

Hacker Accounting LLC

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

Phoenix, AZ 85029

October 27, 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 September 30, 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 cursive script that reads "Cathy Hacker, EA". The signature is written in black ink and is positioned below the objective statement.

Hacker Accounting LLC

Sunburst Farms Irrigation District
Balance Sheet
 As of September 30, 2016

	Sep 30, 16	Sep 30, 15
ASSETS		
Current Assets		
Checking/Savings		
117 · Checking/Compass	57,226.24	47,002.68
118 · First Bank	123,062.66	122,570.13
111 · Cash on Hand	100.00	100.00
114 · Compass Cap/Expd/Dep	118,410.68	238,305.17
Total Checking/Savings	298,799.58	407,977.98
Accounts Receivable		
121 · Accounts Receivable	127,438.75	120,032.86
Total Accounts Receivable	127,438.75	120,032.86
Other Current Assets		
140 · Prepaid Insurance	1,559.28	7,325.17
199 · Suspense	28,301.65	0.00
198 · Suspense New Office Building	0.00	43,672.17
Total Other Current Assets	29,860.93	50,997.34
Total Current Assets	456,099.26	579,008.18
Fixed Assets		
1200 · Fixed Assets		
1210 · Land	9,000.00	9,000.00
1220 · Water District System	2,370,213.61	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	2,644,544.21	2,314,698.97
1300 · Accumulated Depreciation		
1320 · Accum Depr-Water Distr Sys	-1,441,058.87	-1,315,900.04
1330 · Accum Depr-Bldgs & Imp	12,078.41	0.00
1300 · Accumulated Depreciation - Other	5,000.00	0.00
Total 1300 · Accumulated Depreciation	-1,423,980.46	-1,315,900.04
Total Fixed Assets	1,220,563.75	998,798.93
Other Assets		
120 · Refundable Deposits	1,443.47	1,443.47
Total Other Assets	1,443.47	1,443.47
TOTAL ASSETS	1,678,106.48	1,579,250.58
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	93.16	-81.01
201 · Payroll Liabilities - Other	286.25	286.25
Total 201 · Payroll Liabilities	379.41	205.24
203 · Accrued Power/Water		
2031 · Accrued Power	11,572.06	10,915.09
2032 · Accrued Water	335.10	1,500.00
Total 203 · Accrued Power/Water	11,907.16	12,415.09

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Accrual Basis

Sunburst Farms Irrigation District
Balance Sheet
As of September 30, 2016

	<u>Sep 30, 16</u>	<u>Sep 30, 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>22,051.91</u>	<u>22,385.67</u>
Total Current Liabilities	<u>22,613.98</u>	<u>22,947.74</u>
Total Liabilities	22,613.98	22,947.74
Equity		
209 · Retained Earnings	1,628,288.17	1,503,984.69
Net Income	27,204.33	52,318.15
Total Equity	<u>1,655,492.50</u>	<u>1,556,302.84</u>
TOTAL LIABILITIES & EQUITY	<u>1,678,106.48</u>	<u>1,579,250.58</u>

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
September 2016

	<u>Sep 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Sep 16</u>	<u>YTD Budget</u>	<u>Variance</u>
Ordinary Income/Expense						
Income						
211 · Water Fees	32,123.52	25,920.00	6,203.52	103,563.36	85,536.00	18,027.36
212 · Member Fees	36,084.24	36,087.58	-3.34	108,252.72	108,262.78	-10.06
213 · Other Services	0.00	40.00	-40.00	40.00	120.00	-80.00
214 · Escrow Transfer Fees	300.00	300.00	0.00	800.00	900.00	-100.00
215 · Finance Charges	838.19	750.00	88.19	2,415.85	2,250.00	165.85
Total Income	<u>69,345.95</u>	<u>63,097.58</u>	<u>6,248.37</u>	<u>215,071.93</u>	<u>197,068.78</u>	<u>18,003.15</u>
Cost of Goods Sold						
310 · Direct Costs of Water Delivery						
311 · Purchases-Power	16,305.31	17,500.00	-1,194.69	60,695.72	57,750.00	2,945.72
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	929.70	400.03	529.67
352 · Transportation Gas/Oil	607.90	900.00	-292.10	2,452.26	2,970.00	-517.74
361 · Irrigation Labor	6,240.37	5,380.00	860.37	20,656.76	17,754.00	2,902.76
371 · Payroll Taxes & Fringe	567.56	480.00	87.56	1,773.76	1,584.00	189.76
372 · Irrigators-Health Insurance	387.54	750.00	-362.46	2,003.45	2,250.00	-246.55
Total 310 · Direct Costs of Water Delivery	<u>24,608.68</u>	<u>25,643.33</u>	<u>-1,034.65</u>	<u>90,011.65</u>	<u>84,208.03</u>	<u>5,803.62</u>
Total COGS	<u>24,608.68</u>	<u>25,643.33</u>	<u>-1,034.65</u>	<u>90,011.65</u>	<u>84,208.03</u>	<u>5,803.62</u>
Gross Profit	<u>44,737.27</u>	<u>37,454.25</u>	<u>7,283.02</u>	<u>125,060.28</u>	<u>112,860.75</u>	<u>12,199.53</u>
Expense						
400 · Overhead Costs						
362 · Salaries-Supervisor	4,096.50	4,169.25	-72.75	10,627.21	10,840.05	-212.84
363 · Admin Payroll Expense	4,015.55	4,080.75	-65.20	10,417.12	10,610.05	-192.93
364 · Payroll Taxes/Fringe-Admin	639.65	742.80	-103.15	1,659.51	1,931.20	-271.69
365 · MNGR Gas Transportation	113.42	112.50	0.92	328.23	337.50	-9.27
366 · Health Insurance "Salary"	817.24	817.67	-0.43	2,423.87	2,354.97	68.90
375 · State Compensation Fund	0.00	566.67	-566.67	3,372.80	1,699.97	1,672.83

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
September 2016

	<u>Sep 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Sep 16</u>	<u>YTD Budget</u>	<u>Variance</u>
411 · Depreciation Expense	11,418.87	11,418.83	0.04	34,256.61	34,256.53	0.08
414 · Building & Equipment Repair	0.00	41.67	-41.67	0.00	124.97	-124.97
416 · Pumps-Maintenance	0.00	126.67	-126.67	0.00	379.97	-379.97
417 · Maint/Repairs-Water System						
417.1 · Direct Labor	4,606.82	4,520.00	86.82	15,361.89	11,800.00	3,561.89
417.2 · Materials	1,619.93	1,666.67	-46.74	3,570.09	4,999.97	-1,429.88
417.3 · Outside Service	4,395.00	833.33	3,561.67	5,210.00	2,500.03	2,709.97
417.4 · MT Payroll Taxes	414.04	621.00	-206.96	1,540.35	2,047.00	-506.65
417.5 · MT Health Insurance	0.00	583.83	-583.83	0.00	1,750.53	-1,750.53
Total 417 · Maint/Repairs-Water System	11,035.79	8,224.83	2,810.96	25,682.33	23,097.53	2,584.80
419 · Repairs-Transportation						
419.1 · Fleet Vehicles	1,522.97	625.00	897.97	4,538.38	1,875.00	2,663.38
419.2 · Tractor	103.50	125.00	-21.50	103.50	375.00	-271.50
419 · Repairs-Transportation - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total 419 · Repairs-Transportation	1,626.47	750.00	876.47	4,641.88	2,250.00	2,391.88
420 · MNT Gas Transportation	228.21	250.00	-21.79	560.18	750.00	-189.82
421 · Electricity	360.01	250.00	110.01	916.99	750.00	166.99
422 · Sewer & Water	14.60	16.67	-2.07	43.49	49.97	-6.48
423 · Telephone Expense	302.24	383.33	-81.09	907.07	1,150.03	-242.96
424 · Alarm	0.00	50.00	-50.00	282.77	750.00	-467.23
431 · Insurance Expense	916.63	916.67	-0.04	2,849.89	2,749.97	99.92
441 · Legal Expense	0.00	166.67	-166.67	0.00	499.97	-499.97
442 · Accounting Expenses	0.00	400.00	-400.00	800.00	1,200.00	-400.00
443 · Auditing Expenses	0.00	416.67	-416.67	0.00	1,249.97	-1,249.97
444 · Collection Services	0.00	40.00	-40.00	60.00	120.00	-60.00
445 · Rent	0.00	0.00	0.00	0.00	0.00	0.00
446 · Other Contracted Services	194.41	458.30	-263.89	661.21	1,374.94	-713.73
451 · Postage	193.98	375.00	-181.02	817.92	1,125.00	-307.08
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	49.97	-49.97

Sunburst Farms Irrigation District
Revenue & Expense Budget Performance
September 2016

	<u>Sep 16</u>	<u>Budget</u>	<u>Variance</u>	<u>Jul - Sep 16</u>	<u>YTD Budget</u>	<u>Variance</u>
483 · Office Supplies	1,065.58	458.33	607.25	2,040.89	1,375.03	665.86
484 · Mileage	-4.80	66.67	-71.47	-12.48	199.97	-212.45
485 · Bank Charges	0.00	5.00	-5.00	0.00	15.00	-15.00
486 · Dues & Subscriptions	35.18	125.00	-89.82	130.42	375.00	-244.58
Total 400 · Overhead Costs	<u>37,069.53</u>	<u>35,446.62</u>	<u>1,622.91</u>	<u>103,467.91</u>	<u>101,667.56</u>	<u>1,800.35</u>
Total Expense	<u>37,069.53</u>	<u>35,446.62</u>	<u>1,622.91</u>	<u>103,467.91</u>	<u>101,667.56</u>	<u>1,800.35</u>
Net Ordinary Income	<u>7,667.74</u>	<u>2,007.63</u>	<u>5,660.11</u>	<u>21,592.37</u>	<u>11,193.19</u>	<u>10,399.18</u>
Other Income/Expense						
Other Income						
510 · Misc/Other Income	6,138.16	200.00	5,938.16	8,348.16	600.00	7,748.16
511 · Interest Income	48.19	41.67	6.52	158.80	124.97	33.83
Total Other Income	<u>6,186.35</u>	<u>241.67</u>	<u>5,944.68</u>	<u>8,506.96</u>	<u>724.97</u>	<u>7,781.99</u>
Other Expense						
512 · Bridle Path Cleanup	1,035.00	0.00	1,035.00	2,895.00	0.00	2,895.00
Total Other Expense	<u>1,035.00</u>	<u>0.00</u>	<u>1,035.00</u>	<u>2,895.00</u>	<u>0.00</u>	<u>2,895.00</u>
Net Other Income	<u>5,151.35</u>	<u>241.67</u>	<u>4,909.68</u>	<u>5,611.96</u>	<u>724.97</u>	<u>4,886.99</u>
Net Income	<u>12,819.09</u>	<u>2,249.30</u>	<u>10,569.79</u>	<u>27,204.33</u>	<u>11,918.16</u>	<u>15,286.17</u>

**Sunburst Farms Irrigation District
A/R Aging Summary
As of September 30, 2016**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
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>
Total A/R 2015	<u>57,855.42</u>	<u>3,567.52</u>	<u>-1,411.70</u>	<u>6,414.28</u>	<u>53,607.34</u>	<u>120,032.86</u>
Variance- Better/(Worse)	<u>6,170.80</u>	<u>-1,489.97</u>	<u>-700.44</u>	<u>4,371.64</u>	<u>-15,757.92</u>	<u>-7,405.89</u>