

Hacker Accounting LLC

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

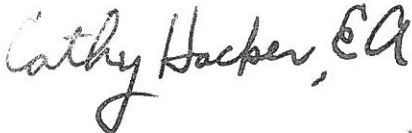
Phoenix, AZ 85029

April 2, 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 February 28, 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, 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 February 28, 2017

	Feb 28, 17	Feb 29, 16
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	93,489.82	29,278.70
118 · First Bank	123,266.44	122,774.44
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	122,674.10	140,244.83
Total Checking/Savings	339,530.36	292,397.97
Accounts Receivable		
121 · Accounts Receivable	79,592.49	111,611.20
Total Accounts Receivable	79,592.49	111,611.20
Other Current Assets		
140 · Prepaid Insurance	366.85	-174.83
1499 · Undeposited Funds	5,917.26	0.00
199 · Suspense	0.00	13,228.69
Total Other Current Assets	6,284.11	13,053.86
Total Current Assets	425,406.96	417,063.03
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,400,214.99	2,256,202.74
1230 · Buildings & Improvements	163,901.86	163,901.86
1240 · Machinery & Equipment	19,668.65	19,668.65
1250 · Transportation Equipment	71,587.82	52,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	2,680,360.26	2,517,434.74
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,435,648.71	-1,366,092.42
1330 · Accum Depr-Bldgs & Imp	0.00	12,078.41
1350 · Accum Depr- Transportation	3,902.82	0.00
1300 · Accumulated Depreciation - Other	0.00	5,000.00
Total 1300 · Accumulated Depreciation	-1,431,745.89	-1,349,014.01
Total Fixed Assets	1,248,614.37	1,168,420.73
Other Assets		
120 · Refundable Deposits	0.00	1,443.47
Total Other Assets	0.00	1,443.47
TOTAL ASSETS	1,674,021.33	1,586,927.23
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	26.07	-64.29
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	312.32	221.96
203 · Accrued Power/Water		
2031 · Accrued Power	2,543.81	6,848.14
2032 · Accrued Water	-1,374.50	-3,164.90
Total 203 · Accrued Power/Water	1,169.31	3,683.24

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of February 28, 2017

	<u>Feb 28, 17</u>	<u>Feb 29, 16</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>10,449.46</u>	<u>13,670.54</u>
Total Current Liabilities	<u>11,615.83</u>	<u>14,232.61</u>
Total Liabilities	11,615.83	14,232.61
Equity		
209 · Retained Earnings	1,627,897.83	1,503,984.69
Net Income	34,507.67	68,709.93
Total Equity	<u>1,662,405.50</u>	<u>1,572,694.62</u>
TOTAL LIABILITIES & EQUITY	<u>1,674,021.33</u>	<u>1,586,927.23</u>

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
 February 2017

	Feb 17	Budget	Variance	Jul '16 - Feb 17	Budget	Variance
Ordinary Income/Expense						
Income						
211 · Water Fees	805.68	12,960.00	-12,154.32	160,999.91	171,072.00	-10,072.09
212 · Member Fees	36,084.24	36,087.58	-3.34	288,673.92	288,700.68	-26.76
213 · Other Services	20.00	40.00	-20.00	180.00	320.00	-140.00
214 · Escrow Transfer Fees	100.00	300.00	-200.00	2,000.00	2,400.00	-400.00
215 · Finance Charges	966.21	750.00	216.21	7,030.23	6,000.00	1,030.23
Total Income	37,976.13	50,137.58	-12,161.45	458,884.06	468,492.68	-9,608.62
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	3,556.02	8,750.00	-5,193.98	108,243.88	115,500.00	-7,256.12
331 · State Water Fees	500.00	500.00	0.00	4,000.00	4,000.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	929.70	1,066.68	-136.98
352 · Transportation Gas/Oil	0.00	450.00	-450.00	3,684.56	5,940.00	-2,255.44
361 · Irrigation Labor	0.00	2,690.00	-2,690.00	32,380.76	35,508.00	-3,127.24
371 · Payroll Taxes & Fringe	0.00	240.00	-240.00	2,813.24	3,168.00	-354.76
372 · Irrigators-Health Insurance	646.31	750.00	-103.69	5,680.92	6,000.00	-319.08
Total 310 · Direct Costs of Water Delivery	4,702.33	13,513.33	-8,811.00	157,733.06	171,182.68	-13,449.62
Total COGS	4,702.33	13,513.33	-8,811.00	157,733.06	171,182.68	-13,449.62
Gross Profit	33,273.80	36,624.25	-3,350.45	301,151.00	297,310.00	3,841.00
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,277.20	3,335.40	-58.20	28,132.51	28,350.90	-218.39
363 · Admin Payroll Expense	3,212.44	3,264.60	-52.16	27,582.43	27,749.30	-166.87
364 · Payroll Taxes/Fringe-Admin	719.46	594.24	125.22	4,837.18	5,050.92	-213.74
365 · MNGR Gas Transportation	162.53	112.50	50.03	914.77	900.00	14.77
366 · Health Insurance "Salary"	768.24	768.67	-0.43	6,314.07	6,247.32	66.75
375 · State Compensation Fund	1,488.24	566.67	921.57	5,577.44	4,533.32	1,044.12

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
 February 2017

	<u>Feb 17</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '16 - Feb 17</u>	<u>Budget</u>	<u>Variance</u>
411 · Depreciation Expense	12,114.87	11,418.83	696.04	92,742.96	91,350.68	1,392.28
414 · Building & Equipment Repair	0.00	41.67	-41.67	23.93	333.32	-309.39
416 · Pumps-Maintenance	0.00	126.67	-126.67	0.00	1,013.32	-1,013.32
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	12,535.19	9,330.01	3,205.18	37,548.98	45,893.32	-8,344.34
417.2 · Materials	8,614.50	1,666.67	6,947.83	22,507.84	13,333.32	9,174.52
417.3 · Outside Service	200.00	833.33	-633.33	7,073.32	6,666.68	406.64
417.4 · MT Payroll Taxes	1,221.88	312.00	909.88	4,391.87	4,100.00	291.87
417.5 · MT Health Insurance	290.17	583.33	-293.16	1,160.68	4,667.68	-3,507.00
Total 417 · Maint/Repairs-Water System	22,861.74	12,725.34	10,136.40	72,682.69	74,661.00	-1,978.31
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	193.45	625.00	-431.55	7,354.67	5,000.00	2,354.67
419.2 · Tractor	0.00	125.00	-125.00	103.50	1,000.00	-896.50
419 · Repairs-Transportation - Other	0.00			0.00	0.00	0.00
Total 419 · Repairs-Transportation	193.45	750.00	-556.55	7,458.17	6,000.00	1,458.17
420 · MNT Gas Transportation	373.81	250.00	123.81	1,873.37	2,000.00	-126.63
421 · Electricity	126.13	250.00	-123.87	1,608.73	2,000.00	-391.27
422 · Sewer & Water	14.60	16.67	-2.07	116.49	133.32	-16.83
423 · Telephone Expense	302.63	383.33	-80.70	2,516.44	3,066.68	-550.24
424 · Alarm	153.30	50.00	103.30	589.37	1,000.00	-410.63
431 · Insurance Expense	916.63	916.67	-0.04	7,688.04	7,333.32	354.72
441 · Legal Expense	0.00	166.67	-166.67	0.00	1,333.32	-1,333.32
442 · Accounting Expenses	0.00	400.00	-400.00	2,400.00	3,200.00	-800.00
443 · Auditing Expenses	1,560.00	416.67	1,143.33	5,000.00	3,333.32	1,666.68
444 · Collection Services	20.00	40.00	-20.00	150.00	320.00	-170.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	244.61	458.34	-213.73	2,296.81	3,666.64	-1,369.83
451 · Postage	4.06	375.00	-370.94	2,549.96	3,000.00	-450.04
461 · Licenses & Taxes	4.00	0.00	4.00	4.00	0.00	4.00
471 · Misc & Public Relations	0.00	16.67	-16.67	59.71	133.32	-73.61

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
February 2017

	<u>Feb 17</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '16 - Feb 17</u>	<u>Budget</u>	<u>Variance</u>
483 · Office Supplies	199.55	458.33	-258.78	4,161.87	3,666.68	495.19
484 · Mileage	203.83	66.67	137.16	312.05	533.32	-221.27
485 · Bank Charges	0.00	5.00	-5.00	0.00	40.00	-40.00
486 · Dues & Subscriptions	480.70	125.00	355.70	867.72	1,000.00	-132.28
Total 400 · Overhead Costs	49,402.02	38,099.61	11,302.41	278,460.71	281,950.00	-3,489.29
Total Expense	49,402.02	38,099.61	11,302.41	278,460.71	281,950.00	-3,489.29
Net Ordinary Income	-16,128.22	-1,475.36	-14,652.86	22,690.29	15,360.00	7,330.29
Other Income/Expense						
Other Income						
510 · Misc/Other Income	1,522.18	200.00	1,322.18	14,245.78	1,600.00	12,645.78
511 · Interest Income	64.88	41.67	23.21	466.60	333.32	133.28
Total Other Income	1,587.06	241.67	1,345.39	14,712.38	1,933.32	12,779.06
Other Expense						
512 · Bridle Path Cleanup	0.00	0.00	0.00	2,895.00	0.00	2,895.00
Total Other Expense	0.00	0.00	0.00	2,895.00	0.00	2,895.00
Net Other Income	1,587.06	241.67	1,345.39	11,817.38	1,933.32	9,884.06
Net Income	-14,541.16	-1,233.69	-13,307.47	34,507.67	17,293.32	17,214.35

Sunburst Farms Irrigation District
A/R Aging Summary
As of February 28, 2017

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2017	<u>9,777.42</u>	<u>-595.27</u>	<u>-913.77</u>	<u>194.17</u>	<u>71,129.94</u>	<u>79,592.49</u>
Total A/R 2016	<u>39,294.98</u>	<u>5,994.17</u>	<u>2,356.86</u>	<u>280.73</u>	<u>63,684.46</u>	<u>111,611.20</u>
Variance- Better/(Worse)	<u>29,517.56</u>	<u>6,589.44</u>	<u>3,270.63</u>	<u>86.56</u>	<u>-7,445.48</u>	<u>32,018.71</u>