

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

March 6, 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 January 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, CA". The signature is written in dark ink and is positioned above the printed name of the firm.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Balance Sheet
 As of January 31, 2017

	Jan 31, 17	Jan 31, 16
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	45,581.96	36,706.53
118 · First Bank	123,228.63	122,732.74
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	172,443.11	140,218.96
Total Checking/Savings	341,353.70	299,758.23
Accounts Receivable		
121 · Accounts Receivable	95,278.98	97,623.28
Total Accounts Receivable	95,278.98	97,623.28
Other Current Assets		
140 · Prepaid Insurance	1,283.48	1,325.17
199 · Suspense	41,971.97	34,641.71
Total Other Current Assets	43,255.45	35,966.88
Total Current Assets	479,888.13	433,348.39
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,358,243.02	2,219,270.04
1230 · Buildings & Improvements	163,901.86	163,901.86
1240 · Machinery & Equipment	19,668.65	19,668.65
1250 · Transportation Equipment	65,773.15	52,674.55
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	2,632,573.62	2,480,502.04
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,423,533.84	-1,355,914.96
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	-1,419,631.02	-1,338,836.55
Total Fixed Assets	1,212,942.60	1,141,665.49
Other Assets		
120 · Refundable Deposits	0.00	1,443.47
Total Other Assets	0.00	1,443.47
TOTAL ASSETS	1,692,830.73	1,576,457.35
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	-24.02	-46.19
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	262.23	240.06
203 · Accrued Power/Water		
2031 · Accrued Power	1,987.64	5,211.86
2032 · Accrued Water	3,500.00	3,500.00
Total 203 · Accrued Power/Water	5,487.64	8,711.86

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of January 31, 2017

	<u>Jan 31, 17</u>	<u>Jan 31, 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>14,717.70</u>	<u>18,717.26</u>
Total Current Liabilities	<u>15,884.07</u>	<u>19,279.33</u>
Total Liabilities	15,884.07	19,279.33
Equity		
209 · Retained Earnings	1,627,897.83	1,503,984.69
Net Income	49,048.83	53,193.33
Total Equity	<u>1,676,946.66</u>	<u>1,557,178.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,692,830.73</u></u>	<u><u>1,576,457.35</u></u>

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
 January 2017

	<u>Jan 17</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '16 - Jan 17</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	0.00	15,552.00	-15,552.00	160,194.23	158,112.00	2,082.23
212 · Member Fees	36,084.24	36,087.58	-3.34	252,589.68	252,613.10	-23.42
213 · Other Services	40.00	40.00	0.00	160.00	280.00	-120.00
214 · Escrow Transfer Fees	400.00	300.00	100.00	1,900.00	2,100.00	-200.00
215 · Finance Charges	949.36	750.00	199.36	6,064.02	5,250.00	814.02
Total Income	37,473.60	52,729.58	-15,255.98	420,907.93	418,355.10	2,552.83
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	5,565.23	10,500.00	-4,934.77	104,687.86	106,750.00	-2,062.14
331 · State Water Fees	500.00	500.00	0.00	3,500.00	3,500.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	929.70	933.35	-3.65
352 · Transportation Gas/Oil	158.86	540.00	-381.14	3,684.56	5,490.00	-1,805.44
361 · Irrigation Labor	0.00	3,228.00	-3,228.00	32,380.76	32,818.00	-437.24
371 · Payroll Taxes & Fringe	0.00	288.00	-288.00	2,813.24	2,928.00	-114.76
372 · Irrigators-Health Insurance	334.81	750.00	-415.19	5,034.61	5,250.00	-215.39
Total 310 · Direct Costs of Water Delivery	6,558.90	15,939.33	-9,380.43	153,030.73	157,669.35	-4,638.62
Total COGS	6,558.90	15,939.33	-9,380.43	153,030.73	157,669.35	-4,638.62
Gross Profit	30,914.70	36,790.25	-5,875.55	267,877.20	260,685.75	7,191.45
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,277.20	3,335.40	-58.20	24,855.31	25,015.50	-160.19
363 · Admin Payroll Expense	3,212.44	3,264.60	-52.16	24,369.99	24,484.70	-114.71
364 · Payroll Taxes/Fringe-Admin	749.22	594.24	154.98	4,117.72	4,456.68	-338.96
365 · MNGR Gas Transportation	99.71	112.50	-12.79	752.24	787.50	-35.26
366 · Health Insurance "Salary"	768.24	768.67	-0.43	5,545.83	5,478.65	67.18
375 · State Compensation Fund	0.00	566.67	-566.67	4,089.20	3,966.65	122.55

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
 January 2017

	<u>Jan 17</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul '16 - Jan 17</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	12,114.87	11,418.83	696.04	80,628.09	79,931.85	696.24
414 · Building & Equipment Repair	0.00	41.67	-41.67	23.93	291.65	-267.72
416 · Pumps-Maintenance	0.00	126.67	-126.67	0.00	886.65	-886.65
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	9,487.61	7,393.34	2,094.27	25,013.79	36,563.31	-11,549.52
417.2 · Materials	866.47	1,666.67	-800.20	13,893.34	11,666.65	2,226.69
417.3 · Outside Service	5,633.13	833.33	4,799.80	6,873.32	5,833.35	1,039.97
417.4 · MT Payroll Taxes	1,204.42	372.00	832.42	3,169.99	3,788.00	-618.01
417.5 · MT Health Insurance	290.17	583.33	-293.16	870.51	4,084.35	-3,213.84
Total 417 · Maint/Repairs-Water System	17,481.80	10,848.67	6,633.13	49,820.95	61,935.66	-12,114.71
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	185.14	625.00	-439.86	7,161.22	4,375.00	2,786.22
419.2 · Tractor	0.00	125.00	-125.00	103.50	875.00	-771.50
419 · Repairs-Transportation - Other	0.00			0.00	0.00	0.00
Total 419 · Repairs-Transportation	185.14	750.00	-564.86	7,264.72	5,250.00	2,014.72
420 · MNT Gas Transportation	244.79	250.00	-5.21	1,499.56	1,750.00	-250.44
421 · Electricity	113.02	250.00	-136.98	1,482.60	1,750.00	-267.40
422 · Sewer & Water	14.29	16.67	-2.38	101.89	116.65	-14.76
423 · Telephone Expense	302.62	383.33	-80.71	2,213.81	2,683.35	-469.54
424 · Alarm	0.00	50.00	-50.00	436.07	950.00	-513.93
431 · Insurance Expense	916.63	916.67	-0.04	6,771.41	6,416.65	354.76
441 · Legal Expense	0.00	166.67	-166.67	0.00	1,166.65	-1,166.65
442 · Accounting Expenses	400.00	400.00	0.00	2,400.00	2,800.00	-400.00
443 · Auditing Expenses	1,710.00	416.67	1,293.33	3,440.00	2,916.65	523.35
444 · Collection Services	30.00	40.00	-10.00	130.00	280.00	-150.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	562.10	458.34	103.76	2,052.20	3,208.30	-1,156.10
451 · Postage	683.88	375.00	308.88	2,545.90	2,625.00	-79.10
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	59.71	116.65	-56.94

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
 January 2017

	Jan 17	Budget	Variance	Jul '16 - Jan 17	YTD Budget	Variance
483 · Office Supplies	578.33	458.33	120.00	3,962.32	3,208.35	753.97
484 · Mileage	133.18	66.67	66.51	108.22	466.65	-358.43
485 · Bank Charges	0.00	5.00	-5.00	0.00	35.00	-35.00
486 · Dues & Subscriptions	0.00	125.00	-125.00	387.02	875.00	-487.98
Total 400 · Overhead Costs	43,577.46	36,222.94	7,354.52	229,058.69	243,850.39	-14,791.70
Total Expense	43,577.46	36,222.94	7,354.52	229,058.69	243,850.39	-14,791.70
Net Ordinary Income	-12,662.76	567.31	-13,230.07	38,818.51	16,835.36	21,983.15
Other Income/Expense						
Other Income						
510 · Misc/Other Income	3,582.00	200.00	3,382.00	12,723.60	1,400.00	11,323.60
511 · Interest Income	67.98	41.67	26.31	401.72	291.65	110.07
Total Other Income	3,649.98	241.67	3,408.31	13,125.32	1,691.65	11,433.67
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	3,649.98	241.67	3,408.31	10,230.32	1,691.65	8,538.67
Net Income	-9,012.78	808.98	-9,821.76	49,048.83	18,527.01	30,521.82

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2017	16,183.71	-6,114.99	2,228.33	3,696.85	79,285.08	95,278.98
Total A/R 2016	27,432.25	-3,771.28	6,132.66	4,583.45	63,246.20	97,623.28
Variance- Better/(Worse)	11,248.54	2,343.71	3,904.33	886.60	-16,038.88	2,344.30