

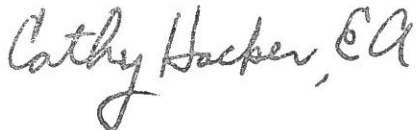
Hacker Accounting LLC
13201 N. 35th Avenue, Ste. B-3
Phoenix, AZ 85029

August 21, 2016

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 July 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 black ink that reads "Cathy Hacker, EA". The signature is written in a cursive style with a large, looped initial "C".

Hacker Accounting LLC

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

	Jul 31, 16	Jul 31, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	88,739.25	27,726.14
118 · First Bank	122,977.74	122,488.58
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	91,418.49	226,864.19
Total Checking/Savings	303,235.48	377,178.91
Accounts Receivable		
121 · Accounts Receivable	120,748.12	113,282.86
Total Accounts Receivable	120,748.12	113,282.86
Other Current Assets		
140 · Prepaid Insurance	3,392.54	10,325.17
199 · Suspense	28,301.65	246.86
198 · Suspense New Office Building	0.00	22,389.96
Total Other Current Assets	31,694.19	32,961.99
Total Current Assets	455,677.79	523,423.76
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,330,521.11	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	2,604,851.71	2,314,698.97
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,418,221.13	-1,296,240.04
1330 · Accum Depr-Bldgs & Imp	12,078.41	0.00
1300 · Accumulated Depreciation - Other	5,000.00	0.00
Total 1300 · Accumulated Depreciation	-1,401,142.72	-1,296,240.04
Total Fixed Assets	1,203,708.99	1,018,458.93
Other Assets		
120 · Refundable Deposits	1,443.47	1,443.47
Total Other Assets	1,443.47	1,443.47
TOTAL ASSETS	1,660,830.25	1,543,326.16
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	562.07	562.07
Total Accounts Payable	562.07	562.07
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	-10.51	109.22
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	275.74	395.47
203 · Accrued Power/Water		
2031 · Accrued Power	12,833.41	11,391.13
2032 · Accrued Water	-664.90	500.00
Total 203 · Accrued Power/Water	12,168.51	11,891.13
204 · Other Accrued Expenses	5,590.78	5,590.78
205 · Accrued Vacation	4,174.56	4,174.56

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Accrual Basis

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

	<u>Jul 31, 16</u>	<u>Jul 31, 15</u>
Total Other Current Liabilities	22,209.59	22,051.94
Total Current Liabilities	<u>22,771.66</u>	<u>22,614.01</u>
Total Liabilities	22,771.66	22,614.01
Equity		
209 - Retained Earnings	1,628,288.17	1,503,984.69
Net Income	<u>9,770.42</u>	<u>16,727.46</u>
Total Equity	<u>1,638,058.59</u>	<u>1,520,712.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,660,830.25</u></u>	<u><u>1,543,326.16</u></u>

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
 July 2016

	<u>Jul 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Jul 16</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	34,071.84	28,512.00	5,559.84	34,071.84	28,512.00	5,559.84
212 · Member Fees	36,084.24	36,087.62	-3.38	36,084.24	36,087.62	-3.38
213 · Other Services	40.00	40.00	0.00	40.00	40.00	0.00
214 · Escrow Transfer Fees	100.00	300.00	-200.00	100.00	300.00	-200.00
215 · Finance Charges	749.05	750.00	-0.95	749.05	750.00	-0.95
Total Income	<u>71,045.13</u>	<u>65,689.62</u>	<u>5,355.51</u>	<u>71,045.13</u>	<u>65,689.62</u>	<u>5,355.51</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	20,190.33	19,250.00	940.33	20,190.33	19,250.00	940.33
331 · State Water Fees	500.00	500.00	0.00	500.00	500.00	0.00
351 · Pump Supply "Oil"	0.00	133.37	-133.37	0.00	133.37	-133.37
352 · Transportation Gas/Oil	1,043.36	990.00	53.36	1,043.36	990.00	53.36
361 · Irrigation Labor	9,170.51	5,918.00	3,252.51	9,170.51	5,918.00	3,252.51
371 · Payroll Taxes & Fringe	799.43	528.00	271.43	799.43	528.00	271.43
372 · Irrigators-Health Insurance	450.19	750.00	-299.81	450.19	750.00	-299.81
Total 310 · Direct Costs of Water Delivery	<u>32,153.82</u>	<u>28,069.37</u>	<u>4,084.45</u>	<u>32,153.82</u>	<u>28,069.37</u>	<u>4,084.45</u>
Total COGS	<u>32,153.82</u>	<u>28,069.37</u>	<u>4,084.45</u>	<u>32,153.82</u>	<u>28,069.37</u>	<u>4,084.45</u>
Gross Profit	38,891.31	37,620.25	1,271.06	38,891.31	37,620.25	1,271.06
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,253.51	3,335.40	-81.89	3,253.51	3,335.40	-81.89
363 · Admin Payroll Expense	3,189.13	3,264.65	-75.52	3,189.13	3,264.65	-75.52
364 · Payroll Taxes/Fringe-Admin	508.14	594.20	-86.06	508.14	594.20	-86.06
365 · MNGR Gas Transportation	106.90	112.50	-5.60	106.90	112.50	-5.60
366 · Health Insurance "Salary"	838.39	768.63	69.76	838.39	768.63	69.76
375 · State Compensation Fund	485.40	566.63	-81.23	485.40	566.63	-81.23

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
 July 2016

	<u>Jul 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Jul 16</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>
411 · Depreciation Expense	11,418.87	11,418.87	0.00	11,418.87	11,418.87	0.00
414 · Building & Equipment Repair	0.00	41.63	-41.63	0.00	41.63	-41.63
416 · Pumps-Maintenance	0.00	126.63	-126.63	0.00	126.63	-126.63
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	5,335.00	3,640.00	1,695.00	5,335.00	3,640.00	1,695.00
417.2 · Materials	43.43	1,666.63	-1,623.20	43.43	1,666.63	-1,623.20
417.3 · Outside Service	0.00	833.37	-833.37	0.00	833.37	-833.37
417.4 · MT Payroll Taxes	500.30	682.00	-181.70	500.30	682.00	-181.70
417.5 · MT Health Insurance	0.00	583.37	-583.37	0.00	583.37	-583.37
Total 417 · Maint/Repairs-Water System	5,878.73	7,405.37	-1,526.64	5,878.73	7,405.37	-1,526.64
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	769.74	625.00	144.74	769.74	625.00	144.74
419.2 · Tractor	0.00	125.00	-125.00	0.00	125.00	-125.00
419 · Repairs-Transportation - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total 419 · Repairs-Transportation	769.74	750.00	19.74	769.74	750.00	19.74
420 · MNT Gas Transportation	156.89	250.00	-93.11	156.89	250.00	-93.11
421 · Electricity	306.71	250.00	56.71	306.71	250.00	56.71
422 · Sewer & Water	14.60	16.63	-2.03	14.60	16.63	-2.03
423 · Telephone Expense	302.59	383.37	-80.78	302.59	383.37	-80.78
424 · Alarm	129.47	650.00	-520.53	129.47	650.00	-520.53
431 · Insurance Expense	1,016.63	916.63	100.00	1,016.63	916.63	100.00
441 · Legal Expense	0.00	166.63	-166.63	0.00	166.63	-166.63
442 · Accounting Expenses	0.00	400.00	-400.00	0.00	400.00	-400.00
443 · Auditing Expenses	0.00	416.63	-416.63	0.00	416.63	-416.63
444 · Collection Services	30.00	40.00	-10.00	30.00	40.00	-10.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	64.24	458.34	-394.10	64.24	458.34	-394.10
451 · Postage	341.94	375.00	-33.06	341.94	375.00	-33.06
461 · Licenses & Taxes	0.00	0.00	0.00	0.00	0.00	0.00
471 · Misc & Public Relations	0.00	16.63	-16.63	0.00	16.63	-16.63

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
 July 2016

	<u>Jul 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>Jul 16</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>
483 · Office Supplies	377.04	458.37	-81.33	377.04	458.37	-81.33
484 · Mileage	-3.84	66.63	-70.47	-3.84	66.63	-70.47
485 · Bank Charges	0.00	5.00	-5.00	0.00	5.00	-5.00
486 · Dues & Subscriptions	95.24	125.00	-29.76	95.24	125.00	-29.76
Total 400 · Overhead Costs	<u>29,280.32</u>	<u>33,379.37</u>	<u>-4,099.05</u>	<u>29,280.32</u>	<u>33,379.37</u>	<u>-4,099.05</u>
Total Expense	<u>29,280.32</u>	<u>33,379.37</u>	<u>-4,099.05</u>	<u>29,280.32</u>	<u>33,379.37</u>	<u>-4,099.05</u>
Net Ordinary Income	9,610.99	4,240.88	5,370.11	9,610.99	4,240.88	5,370.11
Other Income/Expense						
Other Income						
510 · Misc/Other Income	100.00	200.00	-100.00	100.00	200.00	-100.00
511 · Interest Income	59.43	41.63	17.80	59.43	41.63	17.80
Total Other Income	<u>159.43</u>	<u>241.63</u>	<u>-82.20</u>	<u>159.43</u>	<u>241.63</u>	<u>-82.20</u>
Other Expense						
512 · Bridle Path Cleanup	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>159.43</u>	<u>241.63</u>	<u>-82.20</u>	<u>159.43</u>	<u>241.63</u>	<u>-82.20</u>
Net Income	<u>9,770.42</u>	<u>4,482.51</u>	<u>5,287.91</u>	<u>9,770.42</u>	<u>4,482.51</u>	<u>5,287.91</u>

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2016	52,071.05	-2,525.21	4,133.32	1,895.19	65,173.77	120,748.12
Total A/R 2015	59,074.50	-3,278.44	3,704.95	1,701.23	52,080.62	113,282.86
Variance- Better/(Worse)	7,003.45	-753.23	-428.37	-193.96	-13,093.15	-7,465.26