

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

November 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 September 30, 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, CPA". The signature is written in black ink and is positioned above the printed name of the firm.

Hacker Accounting LLC

10:19 AM
 11/06/17
 Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
 As of September 30, 2017

	Sep 30, 17	Sep 30, 16
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	21,839.03	57,226.24
118 · First Bank	123,554.47	123,062.66
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	53,648.83	118,410.68
Total Checking/Savings	199,142.33	298,799.58
Accounts Receivable		
121 · Accounts Receivable	130,366.51	127,438.75
Total Accounts Receivable	130,366.51	127,438.75
Other Current Assets		
140 · Prepaid Insurance	5,579.33	4,950.00
1499 · Undeposited Funds	400.00	0.00
180 · Inventory	21,100.20	0.00
199 · Suspense	0.00	28,301.65
Total Other Current Assets	27,079.53	33,251.65
Total Current Assets	356,588.37	459,489.98
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,471,597.13	2,322,029.61
1230 · Buildings & Improvements	163,901.86	163,901.86
1240 · Machinery & Equipment	59,843.75	19,668.65
1250 · Transportation Equipment	138,775.15	65,773.15
1260 · Office Furn & Fixtures	15,986.94	15,986.94
Total 1200 · Fixed Assets	2,859,104.83	2,596,360.21
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,508,505.58	-1,377,162.36
Total 1300 · Accumulated Depreciation	-1,508,505.58	-1,377,162.36
Total Fixed Assets	1,350,599.25	1,219,197.85
TOTAL ASSETS	1,707,187.62	1,678,687.83
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
200 · Accounts Payable	1,166.37	1,166.37
Total Accounts Payable	1,166.37	1,166.37
Credit Cards		
Credit Cards		
CITI Card	1,458.93	0.00
Total Credit Cards	1,458.93	0.00
Total Credit Cards	1,458.93	0.00
Other Current Liabilities		
201 · Payroll Liabilities		
2011 · Dental/Vision Payable	149.01	93.16
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	435.26	379.41
203 · Accrued Power/Water		
2031 · Accrued Power	12,035.68	11,572.06
2032 · Accrued Water	1,500.00	1,500.00
Total 203 · Accrued Power/Water	13,535.68	13,072.06

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Sunburst Farms Irrigation District
Balance Sheet
As of September 30, 2017

	<u>Sep 30, 17</u>	<u>Sep 30, 16</u>
204 · Other Accrued Expenses	3,145.17	3,145.17
205 · Accrued Vacation	5,822.66	5,822.66
Total Other Current Liabilities	<u>22,938.77</u>	<u>22,419.30</u>
Total Current Liabilities	25,564.07	23,585.67
Long Term Liabilities		
230 · Wells Fargo Bobcat Lease	40,854.66	0.00
Total Long Term Liabilities	<u>40,854.66</u>	<u>0.00</u>
Total Liabilities	66,418.73	23,585.67
Equity		
209 · Retained Earnings	1,671,959.04	1,627,897.83
Net Income	-31,190.15	27,204.33
Total Equity	<u>1,640,768.89</u>	<u>1,655,102.16</u>
TOTAL LIABILITIES & EQUITY	<u>1,707,187.62</u>	<u>1,678,687.83</u>

**Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
September 2017**

Ordinary Income/Expense	Sep 17	Budget	Variance	Jul - Sep 17	YTD Budget	Variance
Income						
211 · Water Fees	33,470.56	30,528.00	2,942.56	90,909.12	85,224.00	5,685.12
212 · Member Fees	37,549.80	37,549.83	-0.03	112,649.40	112,649.53	-0.13
213 · Other Services	0.00	40.00	-40.00	92.50	120.00	-27.50
214 · Escrow Transfer Fees	200.00	300.00	-100.00	500.00	900.00	-400.00
215 · Finance Charges	853.33	750.00	103.33	2,502.21	2,250.00	252.21
Total Income	<u>72,073.69</u>	<u>69,167.83</u>	<u>2,905.86</u>	<u>206,653.23</u>	<u>201,143.53</u>	<u>5,509.70</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	27,756.56	20,004.00	7,752.56	57,124.41	55,809.50	1,314.91
331 · State Water Fees	500.00	500.00	0.00	1,500.00	1,500.00	0.00
351 · Pump Supply "Oil"	0.00	133.33	-133.33	0.00	400.03	-400.03
352 · Transportation Gas/Oil	687.61	742.00	-54.39	2,119.63	2,075.00	44.63
361 · Irrigation Labor	7,831.91	7,359.00	472.91	20,817.69	20,543.50	274.19
371 · Payroll Taxes & Fringe	559.07	614.00	-54.93	1,654.10	1,715.50	-61.40
372 · Irrigators-Health Insurance	773.52	791.66	-18.14	1,289.20	2,375.06	-1,085.86
Total 310 · Direct Costs of Water Delivery	<u>38,108.67</u>	<u>30,143.99</u>	<u>7,964.68</u>	<u>84,505.03</u>	<u>84,418.59</u>	<u>86.44</u>
Total COGS	<u>38,108.67</u>	<u>30,143.99</u>	<u>7,964.68</u>	<u>84,505.03</u>	<u>84,418.59</u>	<u>86.44</u>
Gross Profit	33,965.02	39,023.84	-5,058.82	122,148.20	116,724.94	5,423.26
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	3,309.96	3,436.56	-126.60	10,749.34	11,168.72	-419.38
363 · Admin Payroll Expense	3,244.56	3,362.40	-117.84	10,536.85	10,927.50	-390.65
364 · Payroll Taxes/Fringe-Admin	519.76	611.55	-91.79	1,684.16	1,987.50	-303.34
365 · MNGR Gas Transportation	106.17	133.34	-27.17	251.23	399.94	-148.71
366 · Health Insurance "Salary"	864.36	875.00	-10.64	2,602.08	2,625.00	-22.92
375 · State Compensation Fund	0.00	583.33	-583.33	0.00	1,749.99	-1,749.99

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
September 2017

	<u>Sep 17</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Sep 17</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	12,250.00	12,250.00	0.00	36,750.00	36,750.00	0.00
414 · Building & Equipment Repair	0.00	41.66	-41.66	0.00	124.98	-124.98
416 · Pumps-Maintenance	0.00	90.50	-90.50	0.00	271.50	-271.50
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	10,495.40	5,078.86	5,416.54	21,331.59	16,506.29	4,825.30
417.2 · Materials	-4,657.92	1,666.66	-6,324.58	3,147.26	4,999.98	-1,852.72
417.3 · Outside Service	2,997.75	833.33	2,164.42	4,749.63	2,499.99	2,249.64
417.4 · MT Payroll Taxes	891.49	477.70	413.79	1,840.26	1,552.53	287.73
417.5 · MT Health Insurance	1,467.10	1,209.25	257.85	3,885.62	3,627.75	257.87
Total 417 · Maint/Repairs-Water System	11,193.82	9,265.80	1,928.02	34,954.36	29,186.54	5,767.82
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	455.88	700.00	-244.12	4,408.85	2,100.00	2,308.85
419.2 · Tractor	0.00	50.00	-50.00	0.00	150.00	-150.00
Total 419 · Repairs-Transportation	455.88	750.00	-294.12	4,408.85	2,250.00	2,158.85
420 · MNT Gas Transportation	293.92	230.79	63.13	908.41	750.07	158.34
421 · Electricity	293.80	208.34	85.46	886.25	625.02	261.23
422 · Sewer & Water	17.96	16.67	1.29	53.26	49.97	3.29
423 · Telephone Expense	306.48	350.00	-43.52	1,164.34	1,050.00	114.34
424 · Alarm	0.00	60.00	-60.00	156.30	180.00	-23.70
431 · Insurance Expense	1,000.00	1,000.00	0.00	3,000.00	3,000.00	0.00
441 · Legal Expense	0.00	166.67	-166.67	0.00	499.97	-499.97
442 · Accounting Expenses	400.00	400.00	0.00	800.00	1,200.00	-400.00
443 · Auditing Expenses	0.00	425.00	-425.00	0.00	1,275.00	-1,275.00
444 · Collection Services	0.00	30.00	-30.00	20.00	90.00	-70.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	297.55	400.00	-102.45	890.45	1,200.00	-309.55
451 · Postage	343.00	375.00	-32.00	1,068.54	1,125.00	-56.46
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	49.97	-49.97
483 · Office Supplies	142.99	458.30	-315.31	628.84	1,374.94	-746.10

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
September 2017

	<u>Sep 17</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Sep 17</u>	<u>YTD Budget</u>	<u>Variance</u>
484 · Mileage	-3.84	50.00	-53.84	-12.48	150.00	-162.48
485 · Bank Charges	0.00	5.00	-5.00	0.00	15.00	-15.00
486 · Dues & Subscriptions	0.00	83.33	-83.33	278.51	249.99	28.52
Total 400 · Overhead Costs	35,036.37	35,675.91	-639.54	111,779.29	110,326.60	1,452.69
Total Expense	35,036.37	35,675.91	-639.54	111,779.29	110,326.60	1,452.69
Net Ordinary Income	-1,071.35	3,347.93	-4,419.28	10,368.91	6,398.34	3,970.57
Other Income/Expense						
Other Income						
510 · Misc/Other Income	2,026.80	200.00	1,826.80	3,384.33	600.00	2,784.33
Total Other Income	2,070.50	200.00	1,870.50	3,519.61	600.00	2,919.61
Other Expense						
542 · Loss on 39th Ave.Pump Failure	0.00			45,078.67		
512 · Bridle Path Cleanup	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	45,078.67	0.00	45,078.67
Net Other Income	2,070.50	200.00	1,870.50	-41,559.06	600.00	-42,159.06
Net Income	999.15	3,547.93	-2,548.78	-31,190.15	6,998.34	-38,188.49
Capital Expenditure Fund						
511 · Interest Income	2,070.00	2,070.00	0.00	6,210.00	6,210.00	0.00
	43.70	0.00	43.70	135.28	0.00	135.28
Net Income After Capital Fund Expenditures	3,112.85	5,617.93	-2,505.08	-24,844.87	13,208.34	-38,053.21

Sunburst Farms Irrigation District
A/R Aging Summary
As of September 30, 2017

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Total A/R 2017	<u>55,075.65</u>	<u>2,622.06</u>	<u>-1,526.46</u>	<u>2,021.61</u>	<u>72,173.65</u>	<u>130,366.51</u>
Total A/R 2016	<u>51,684.62</u>	<u>5,057.49</u>	<u>-711.26</u>	<u>2,042.64</u>	<u>69,365.26</u>	<u>127,438.75</u>
Variance- Better/(Worse)	<u>-3,391.03</u>	<u>2,435.43</u>	<u>815.20</u>	<u>21.03</u>	<u>-2,808.39</u>	<u>-2,927.76</u>