KPMG

COLORADO RIVER AUTHORITY

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

Years ended June 30, 2013 and 2012

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 700
20 Pacifica
Irvine, CA 92618-3391

Independent Auditors' Report

The Members
Colorado River Authority:

We have audited the accompanying statements of cash receipts and disbursements of the Colorado River Authority for the years ended June 30, 2013 and 2012, and the related note to the statements of cash receipts and disbursements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in the accompanying note; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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, we 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Colorado River Authority for the years ended June 30, 2013 and 2012 in accordance with the cash basis of accounting described in the accompanying note.

Basis of Accounting

We draw attention to the accompanying note to the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

KPMG LLP

October 15, 2013

COLORADO RIVER AUTHORITY

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

Years ended June 30, 2013 and 2012

		2013	2012
Receipts:			
Contributions from supporting agencies	$	112,113	148,100
		112,113	148,100
Disbursements:			
Travel and conference expenses		(24,198)	(51,937)
Newsletter/releases		(5,033)	—
Other		(784)	—
Total disbursements		(30,015)	(51,937)
Net change in cash		82,098	96,163
Cash at beginning of year		388,511	292,348
Cash at end of year	$	470,609	388,511

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, 2013 and 2012

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.