

**Hacker Accounting LLC**  
**13201 N. 35<sup>th</sup> Avenue, Ste. B-3**  
**Phoenix, AZ 85029**

September 26, 2016

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, 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**  
**Balance Sheet**  
 As of August 31, 2016

	Aug 31, 16	Aug 31, 15
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
117 · Checking/Compass	61,669.66	60,810.61
118 · First Bank	123,022.21	122,529.85
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	91,425.20	226,902.73
<b>Total Checking/Savings</b>	276,217.07	410,343.19
<b>Accounts Receivable</b>		
121 · Accounts Receivable	124,876.01	106,065.88
<b>Total Accounts Receivable</b>	124,876.01	106,065.88
<b>Other Current Assets</b>		
140 · Prepaid Insurance	2,475.91	8,825.17
199 · Suspense	28,301.65	485.14
198 · Suspense New Office Building	0.00	22,389.96
<b>Total Other Current Assets</b>	30,777.56	31,700.27
<b>Total Current Assets</b>	431,870.64	548,109.34
<b>Fixed Assets</b>		
<b>1200 · Fixed Assets</b>		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,370,213.61	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
<b>Total 1200 · Fixed Assets</b>	2,644,544.21	2,314,698.97
<b>1300 · Accumulated Depreciation</b>		
1320 · Accum Depr-Water Distr Sys	-1,429,640.00	-1,306,070.04
1330 · Accum Depr-Bldgs & Imp	12,078.41	0.00
1350 · Accum Depr- Transportation	5,000.00	0.00
<b>Total 1300 · Accumulated Depreciation</b>	-1,412,561.59	-1,306,070.04
<b>Total Fixed Assets</b>	1,231,982.62	1,008,628.93
<b>Other Assets</b>		
120 · Refundable Deposits	1,443.47	1,443.47
<b>Total Other Assets</b>	1,443.47	1,443.47
<b>TOTAL ASSETS</b>	<b>1,665,296.73</b>	<b>1,558,181.74</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
200 · Accounts Payable	562.07	562.07
<b>Total Accounts Payable</b>	562.07	562.07
<b>Other Current Liabilities</b>		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	-13.46	95.16
201 · Payroll Liabilities - Other	286.25	286.25
<b>Total 201 · Payroll Liabilities</b>	272.79	381.41
203 · Accrued Power/Water		
2031 · Accrued Power	12,188.02	12,020.38
2032 · Accrued Water	-164.90	1,000.00
<b>Total 203 · Accrued Power/Water</b>	12,023.12	13,020.38

2:23 PM  
09/26/16  
Accrual Basis

**Sunburst Farms Irrigation District**  
**Balance Sheet**  
As of August 31, 2016

	<u>Aug 31, 16</u>	<u>Aug 31, 15</u>
204 · Other Accrued Expenses	5,590.78	5,590.78
205 · Accrued Vacation	4,174.56	4,174.56
<b>Total Other Current Liabilities</b>	<u>22,061.25</u>	<u>23,167.13</u>
<b>Total Current Liabilities</b>	<u>22,623.32</u>	<u>23,729.20</u>
<b>Total Liabilities</b>	22,623.32	23,729.20
<b>Equity</b>		
209 · Retained Earnings	1,628,288.17	1,503,984.69
Net Income	14,385.24	30,467.85
<b>Total Equity</b>	<u>1,642,673.41</u>	<u>1,534,452.54</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>1,665,296.73</b></u>	<u><b>1,558,181.74</b></u>

**Sunburst Farms Irrigation District**  
**Revenue & Expense Budget Performance**  
**August 2016**

Ordinary Income/Expense	Aug 16	Budget	Variance	Jul - Aug 16	YTD Budget	Variance
Income						
211 · Water Fees	37,368.00	31,104.00	6,264.00	71,439.84	59,616.00	11,823.84
212 · Member Fees	36,084.24	36,087.58	-3.34	72,168.48	72,175.20	-6.72
213 · Other Services	0.00	40.00	-40.00	40.00	80.00	-40.00
214 · Escrow Transfer Fees	400.00	300.00	100.00	500.00	600.00	-100.00
215 · Finance Charges	828.61	750.00	78.61	1,577.66	1,500.00	77.66
<b>Total Income</b>	<b>74,680.85</b>	<b>68,281.58</b>	<b>6,399.27</b>	<b>145,725.98</b>	<b>133,971.20</b>	<b>11,754.78</b>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	24,200.08	21,000.00	3,200.08	44,390.41	40,250.00	4,140.41
331 · State Water Fees	500.00	500.00	0.00	1,000.00	1,000.00	0.00
351 · Pump Supply "Oil"	929.70	133.33	796.37	929.70	266.70	663.00
352 · Transportation Gas/Oil	801.00	1,080.00	-279.00	1,844.36	2,070.00	-225.64
361 · Irrigation Labor	5,245.88	6,456.00	-1,210.12	14,416.39	12,374.00	2,042.39
371 · Payroll Taxes & Fringe	406.77	576.00	-169.23	1,206.20	1,104.00	102.20
372 · Irrigators-Health Insurance	1,165.72	750.00	415.72	1,615.91	1,500.00	115.91
<b>Total 310 · Direct Costs of Water Delivery</b>	<b>33,249.15</b>	<b>30,495.33</b>	<b>2,753.82</b>	<b>65,402.97</b>	<b>58,564.70</b>	<b>6,838.27</b>
<b>Total COGS</b>	<b>33,249.15</b>	<b>30,495.33</b>	<b>2,753.82</b>	<b>65,402.97</b>	<b>58,564.70</b>	<b>6,838.27</b>
<b>Gross Profit</b>	<b>41,431.70</b>	<b>37,786.25</b>	<b>3,645.45</b>	<b>80,323.01</b>	<b>75,406.50</b>	<b>4,916.51</b>
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,277.20	3,335.40	-58.20	6,530.71	6,670.80	-140.09
363 · Admin Payroll Expense	3,212.44	3,264.65	-52.21	6,401.57	6,529.30	-127.73
364 · Payroll Taxes/Fringe-Admin	511.72	594.20	-82.48	1,019.86	1,188.40	-168.54
365 · MNGR Gas Transportation	107.91	112.50	-4.59	214.81	225.00	-10.19
366 · Health Insurance "Salary"	768.24	768.67	-0.43	1,606.63	1,537.30	69.33
375 · State Compensation Fund	2,887.40	566.67	2,320.73	3,372.80	1,133.30	2,239.50
411 · Depreciation Expense	11,418.87	11,418.83	0.04	22,837.74	22,837.70	0.04
414 · Building & Equipment Repair	0.00	41.67	-41.67	0.00	83.30	-83.30
416 · Pumps-Maintenance	0.00	126.67	-126.67	0.00	253.30	-253.30

**Sunburst Farms Irrigation District**  
**Revenue & Expense Budget Performance**  
**August 2016**

	<u>Aug 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 16</u>	<u>YTD Budget</u>	<u>Variance</u>
<b>417 · Maint/Repairs-Water System</b>						
417.1 · Direct Labor	5,420.07	3,640.00	1,780.07	10,755.07	7,280.00	3,475.07
417.2 · Materials	1,906.73	1,666.67	240.06	1,950.16	3,333.30	-1,383.14
417.3 · Outside Service	815.00	833.33	-18.33	815.00	1,666.70	-851.70
417.4 · MT Payroll Taxes	626.01	744.00	-117.99	1,126.31	1,426.00	-299.69
417.5 · MT Health Insurance	0.00	583.33	-583.33	0.00	1,166.70	-1,166.70
<b>Total 417 · Maint/Repairs-Water System</b>	<b>8,767.81</b>	<b>7,467.33</b>	<b>1,300.48</b>	<b>14,646.54</b>	<b>14,872.70</b>	<b>-226.16</b>
<b>419 · Repairs-Transportation</b>						
419.1 · Fleet Vehicles	2,245.67	625.00	1,620.67	3,015.41	1,250.00	1,765.41
419.2 · Tractor	0.00	125.00	-125.00	0.00	250.00	-250.00
<b>Total 419 · Repairs-Transportation</b>	<b>2,245.67</b>	<b>750.00</b>	<b>1,495.67</b>	<b>3,015.41</b>	<b>1,500.00</b>	<b>1,515.41</b>
<b>420 · MNT Gas Transportation</b>	175.08	250.00	-74.92	331.97	500.00	-168.03
<b>421 · Electricity</b>	250.27	250.00	0.27	556.98	500.00	56.98
<b>422 · Sewer &amp; Water</b>	14.29	16.67	-2.38	28.89	33.30	-4.41
<b>423 · Telephone Expense</b>	302.24	383.33	-81.09	604.83	766.70	-161.87
<b>424 · Alarm</b>	153.30	50.00	103.30	282.77	700.00	-417.23
<b>431 · Insurance Expense</b>	916.63	916.67	-0.04	1,933.26	1,833.30	99.96
<b>441 · Legal Expense</b>	0.00	166.67	-166.67	0.00	333.30	-333.30
<b>442 · Accounting Expenses</b>	800.00	400.00	400.00	800.00	800.00	0.00
<b>443 · Auditing Expenses</b>	0.00	416.67	-416.67	0.00	833.30	-833.30
<b>444 · Collection Services</b>	30.00	40.00	-10.00	60.00	80.00	-20.00
<b>446 · Other Contracted Services</b>	402.56	458.30	-55.74	466.80	916.64	-449.84
<b>451 · Postage</b>	282.00	375.00	-93.00	623.94	750.00	-126.06
<b>471 · Misc &amp; Public Relations</b>	0.00	16.67	-16.67	0.00	33.30	-33.30
<b>483 · Office Supplies</b>	598.27	458.33	139.94	975.31	916.70	58.61
<b>484 · Mileage</b>	-3.84	66.67	-70.51	-7.68	133.30	-140.98
<b>485 · Bank Charges</b>	0.00	5.00	-5.00	0.00	10.00	-10.00
<b>486 · Dues &amp; Subscriptions</b>	0.00	125.00	-125.00	95.24	250.00	-154.76
<b>Total 400 · Overhead Costs</b>	<b>37,118.06</b>	<b>32,841.57</b>	<b>4,276.49</b>	<b>66,398.38</b>	<b>66,220.94</b>	<b>177.44</b>
<b>Total Expense</b>	<b>37,118.06</b>	<b>32,841.57</b>	<b>4,276.49</b>	<b>66,398.38</b>	<b>66,220.94</b>	<b>177.44</b>
<b>Net Ordinary Income</b>	<b>4,313.64</b>	<b>4,944.68</b>	<b>-631.04</b>	<b>13,924.63</b>	<b>9,185.56</b>	<b>4,739.07</b>

**Sunburst Farms Irrigation District**  
**Revenue & Expense Budget Performance**  
**August 2016**

	<u>Aug 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Aug 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Other Income/Expense						
Other Income						
510 · Misc/Other Income	2,110.00	200.00	1,910.00	2,210.00	400.00	1,810.00
511 · Interest Income	51.18	41.67	9.51	110.61	83.30	27.31
Total Other Income	<u>2,161.18</u>	<u>241.67</u>	<u>1,919.51</u>	<u>2,320.61</u>	<u>483.30</u>	<u>1,837.31</u>
Other Expense						
512 · Bridle Path Cleanup	1,860.00	0.00	1,860.00	1,860.00	0.00	1,860.00
Total Other Expense	<u>1,860.00</u>	<u>0.00</u>	<u>1,860.00</u>	<u>1,860.00</u>	<u>0.00</u>	<u>1,860.00</u>
Net Other Income	<u>301.18</u>	<u>241.67</u>	<u>59.51</u>	<u>460.61</u>	<u>483.30</u>	<u>-22.69</u>
Net Income	<u><b>4,614.82</b></u>	<u><b>5,186.35</b></u>	<u><b>-571.53</b></u>	<u><b>14,385.24</b></u>	<u><b>9,668.86</b></u>	<u><b>4,716.38</b></u>

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

	<b>Current</b>	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt; 90</b>	<b>TOTAL</b>
<b>Total A/R 2016</b>	<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>
<b>Total A/R 2015</b>	<u>45,230.70</u>	<u>-5,359.89</u>	<u>13,038.13</u>	<u>679.33</u>	<u>52,477.61</u>	<u>106,065.88</u>
<b>Variance- Better/(Worse)</b>	<u>-7,869.87</u>	<u>-2,799.66</u>	<u>8,811.65</u>	<u>-1,655.32</u>	<u>-15,296.93</u>	<u>-18,810.13</u>