	124.41	3,952.97	1,400.00	2,552.97
419.2 · Tractor	0.00	50.00	-50.00	0.00	100.00	-100.00
<b>Total 419 · Repairs-Transportation</b>	<b>824.41</b>	<b>750.00</b>	<b>74.41</b>	<b>3,952.97</b>	<b>1,500.00</b>	<b>2,452.97</b>
420 · MNT Gas Transportation	356.07	288.49	67.58	614.49	519.28	95.21
421 · Electricity	306.37	208.34	98.03	592.45	416.68	175.77
422 · Sewer & Water	17.65	16.67	0.98	35.30	33.30	2.00
423 · Telephone Expense	363.35	350.00	13.35	857.86	700.00	157.86
424 · Alarm	156.30	60.00	96.30	156.30	120.00	36.30
431 · Insurance Expense	1,000.00	1,000.00	0.00	2,000.00	2,000.00	0.00
441 · Legal Expense	0.00	166.66	-166.66	0.00	333.30	-333.30
442 · Accounting Expenses	400.00	400.00	0.00	400.00	800.00	-400.00
443 · Auditing Expenses	0.00	425.00	-425.00	0.00	850.00	-850.00
444 · Collection Services	0.00	30.00	-30.00	20.00	60.00	-40.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	469.31	400.00	69.31	592.90	800.00	-207.10
451 · Postage	0.00	375.00	-375.00	725.54	750.00	-24.46
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.67	-16.67	0.00	33.30	-33.30
483 · Office Supplies	77.68	458.34	-380.66	485.85	916.64	-430.79

**Sunburst Farms Irrigation District**  
**Revenue & Expense Budget Performance**  
**August 2017**

	<u>Aug 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Jul - Aug 17</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>
484 · Mileage	-4.80	50.00	-54.80	-8.64	100.00	-108.64
485 · Bank Charges	0.00	5.00	-5.00	0.00	10.00	-10.00
486 · Dues & Subscriptions	177.81	83.33	94.48	278.51	166.66	111.85
<b>Total 400 · Overhead Costs</b>	<b>39,585.67</b>	<b>38,974.94</b>	<b>610.73</b>	<b>76,742.92</b>	<b>74,650.69</b>	<b>2,092.23</b>
<b>Total Expense</b>	<b>39,585.67</b>	<b>38,974.94</b>	<b>610.73</b>	<b>76,742.92</b>	<b>74,650.69</b>	<b>2,092.23</b>
<b>Net Ordinary Income</b>	<b>6,520.49</b>	<b>-69.10</b>	<b>6,589.59</b>	<b>11,440.26</b>	<b>3,050.41</b>	<b>8,389.85</b>
<b>Other Income/Expense</b>						
Other Income						
510 · Misc/Other Income	1,103.85	200.00	903.85	1,357.53	400.00	957.53
511 · Interest Income	46.05	0.00	46.05	91.58	0.00	91.58
<b>Total Other Income</b>	<b>1,149.90</b>	<b>200.00</b>	<b>949.90</b>	<b>1,449.11</b>	<b>400.00</b>	<b>1,049.11</b>
<b>Other Expense</b>						
512 · Bridle Path Cleanup	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Other Income</b>	<b>1,149.90</b>	<b>200.00</b>	<b>949.90</b>	<b>1,449.11</b>	<b>400.00</b>	<b>1,049.11</b>
<b>Net Income</b>	<b>7,670.39</b>	<b>130.90</b>	<b>7,539.49</b>	<b>12,889.37</b>	<b>3,450.41</b>	<b>9,438.96</b>
<b>Capital Expenditure Fund</b>						
511 · Interest Income on Capital Account	2,070.00	2,070.00	0.00	4,140.00	4,140.00	0.00
	45.53	0.00	45.53	45.53	0.00	45.53
<b>Net Income after Capital Fund Expenditures</b>	<b>9,785.92</b>	<b>2,200.90</b>	<b>7,585.02</b>	<b>17,074.90</b>	<b>7,590.41</b>	<b>9,484.49</b>

**Sunburst Farms Irrigation District  
A/R Aging Summary  
As of August 31, 2017**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2017	<u>41,982.57</u>	<u>-3,624.37</u>	<u>3,291.85</u>	<u>251.64</u>	<u>71,034.58</u>	<u>112,936.27</u>
Total A/R 2016	<u>53,100.57</u>	<u>-2,560.23</u>	<u>4,226.48</u>	<u>2,334.65</u>	<u>67,774.54</u>	<u>124,876.01</u>
Variance- Better/(Worse)	<u>11,118.00</u>	<u>1,064.14</u>	<u>934.63</u>	<u>2,083.01</u>	<u>-3,260.04</u>	<u>11,939.74</u>