EXHIBIT A

Audited Financial Information
WCWD 1-16

WINTERHAVEN WATER DISTRICT

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

As of and for the Year Ended June 30, 2015

George J. Woo
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Winterhaven Water District
Winterhaven, California

I have audited the accompanying financial statements of the Winterhaven Water District (the "District") as of June 30, 2015 and the related notes to the financial statements, which collectively compromise the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's minimum audit requirements for California Special District. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Winterhaven Water District as of June 30, 2015, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the financial statements as a whole. The supplementary schedules on pages 17 through 18 are presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

December 18, 2015

Winterhaven Water District
Management's Discussion and Analysis
June 30, 2015

The following section of the annual financial report of the Winterhaven Water District (the District) includes an overview and analysis of the District's financial position and activities for the years ended June 30, 2015 and 2014. This discussion and analysis, as well as the basic financial statements which it accompanies, is the responsibility of the management of the District.

Introduction to the Basic Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with generally accepted accounting principles; such report has been designed to improve the usefulness of the report to the primary users of these basic financial statements.

The District presents its basic financial statements using the economic resources measurement to focus and accrual basis of accounting. As a Business-Type Activity, the District's basic financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. Notes to the basic financial statements and this section support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of the District.

Statements of Net Position – The Statements of Net Assets include all assets and liabilities of the District, with the difference between the two reported as net assets. Assets and liabilities are reported at their book value, on an accrual basis, as of June 30, 2015, and 2014. These statements also identify major categories of restrictions on the District's Net Position.

Statements of Revenues, Expenses, and Changes in Net Position– The Statements of Revenues, Expenses, and Changes in Net Assets present the revenues earned and expenses incurred by the District during the years ended June 30, 2015, and 2014, on the accrual basis of accounting.

Statement of Cash Flows – The Statements of Cash Flows present the changes in the District's cash and investments for the years ended June 30, 2015 and 2014. Such statements are summarized by operating, capital, and noncapital financing and investing activities. The statements of cash flows have been prepared using the direct method of reporting cash flows and, therefore, present gross, rather than net amounts, for each respective year's activities.

Condensed Financial Position Information

The following condensed financial information provided an overview of the District's financial position for the fiscal years ended June 30, 2015 and June 30, 2014.

	2015	2014
Assets:		
Utility plant, net	$ 1,572,400	$ 1,605,359
Other assets	219,291	196,556
Total Assets	1,791,691	1,801,915
Liabilities:		
Other liabilities	10,887	30,225
Total Liabilities	10,887	30,225
Net Position:		
Invested in utility plant, net of related debt	1,572,400	1,605,359
Unrestricted	208,404	166,331
Total Net Position	$ 1,780,804	$ 1,771,690

(a) Net Position

Net Position, the difference between assets and liabilities, increased $ 9,114 for June 30, 2015 and increased $ 2,973 in 2014.

(b) Utility Plant

Net utility plant, which is comprised of property plant and equipment increased $ 30,140 due to the current year construction in progress and decreased $ 63,099 due to the annual depreciation associated with those assets.

(c) Other Assets

Other assets consist of cash, investments, and accounts receivable.

(d) Other Liabilities

Other liabilities consists of accounts payable, payroll taxes payable, accrued interests payable, and customer deposits.

Summary of Operations and Changes in Net Position

Increase in the District's Net Position for the fiscal year 2015 was $ 9,114. The tables below summarize the District's fiscal year 2015 and 2014 activity:

	2015	2014
Operating revenues:		
Water, sewer and trash revenues	$ 346,757	$ 321,893
Operating expenses:		
Operation and maintenance	284,208	282,999
Depreciation	63,099	62,119
Total operating expenses	347,307	345,118
Operating income (Loss)	(550)	(23,225)
Non-operating revenues (expenses):		
Grant Income	-0-	7,800
Other Income	26	2,960
Interest income	257	765
Property taxes	9,381	14,673
Total non-operating revenues (expenses)	9,664	26,198
Increase in Net Position	9,114	2,973
Total Net Position, beginning of year	1,771,690	1,768,717
Total Net Position, end of year	$ 1,780,804	$ 1,771,690

(a) Operating Revenues

During fiscal year 2015 operating revenues increased $ 24,864.

(b) Operating Expenses

Operating expenses consists of salaries, administrative expenses and operations and maintenance costs. During the year, operating expenses (including depreciation) increased $ 2,189.

(c) Non-operating Revenues and Expenses

Non-operating revenues and expenses consist of interest income, property taxes, sale of equipment and grant income.

Utility Plant and Debt Administration

(a) Utility Plant

Net utility plant is comprised of the water system, land and buildings.
Equipment consists of vehicles, tools and equipment, office furniture, and computer equipment.

Request for information

This financial report is designed to provide a general overview of the Winterhaven Water District's finances for all those with an interest in district's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office Manager, Winterhaven Water District, 494 Second Ave., Winterhaven, California 92283-0787.

Winterhaven Water District
Statement of Net Position
As of June 30, 2015

ASSETS

Current Assets:	
Cash & Investments	$ 192,694
Accounts receivable	26,597
Total Current Assets	219,291
Property, plant and equipment, net of depreciation	1,572,400
Total Assets	$ 1,791,691

LIABILITIES AND NET POSITION

Current Liabilities:	
Accounts payable	$ 5,845
Payroll Taxes Payable	1,753
Customer deposits	3,289
Total Current Liabilities	10,887
Net Position	
Net Investment in Capital Assets	1,572,400
Unrestricted	208,404
Total Net Position	$ 1,780,804

The accompanying notes are an integral part of these financial statements.

Winterhaven Water District
Statement of Revenues and Expenses
For The Year Ended June 30, 2015

Operating revenues:	
Water, sewer charges and trash removal	$ 346,757
Operating expenses:	
Bank service charges	349
Chemicals	14,317
Contract Labor	54,024
Depreciation expense	63,099
Director's fees	12,325
Electricity	17,362
Employee benefits	15,936
Expense Reimbursement	1,430
Freight Charge	620
Fuel & oil	2,509
Insurance	5,825
Lab	4,802
Office expense	11,334
Payroll taxes	2,846
Permit	3,797
Professional fees	9,501
Repairs & maintenance	8,794
Returned Checks	133
Salaries & wages	55,204
Sewer plant	40,249
Supplies	2,004
Trash disposal	10,821
Truck repairs	9,832
Uniforms	194
Total operating expenses	347,307
Operating income (loss)	(550)
Nonoperating revenues (expenses):	
Other Income	$ 26
Interest income	257
Property Taxes	9,381
Total nonoperating revenues (expenses)	9,664
Net change in Net Position	$ 9,114

The accompanying notes are an integral part of these statements.

Winterhaven Water District
Statement of Changes in Net Position
For The Year Ended June 30, 2015

Balance beginning of year	$ 1,771,690
Net increase in Net Position	9,114
Balance end of year	$ 1,780,804

The accompanying notes are an integral part of these financial statements.

Winterhaven Water District
Statement of Cash Flows
For The Year Ended June 30, 2015

Cash flows from operating activities:	
Operating income (loss)	$ (550)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	63,099
(Increase)/decrease in accounts receivable	2,528
Increase/(decrease) in accounts payable	(20,821)
Increase/(decrease) in payroll taxes payable	(1,271)
Increase/(decrease) in customer deposits	2,754
Total adjustments	46,289
Net cash used in operating activities	45,739
Cash flows from investment activities:	
Interest received	257
Net cash provided by investing activities	257
Cash flows from capital and related financing activities:	
Other income	26
Proceeds from property taxes	9,381
Purchase of property and equipment	(30,140)
Net cash (used in) provided by capital and related financing activities	(20,733)
Net increase in cash and investments	25,263
Cash and restricted investments at beginning of year	167,431
Cash and restricted investments at end of year	$ 192,694

The accompanying notes are an integral part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The Reporting Entity

The Winterhaven Water District (the "District") was formed February 24, 1971, under the State of California Water Code Section 30322.

The District is governed by a Board of Directors consisting of five members who are elected or appointed for four-year terms.

The financial statements consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled or dependent on the District.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are recorded at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation on property, plant and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The estimated useful lives are as follows:

Building improvements	25-50 years
Equipment	10 years
Street lights	30 years
Waste disposal	50 years
Water system	50 years

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

The District prepares and adopts a budget each year on the cash basis, a non-generally accepted accounting principles ("GAAP") budgetary basis. The difference between the District's budgetary basis and GAAP arises due to the fact that the District, for budget purposes, expenses purchases of equipment rather than capitalizing the equipment as required by GAAP.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

NOTE 2: CASH AND INVESTMENTS

The District maintains separate non-interest bearing cash accounts for checking - general, payroll and petty cash.

The cash in County Treasury is maintained by the County of Imperial (the "County"). The County maintains an agency fund for the District and therefore, records a corresponding liability fund obligation. The County pools its cash and investments from each fund to maximize the interest earning potential. Interest earned is allocated at the end of the fiscal year based on weighted averages of the cash and investment balances at year end.

The District considers all cash and cash deposits, investments in mutual and similar funds and other investments with initial maturities of less than 90 days to be cash and cash equivalents for purposes of preparing the accompanying combined statements of cash flows.

NOTE 2: CASH AND INVESTMENTS (Continued)

The District's cash deposits as of June 30, 2015 were either entirely insured by appropriate Federal depository insurance or collateralized with collateral held by the pledging financial institution's trust department or agent in the District's name in accordance with provisions of the California Government Code. The carrying amount and bank balance of the District's deposits as of June 30, 2015 are as follows:

	Carrying Value	Bank Balance
Insured	$ 174,011	$ 183,294
Collateralized	$ 174,011	$ 183,294

The District's investments as of June 30, 2015 are categorized by the level of custodial risk assumed by the District. The risk categories are defined as follows:

Category 1: Includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

Category 2: Includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name.

Category 3: Includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name

NOTE 2: CASH AND RESTRICTED INVESTMENTS (Continued)

Not Required to be Categorized: Investments in pools managed by other governments or investment services in which the District owns a share of the total pool, but does not own specific underlying investments within such pool. This includes investments in the Imperial County Pool. The District does not have a detail of the portfolios of the Imperial County Pool as of June 30, 2015.

Imprest Cash	$ 200
Cash – checking	129,394
Cash - payroll	3,920
Certificate of Deposit	40,697
Cash in the County Treasury	16,155
Total cash deposits	190,166
Total cash	190,366
Investment- Principal Financial Stock	2,328
Total cash and investments	$ 192,694

The District's investments as of June 30, 2015 are categorized by level of custodial risk in the following table:

	Fair Value
Not subject to categorization:	
Investment in County Pool	$ 16,155
Total investments	$ 16,155

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are summarized by major classifications as follows:

	Balance July 1, 2014	Additions (Retirements)	Balance June 30,2015
Buildings and improvements	$ 42,760	$ -0-	$ 42,760
Construction in progress	11,500	30,140	41,640
Equipment	28,682	-0-	28,682
Vehicles	43,809	-0-	43,809
Street lights	720	-0-	720
Water system	919,422	-0-	919,422
Sewer force main	1,125,758	-0-	1,125,758
Office Equipment	10,442	-0-	10,442
Sewer System improvements	375,959	-0-	375,959
Water plant improvements	375,283	-0-	375,283
Water well improvements	7,800	-0-	7,800
Tools & Equipment	16,856	-0-	16,856
Total	$ 2,958,991	$ 30,140	2,989,131
Less accumulated depreciation			(1,416,731)
Property, plant and equipment net of accumulated depreciation			$ 1,572,400

NOTE 4: EMPLOYEE RETIREMENT PLAN

Plan description:

The District contributes to the Miscellaneous 2% at 60 Risk Pool of the California Employees Retirement System (CalPERS), a cost sharing, multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. As of July 1, 2005, the District was mandated by the State to participate in the risk pool. The risk pool combines the assets and liabilities across employers of the same risk pool to provide a method to spread the risk of uncertain gains and losses over a larger base of members. The June 30, 2003 valuations were the first pooled valuations. Benefit provisions and all other requirements are established by State statute and District resolutions. Copies of CalPERS' annual

NOTE 4: EMPLOYEE RETIREMENT PLAN (CONTINUED)

financial report may be obtained from their Executive Office located at, 400 P Street, Sacramento, CA 95814.

Funding policy:

The District contributes all amounts necessary to fund benefits for its employees. The contribution includes an employee portion of 7% of current covered payroll. The District is also required to contribute any actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2015 was 13.087%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. The District's contributions to CalPERS for the years ended June 30, 2015, 2014 and 2013, which were all prepaid by the District at the beginning of the year, were $ 3,290, $ 7,181 and $ 11,294 respectively. These contributions were equal to the required contributions for each year.

NOTE 5: WASTEWATER TREATMENT SERVICES

Pursuant to the conditions of the 1972 agreement between the City of Yuma (the "City"), and the District, the City will furnish facilities to transmit the District's sewage to the City for treatment. The City will charge the District for operations and maintenance based on the actual costs incurred by the City which varies from billing cycle to billing cycle.

NOTE 6 – MAJOR CUSTOMER

The District had one major customer during the fiscal year ended June 30, 2015, which comprised of approximately 44% of the total sales. The District had $ 12,488 receivable from this customer as of June 30, 2015.

NOTE 7 – SUBSEQUENT EVENTS

The management of the District have reviewed the results of operations for the period of time from its year end June 30, 2015 through December 18, 2015 the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

WINTERHAVEN WATER DISTRICT
STATEMENT OF NET POSITION BY FUND
As of June 30, 2015

	Water Fund	Sewer Fund
ASSETS		
Cash & investments	$ (121,525)	$ 332,573
Accounts receivable	12,549	12,548
Total Current Assets	(108,976)	345,121
Property, plant & equipment, Net of depreciation	632,759	939,641
	$ 523,783	$ 1,284,762
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts payable	$ 2,922	$ 2,922
Payroll Taxes Payable	877	876
Customer deposits	3,289	-0-
Total liabilities	7,088	3,798
NET POSITION		
Invested in utility plant	632,759	939,641
Unreserved (Deficit)	(116,064)	341,323
Total Net Position	$ 516,695	$ 1,280,964

See accountant's report regarding supplemental information.

WINTERHAVEN WATER DISTRICT
STATEMENT OF OPERATING INCOME (LOSS) BY FUND
As of June 30, 2015

	Water	Sewer	Trash	Total
Operating revenues:				
Charges for services	$ 148,077	$ 182,661	$ 16,019	$ 346,757
Operating expenses:				
Bank service charges	134	215	-0-	349
Chemicals	11,454	2,147	716	14,317
Contract Labor	40,079	11,529	2,416	54,024
Depreciation expense	30,843	32,256	-0-	63,099
Director's fees	8,884	2,832	609	12,325
Electricity	11,520	5,779	63	17,362
Employee benefits	10,998	4,368	570	15,936
Freight Charge	620	-0-	-0-	620
Fuel & oil	1,720	628	161	2,509
Insurance	4,659	874	292	5,825
Lab	4,802	-0-	-0-	4,802
Office expense	8,867	2,044	423	11,334
Expense reimbursement	901	400	129	1,430
Salaries & Wages	36,356	15,149	3,699	55,204
Payroll taxes	2,110	620	116	2,846
Permit	3,378	412	7	3,797
Professional fees	7,551	1,483	467	9,501
Repairs & maintenance	2,578	6,039	177	8,794
Returned Checks	106	20	7	133
Sewer plant	-0-	40,249	-0-	40,249
Supplies	1,565	420	19	2,004
Trash Disposal	-0-	-0-	10,821	10,821
Truck repairs	7,413	2,042	377	9,832
Uniforms	119	52	23	194
Total operating expenses	196,657	129,558	21,092	347,307
Operating income (loss)	$ (48,580)	$ 53,103	$ (5,073)	$ (550)