

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

November 17, 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 October 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.

Hacker Accounting LLC

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

	Oct 31, 16	Oct 31, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	76,987.71	53,955.19
118 · First Bank	123,104.47	122,610.43
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	118,421.16	192,680.27
Total Checking/Savings	318,613.34	369,345.89
Accounts Receivable		
121 · Accounts Receivable	125,757.77	109,253.19
Total Accounts Receivable	125,757.77	109,253.19
Other Current Assets		
140 · Prepaid Insurance	642.65	5,825.17
199 · Suspense	31,084.65	0.00
198 · Suspense New Office Building	0.00	103,638.18
Total Other Current Assets	31,727.30	109,463.35
Total Current Assets	476,098.41	588,062.43
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,374,463.61	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
Total 1200 · Fixed Assets	2,648,794.21	2,314,698.97
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,452,477.74	-1,325,730.04
1330 · Accum Depr-Bldgs & Imp	12,078.41	0.00
1300 · Accumulated Depreciation - Other	5,000.00	0.00
Total 1300 · Accumulated Depreciation	-1,435,399.33	-1,325,730.04
Total Fixed Assets	1,213,394.88	988,968.93
Other Assets		
120 · Refundable Deposits	1,443.47	1,443.47
Total Other Assets	1,443.47	1,443.47
TOTAL ASSETS	1,690,936.76	1,578,474.83
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	1.37	-45.50
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	287.62	240.75
203 · Accrued Power/Water		
2031 · Accrued Power	9,974.62	7,348.14
2032 · Accrued Water	835.10	2,000.00
Total 203 · Accrued Power/Water	10,809.72	9,348.14

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Balance Sheet
As of October 31, 2016

	<u>Oct 31, 16</u>	<u>Oct 31, 15</u>
204 · Other Accrued Expenses	5,590.78	5,590.78
205 · Accrued Vacation	4,174.56	4,174.56
Total Other Current Liabilities	<u>20,862.68</u>	<u>19,354.23</u>
Total Current Liabilities	<u>21,424.75</u>	<u>19,916.30</u>
Total Liabilities	21,424.75	19,916.30
Equity		
209 · Retained Earnings	1,628,288.17	1,503,984.69
Net Income	41,223.84	54,573.84
Total Equity	<u>1,669,512.01</u>	<u>1,558,558.53</u>
TOTAL LIABILITIES & EQUITY	<u>1,690,936.76</u>	<u>1,578,474.83</u>

**Sunburst Farms Irrigation District
Profit/Loss Budget Performance
October 2016**

	<u>Oct 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Oct 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	29,356.55	25,920.00	3,436.55	132,919.91	111,456.00	21,463.91
212 · Member Fees	36,084.24	36,087.58	-3.34	144,336.96	144,350.36	-13.40
213 · Other Services	40.00	40.00	0.00	80.00	160.00	-80.00
214 · Escrow Transfer Fees	400.00	300.00	100.00	1,200.00	1,200.00	0.00
215 · Finance Charges	842.79	750.00	92.79	3,258.64	3,000.00	258.64
Total Income	<u>66,723.58</u>	<u>63,097.58</u>	<u>3,626.00</u>	<u>281,795.51</u>	<u>260,166.36</u>	<u>21,629.15</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	18,106.98	17,500.00	606.98	78,802.70	75,250.00	3,552.70
331 · State Water Fees	500.00	500.00	0.00	2,000.00	2,000.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	929.70	533.36	396.34
352 · Transportation Gas/Oil	572.98	900.00	-327.02	3,025.24	3,870.00	-844.76
361 · Irrigation Labor	5,804.21	5,380.00	424.21	26,460.97	23,134.00	3,326.97
371 · Payroll Taxes & Fringe	494.45	480.00	14.45	2,268.21	2,064.00	204.21
372 · Irrigators-Health Insurance	691.20	750.00	-58.80	2,694.65	3,000.00	-305.35
Total 310 · Direct Costs of Water Delivery	<u>26,169.82</u>	<u>25,643.33</u>	<u>526.49</u>	<u>116,181.47</u>	<u>109,851.36</u>	<u>6,330.11</u>
Total COGS	<u>26,169.82</u>	<u>25,643.33</u>	<u>526.49</u>	<u>116,181.47</u>	<u>109,851.36</u>	<u>6,330.11</u>
Gross Profit	40,553.76	37,454.25	3,099.51	165,614.04	150,315.00	15,299.04
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,277.20	3,335.40	-58.20	13,904.41	14,175.45	-271.04
363 · Admin Payroll Expense	3,212.44	3,264.65	-52.21	13,629.56	13,874.70	-245.14
364 · Payroll Taxes/Fringe-Admin	511.72	594.20	-82.48	2,171.23	2,525.40	-354.17
365 · MNGR Gas Transportation	99.02	112.50	-13.48	427.25	450.00	-22.75
366 · Health Insurance "Salary"	768.24	768.67	-0.43	3,192.11	3,123.64	68.47
375 · State Compensation Fund	0.00	566.67	-566.67	3,372.80	2,266.64	1,106.16

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
October 2016

	<u>Oct 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Oct 16</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	11,418.87	11,418.83	0.04	45,675.48	45,675.36	0.12
414 · Building & Equipment Repair	23.93	41.67	-17.74	23.93	166.64	-142.71
416 · Pumps-Maintenance	0.00	126.67	-126.67	0.00	506.64	-506.64
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	1,915.43	3,640.00	-1,724.57	17,277.32	15,440.00	1,837.32
417.2 · Materials	480.84	1,666.67	-1,185.83	4,050.93	6,666.64	-2,615.71
417.3 · Outside Service	456.45	833.33	-376.88	5,666.45	3,333.36	2,333.09
417.4 · MT Payroll Taxes	164.37	621.00	-456.63	1,704.72	2,668.00	-963.28
417.5 · MT Health Insurance	0.00	583.83	-583.83	0.00	2,334.36	-2,334.36
Total 417 · Maint/Repairs-Water System	3,017.09	7,344.83	-4,327.74	28,699.42	30,442.36	-1,742.94
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	1,117.11	625.00	492.11	5,655.49	2,500.00	3,155.49
419.2 · Tractor	0.00	125.00	-125.00	103.50	500.00	-396.50
419 · Repairs-Transportation - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total 419 · Repairs-Transportation	1,117.11	750.00	367.11	5,758.99	3,000.00	2,758.99
420 · MNT Gas Transportation	82.06	250.00	-167.94	642.24	1,000.00	-357.76
421 · Electricity	186.64	250.00	-63.36	1,103.63	1,000.00	103.63
422 · Sewer & Water	14.29	16.67	-2.38	57.78	66.64	-8.86
423 · Telephone Expense	303.79	383.33	-79.54	1,210.86	1,533.36	-322.50
424 · Alarm	0.00	50.00	-50.00	282.77	800.00	-517.23
431 · Insurance Expense	916.63	916.67	-0.04	3,766.52	3,666.64	99.88
441 · Legal Expense	0.00	166.67	-166.67	0.00	666.64	-666.64
442 · Accounting Expenses	400.00	400.00	0.00	1,200.00	1,600.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	0.00	1,666.64	-1,666.64
444 · Collection Services	0.00	40.00	-40.00	60.00	160.00	-100.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	242.28	458.34	-216.06	903.49	1,833.28	-929.79
451 · Postage	235.00	375.00	-140.00	1,052.92	1,500.00	-447.08
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	0.00	66.64	-66.64

Sunburst Farms Irrigation District
Profit/Loss Budget Performance
October 2016

	<u>Oct 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Oct 16</u>	<u>YTD Budget</u>	<u>Variance</u>
483 · Office Supplies	1,308.09	458.33	849.76	3,348.98	1,833.36	1,515.62
484 · Mileage	-3.84	66.67	-70.51	-16.32	266.64	-282.96
485 · Bank Charges	14.24	5.00	9.24	14.24	20.00	-5.76
486 · Dues & Subscriptions	35.18	125.00	-89.82	165.60	500.00	-334.40
Total 400 · Overhead Costs	<u>27,179.98</u>	<u>32,719.11</u>	<u>-5,539.13</u>	<u>130,647.89</u>	<u>134,386.67</u>	<u>-3,738.78</u>
Total Expense	<u>27,179.98</u>	<u>32,719.11</u>	<u>-5,539.13</u>	<u>130,647.89</u>	<u>134,386.67</u>	<u>-3,738.78</u>
Net Ordinary Income	13,373.78	4,735.14	8,638.64	34,966.15	15,928.33	19,037.82
Other Income/Expense						
Other Income						
510 · Misc/Other Income	593.44	200.00	393.44	8,941.60	800.00	8,141.60
511 · Interest Income	52.29	41.67	10.62	211.09	166.64	44.45
Total Other Income	<u>645.73</u>	<u>241.67</u>	<u>404.06</u>	<u>9,152.69</u>	<u>966.64</u>	<u>8,186.05</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>645.73</u>	<u>241.67</u>	<u>404.06</u>	<u>6,257.69</u>	<u>966.64</u>	<u>5,291.05</u>
Net Income	<u>14,019.51</u>	<u>4,976.81</u>	<u>9,042.70</u>	<u>41,223.84</u>	<u>16,894.97</u>	<u>24,328.87</u>

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

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2016	46,265.96	-1,547.10	7,900.83	2,161.68	70,976.40	125,757.77
Total A/R 2015	44,698.12	-2,568.76	8,070.29	1,279.16	57,774.38	109,253.19
Variance- Better/(Worse)	-1,567.84	-1,021.66	169.46	-882.52	-13,202.02	-16,504.58