

COLORADO RIVER JOINT POWERS AUTHORITY
Statements of Cash Receipts and Disbursements

Years ended June 30, 2014 and 2013

(With Independent Auditor's Report Thereon)

COLORADO RIVER JOINT POWERS AUTHORITY

Years ended June 30, 2014 and 2013

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Independent Auditor's Report

To the Board of Directors
Colorado River Joint Powers Authority
Glendale, California

We have audited the accompanying statement of cash receipts and disbursements of the Colorado River Joint Powers Authority (the Authority) for the year ended June 30, 2014, and the related note to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 statement 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 statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's 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 statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Authority for the year ended June 30, 2014, in accordance with the cash basis of accounting described in the accompanying note.

Other Matters

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 accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Prior Year Comparative Financial Statement

The financial statement for the year ended June 30, 2013 was audited by other auditors whose report dated October 15, 2013, expressed an unmodified opinion on that statement.

Macias Gini & O'Connell LLP

October 17, 2014

COLORADO RIVER JOINT POWERS AUTHORITY

Statements of Cash Receipts and Disbursements

Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Receipts:		
Contributions from supporting agencies	\$ 127,951	\$ 112,113
Disbursements:		
Travel and conference expenses	(68,222)	(24,198)
Newsletter/releases	(3,429)	(5,033)
Other	(52)	(784)
Total disbursements	<u>(71,703)</u>	<u>(30,015)</u>
Net change in cash	56,248	82,098
Cash at beginning of year	<u>470,609</u>	<u>388,511</u>
Cash at end of year	<u><u>\$ 526,857</u></u>	<u><u>\$ 470,609</u></u>

See accompanying note to statements of cash receipts and disbursements.

COLORADO RIVER JOINT POWERS AUTHORITY

Note to Financial Statements
Years ended June 30, 2014 and 2013

Reporting Entity and Summary of Significant Accounting Policies

The Colorado River Joint Powers Authority (the Authority) is a separate government entity composed of Southern California public agencies formed on September 1, 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), 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 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 Joint Powers Authority Account" (the 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 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.