

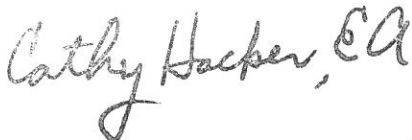
Hacker Accounting LLC
13201 N. 35th Avenue, Ste. B-3
Phoenix, AZ 85029

January 21, 2017

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 December 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 Performance
 December 2016

	<u>Dec 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	12,763.44	10,368.00	2,395.44	160,194.23	142,560.00	17,634.23
212 · Member Fees	36,084.24	36,087.58	-3.34	216,505.44	216,525.52	-20.08
213 · Other Services	20.00	40.00	-20.00	120.00	240.00	-120.00
214 · Escrow Transfer Fees	200.00	300.00	-100.00	1,500.00	1,800.00	-300.00
215 · Finance Charges	946.79	750.00	196.79	5,114.66	4,500.00	614.66
Total Income	<u>50,014.47</u>	<u>47,545.58</u>	<u>2,468.89</u>	<u>383,434.33</u>	<u>365,625.52</u>	<u>17,808.81</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	9,350.03	7,000.00	2,350.03	99,122.63	96,250.00	2,872.63
331 · State Water Fees	500.00	500.00	0.00	3,000.00	3,000.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	929.70	800.02	129.68
352 · Transportation Gas/Oil	49.08	360.00	-310.92	3,525.70	4,950.00	-1,424.30
361 · Irrigation Labor	2,251.96	2,152.00	99.96	32,380.76	29,590.00	2,790.76
371 · Payroll Taxes & Fringe	143.17	192.00	-48.83	2,813.24	2,640.00	173.24
372 · Irrigators-Health Insurance	802.06	750.00	52.06	4,699.80	4,500.00	199.80
Total 310 · Direct Costs of Water Delivery	<u>13,096.30</u>	<u>11,087.33</u>	<u>2,008.97</u>	<u>146,471.83</u>	<u>141,730.02</u>	<u>4,741.81</u>
Total COGS	<u>13,096.30</u>	<u>11,087.33</u>	<u>2,008.97</u>	<u>146,471.83</u>	<u>141,730.02</u>	<u>4,741.81</u>
Gross Profit	36,918.17	36,458.25	459.92	236,962.50	223,895.50	13,067.00
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	4,396.50	4,169.25	227.25	21,578.11	21,680.10	-101.99
363 · Admin Payroll Expense	4,315.55	4,080.75	234.80	21,157.55	21,220.10	-62.55
364 · Payroll Taxes/Fringe-Admin	685.55	742.80	-57.25	3,368.50	3,862.44	-493.94
365 · MNGR Gas Transportation	31.39	112.50	-81.11	652.53	675.00	-22.47
366 · Health Insurance "Salary"	817.24	817.67	-0.43	4,777.59	4,709.98	67.61
375 · State Compensation Fund	716.40	566.67	149.73	4,089.20	3,399.98	689.22

Sunburst Farms Irrigation District Profit/Loss Budget Performance

December 2016

	Dec 16	Budget	Variance	Jul - Dec 16	YTD Budget	Variance
411 · Depreciation Expense	11,418.87	11,418.83	0.04	68,513.22	68,513.02	0.20
414 · Building & Equipment Repair	0.00	41.67	-41.67	23.93	249.98	-226.05
416 · Pumps-Maintenance	0.00	126.67	-126.67	0.00	759.98	-759.98
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	-3,025.53	8,273.30	-11,298.83	15,526.18	29,169.97	-13,643.79
417.2 · Materials	4,133.43	1,666.67	2,466.76	13,026.87	9,999.98	3,026.89
417.3 · Outside Service	-5,346.26	833.33	-6,179.59	1,240.19	5,000.02	-3,759.83
417.4 · MT Payroll Taxes	218.30	250.00	-31.70	1,965.57	3,416.00	-1,450.43
417.5 · MT Health Insurance	290.17	583.33	-293.16	580.34	3,501.02	-2,920.68
Total 417 · Maint/Repairs-Water System	-3,729.89	11,606.63	-15,336.52	32,339.15	51,086.99	-18,747.84
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	210.71	625.00	-414.29	6,976.08	3,750.00	3,226.08
419.2 · Tractor	0.00	125.00	-125.00	103.50	750.00	-646.50
419 · Repairs-Transportation - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total 419 · Repairs-Transportation	210.71	750.00	-539.29	7,079.58	4,500.00	2,579.58
420 · MNT Gas Transportation	313.89	250.00	63.89	1,254.77	1,500.00	-245.23
421 · Electricity	129.12	250.00	-120.88	1,369.58	1,500.00	-130.42
422 · Sewer & Water	14.60	16.67	-2.07	87.60	99.98	-12.38
423 · Telephone Expense	303.79	383.33	-79.54	1,911.19	2,300.02	-388.83
424 · Alarm	0.00	50.00	-50.00	436.07	900.00	-463.93
431 · Insurance Expense	916.63	916.67	-0.04	5,854.78	5,499.98	354.80
441 · Legal Expense	0.00	166.67	-166.67	0.00	999.98	-999.98
442 · Accounting Expenses	400.00	400.00	0.00	2,000.00	2,400.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	1,730.00	2,499.98	-769.98
444 · Collection Services	30.00	40.00	-10.00	100.00	240.00	-140.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	331.81	458.34	-126.53	1,490.10	2,749.96	-1,259.86
451 · Postage	6.47	375.00	-368.53	1,862.02	2,250.00	-387.98
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	19.57	16.67	2.90	59.71	99.98	-40.27

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
December 2016

	<u>Dec 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Dec 16</u>	<u>YTD Budget</u>	<u>Variance</u>
483 · Office Supplies	35.01	458.33	-423.32	3,383.99	2,750.02	633.97
484 · Mileage	-4.80	66.67	-71.47	-24.96	399.98	-424.94
485 · Bank Charges	0.00	5.00	-5.00	0.00	30.00	-30.00
486 · Dues & Subscriptions	0.00	125.00	-125.00	387.02	750.00	-362.98
Total 400 · Overhead Costs	<u>21,358.41</u>	<u>38,828.46</u>	<u>-17,470.05</u>	<u>185,481.23</u>	<u>207,627.45</u>	<u>-22,146.22</u>
Total Expense	<u>21,358.41</u>	<u>38,828.46</u>	<u>-17,470.05</u>	<u>185,481.23</u>	<u>207,627.45</u>	<u>-22,146.22</u>
Net Ordinary Income	15,559.76	-2,370.21	17,929.97	51,481.27	16,268.05	35,213.22
Other Income/Expense						
Other Income						
510 · Misc/Other Income	100.00	200.00	-100.00	9,141.60	1,200.00	7,941.60
511 · Interest Income	62.12	41.67	20.45	333.74	249.98	83.76
Total Other Income	<u>162.12</u>	<u>241.67</u>	<u>-79.55</u>	<u>9,475.34</u>	<u>1,449.98</u>	<u>8,025.36</u>
Other Expense						
512 · Bridle Path Cleanup	0.00	0.00	0.00	2,895.00	0.00	2,895.00
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,895.00</u>	<u>0.00</u>	<u>2,895.00</u>
Net Other Income	<u>162.12</u>	<u>241.67</u>	<u>-79.55</u>	<u>6,580.34</u>	<u>1,449.98</u>	<u>5,130.36</u>
Net Income	<u>15,721.88</u>	<u>-2,128.54</u>	<u>17,850.42</u>	<u>58,061.61</u>	<u>17,718.03</u>	<u>40,343.58</u>

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

	Dec 31, 16	Dec 31, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	48,445.56	26,770.88
118 · First Bank	123,185.43	122,693.75
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	158,929.46	172,848.88
Total Checking/Savings	330,660.45	322,413.51
Accounts Receivable		
121 · Accounts Receivable	105,014.46	96,247.44
Total Accounts Receivable	105,014.46	96,247.44
Other Current Assets		
140 · Prepaid Insurance	2,200.11	2,825.17
1499 · Undeposited Funds	0.00	1,412.44
199 · Suspense	41,971.97	38,451.72
198 · Suspense New Office Building	0.00	129,462.06
Total Other Current Assets	44,172.08	172,151.39
Total Current Assets	479,846.99	590,812.34
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,358,243.02	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	2,632,573.62	2,314,698.97
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,411,418.97	-1,345,737.50
1350 · Accum Depr- Transportation	3,902.82	0.00
Total 1300 · Accumulated Depreciation	-1,407,516.15	-1,345,737.50
Total Fixed Assets	1,225,057.47	968,961.47
Other Assets		
120 · Refundable Deposits	0.00	1,443.47
Total Other Assets	0.00	1,443.47
TOTAL ASSETS	1,704,904.46	1,561,217.28
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	1,166.37	562.07
Total Accounts Payable	1,166.37	562.07
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	-1.65	-28.09
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	284.60	258.16
203 · Accrued Power/Water		
2031 · Accrued Power	5,526.22	1,748.30
2032 · Accrued Water	3,000.00	3,000.00
Total 203 · Accrued Power/Water	8,526.22	4,748.30

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Accrual Basis

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

	<u>Dec 31, 16</u>	<u>Dec 31, 15</u>
204 · Other Accrued Expenses	3,145.17	5,590.78
205 · Accrued Vacation	5,822.66	4,174.56
Total Other Current Liabilities	<u>17,778.65</u>	<u>14,771.80</u>
Total Current Liabilities	<u>18,945.02</u>	<u>15,333.87</u>
Total Liabilities	18,945.02	15,333.87
Equity		
209 · Retained Earnings	1,627,897.83	1,503,984.69
Net Income	58,061.61	41,898.72
Total Equity	<u>1,685,959.44</u>	<u>1,545,883.41</u>
TOTAL LIABILITIES & EQUITY	<u>1,704,904.46</u>	<u>1,561,217.28</u>

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2016	<u>23,752.56</u>	<u>-4,473.63</u>	<u>5,357.59</u>	<u>4,572.62</u>	<u>75,805.32</u>	<u>105,014.46</u>
Total A/R 2015	<u>26,978.63</u>	<u>-1,534.54</u>	<u>6,979.56</u>	<u>4,484.65</u>	<u>59,339.14</u>	<u>96,247.44</u>
Variance- Better/(Worse)	<u>3,226.07</u>	<u>2,939.09</u>	<u>1,621.97</u>	<u>-87.97</u>	<u>-16,466.18</u>	<u>-8,767.02</u>