



**COLORADO RIVER AUTHORITY**

Statements of Cash Receipts and Disbursements  
(Cash Receipts and Disbursements Basis)

Years ended June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)



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## Independent Auditors' Report

The Members  
Colorado River Authority:

We have audited the accompanying statements of cash receipts and disbursements of the Colorado River Authority (the Authority) for the years ended June 30, 2012 and 2011. These financial statements are the responsibility of the Authority and the trustee for its funds, The Metropolitan Water District of Southern California. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of cash receipts and disbursements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of cash receipts and disbursements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statements of cash receipts and disbursements. We believe that our audits provide a reasonable basis for our opinion.

As discussed in the accompanying note, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Colorado River Authority for the years ended June 30, 2012 and 2011, on the basis of accounting described in the accompanying note.

**KPMG LLP**

October 16, 2012

**COLORADO RIVER AUTHORITY**  
**Statements of Cash Receipts and Disbursements**  
**(Cash Receipts and Disbursements Basis)**  
**Years ended June 30, 2012 and 2011**

	<u><b>2012</b></u>	<u><b>2011</b></u>
Receipts:		
Contributions from supporting agencies	\$ 148,100	73,524
	<u>148,100</u>	<u>73,524</u>
Disbursements:		
Travel and conference expenses	(51,937)	(60,757)
Newsletter/releases	—	(10,117)
Total disbursements	<u>(51,937)</u>	<u>(70,874)</u>
Net change in cash	<u>96,163</u>	<u>2,650</u>
Cash at beginning of year	<u>292,348</u>	<u>289,698</u>
Cash at end of year	<u>\$ 388,511</u>	<u>292,348</u>

See accompanying note to statements of cash receipts and disbursements.

## **COLORADO RIVER AUTHORITY**

### **Note to Statements of Cash Receipts and Disbursements**

**Years ended June 30, 2012 and 2011**

#### **Reporting Entity and Summary of Significant Accounting Policies**

The Colorado River Authority (the Authority) is a separate government entity composed of Southern California public agencies formed in 2007. The Authority replaced The Colorado River Association–Six Agency Committee, which was formed in 1947. The Authority has the same structure and functions as The Colorado River Association–Six Agency Committee, but has distinct designation of a separate government entity. The Authority’s purpose is to engage in study, research, and information dissemination among the people of California and representatives of Congress and the State Legislature relative to California’s rights to water and other resources from the Colorado River. By means of a joint powers agreement (the agreement) signed September 1, 2007, the six major California public agencies with Colorado River water rights and interests agreed to jointly sponsor and support the Authority. The six major California public agencies are the Coachella Valley Water District, Imperial Irrigation District, City of Los Angeles Department of Water and Power, Palo Verde Irrigation District, San Diego County Water Authority, and the Metropolitan Water District of Southern California (Metropolitan). Through the Authority’s membership, these agencies conduct an educational and informative campaign in furtherance of their interests and the interests of the people of California in the waters from the Colorado River system. An executive committee, comprising a representative from each of the six agencies, was created by the agreement for the purposes of approving an annual plan of activities by the Authority and authorizing expenditures in accordance with the plan.

Pursuant to the agreement, Metropolitan acts as the trustee for the funds furnished by the agencies in support of the Authority. The agreement specifies that such moneys will be placed in a special account designated “Colorado River Authority Account.” Disbursements from the account are made by Metropolitan in accordance with the agreement.

The Authority’s policy is to prepare its statements of cash receipts and disbursements on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Consequently, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statements of cash receipts and disbursements are not intended to present the Authority’s financial position and results of operations, in conformity with U.S. generally accepted accounting principles.