

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 13, 1996

To: Board of Directors
 From: General Manager
 Subject: Executive Financial Summary

Transmitted herewith is the District's Executive Financial Summary for the 1996-97 fiscal year as of August 31, 1996.

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John R. Wodraska

By: Lambertus H. Becker
 Chief Financial Officer



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 13, 1996

To: Board of Directors
From: General Manager
Subject: Executive Financial Summary

Transmitted herewith is the Monthly Financial Summary as of August 31, 1996. Included in the report are the following statements:

- Financial Board Charts
- Budget v. Cost Report
- Statement of Receipts, Disbursements, and Balances by Fund
- Balance Sheet
- Statement of Operations--Accrual Basis
- Supplementary Information

There were no appropriations closed in the month of August 1996.

A handwritten signature in black ink, reading "David I. Furukawa". The signature is written in a cursive, flowing style with a large initial 'D'.

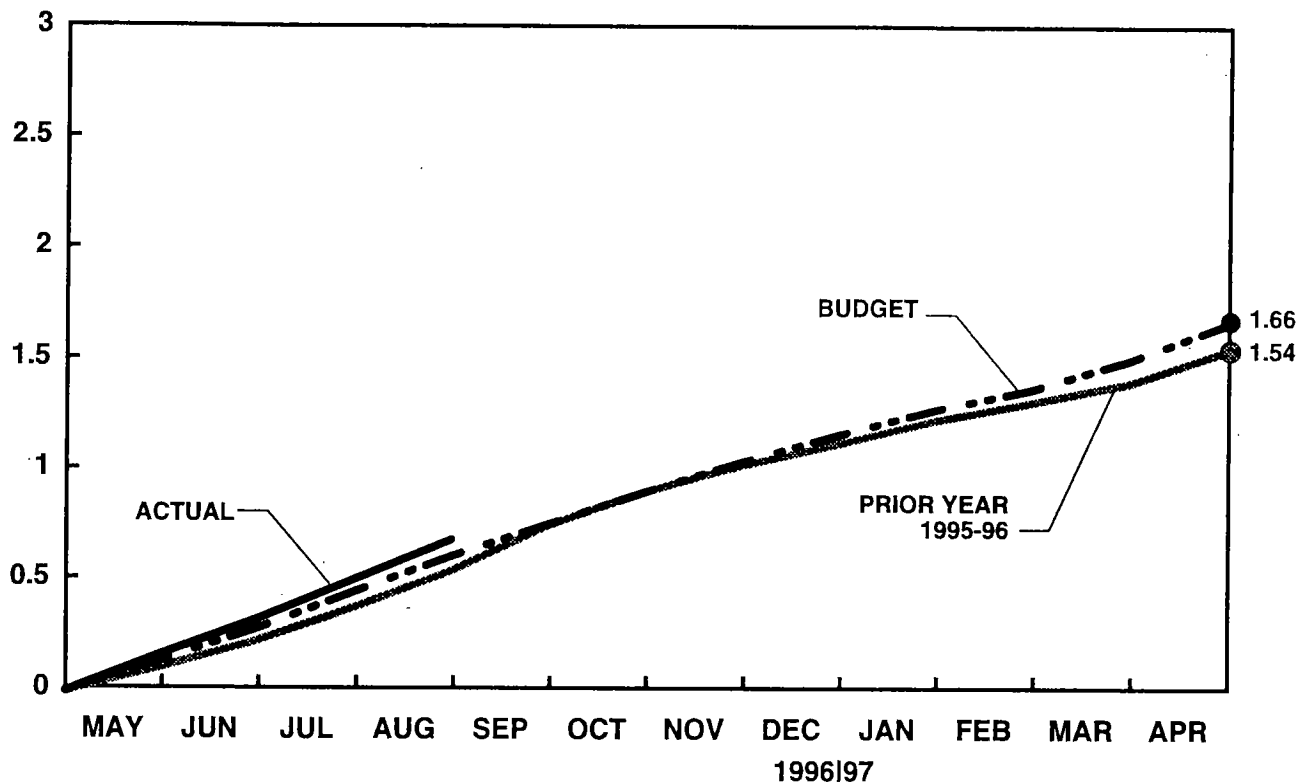
David I. Furukawa

Encl.

DIF/mjw

ACRE-FEET SOLD (CASH YEAR)

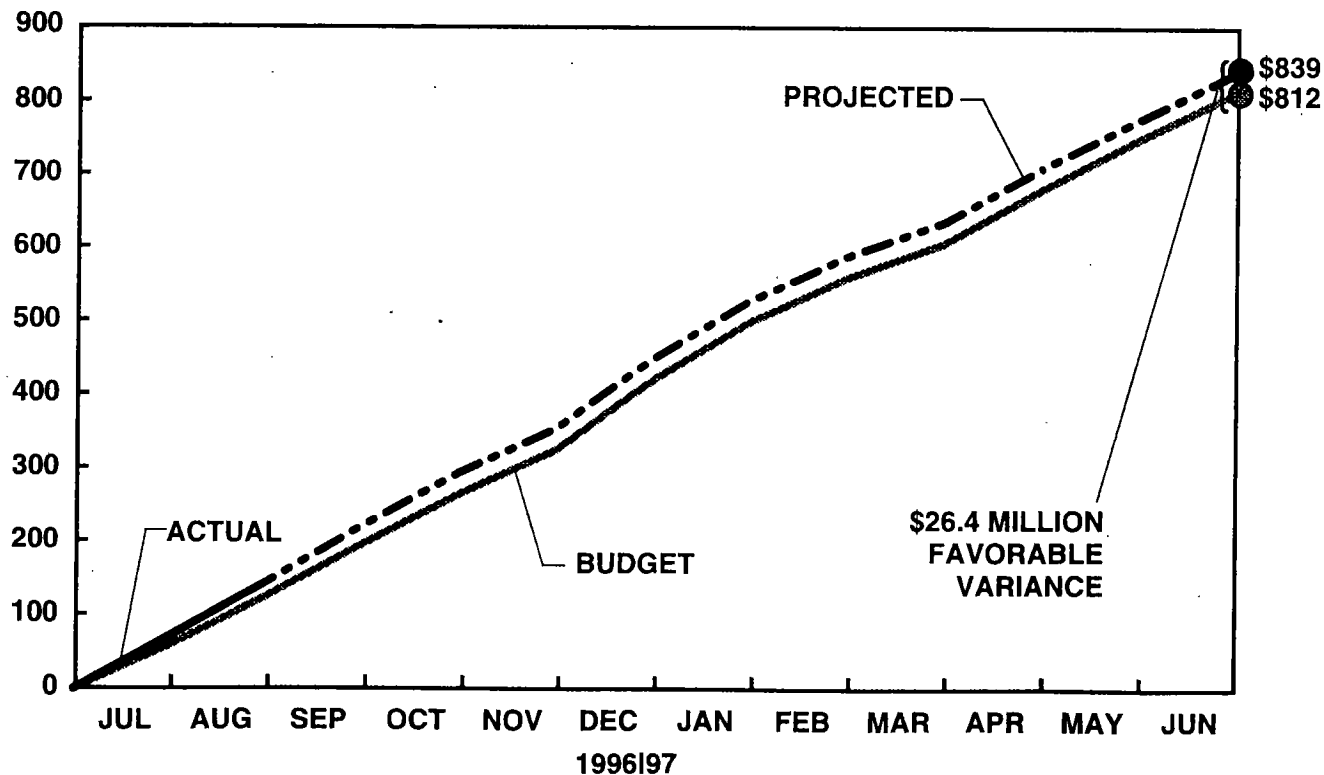
MILLIONS



RECEIPT COMPARISONS (BUDGET VS ACTUAL)

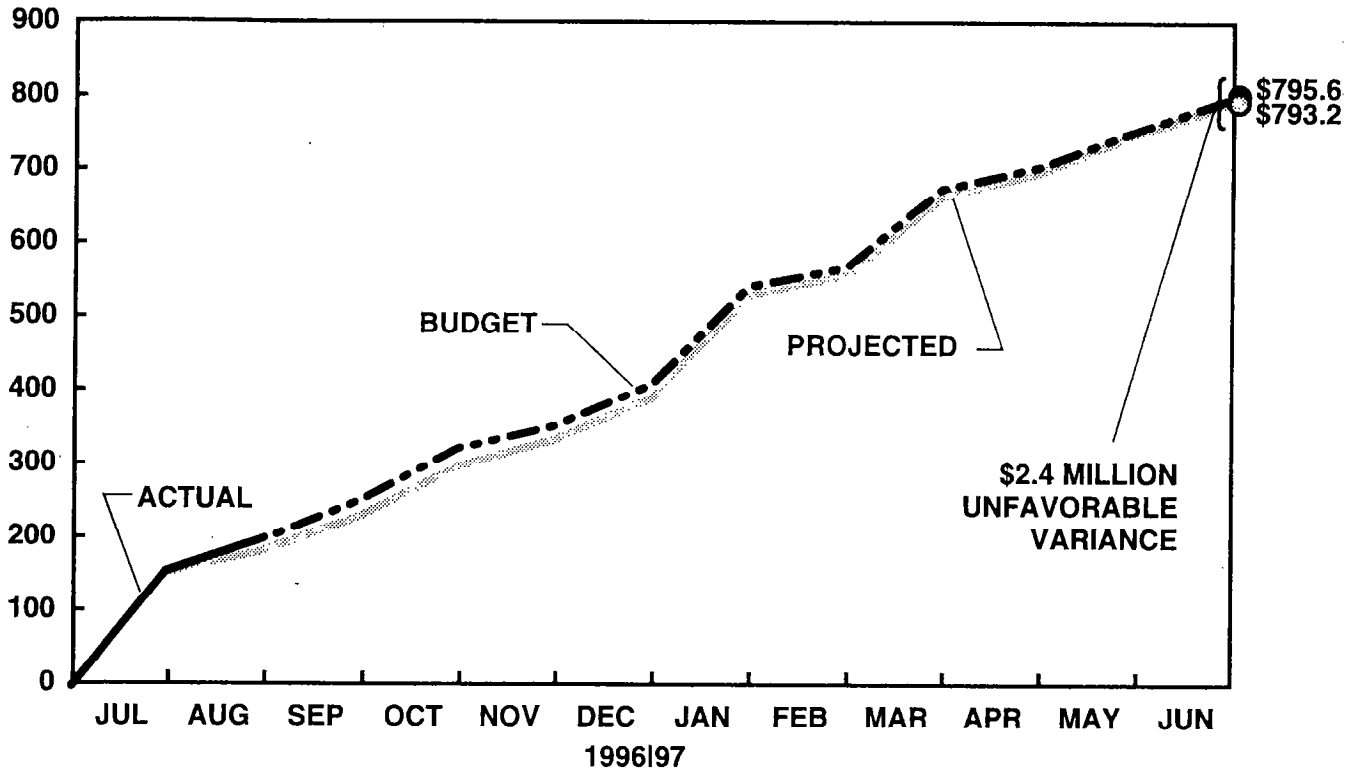
IN \$ MILLIONS

FY 1996 - 1997



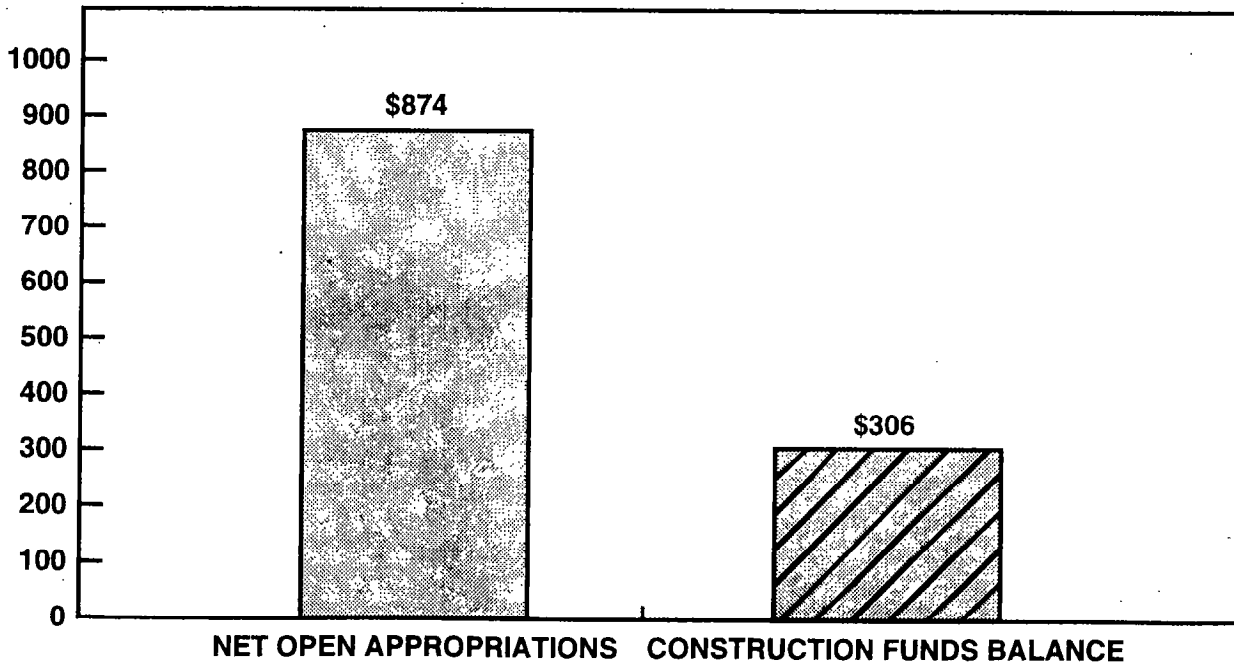
EXPENDITURE COMPARISONS (BUDGET VS ACTUAL) FY 1996 - 1997

IN \$ MILLIONS



APPROPRIATIONS APPROVED TO DATE AND CONSTRUCTION FUNDS BALANCE AS OF JULY 31, 1996

\$ IN MILLIONS



BUDGET VS. COST REPORT

CASH BASIS
(\$ in Thousands)

FISCAL YEAR 1996-97

	ANNUAL BUDGET	BUDGET THRU August 1996	ACTUAL THRU August 1996	VARIANCE		X-REF.
				DOLLARS	PERCENT	
RECEIPTS						
WATER SALES	\$602,681	\$105,230	\$121,883	\$16,653	15.8%	
TAXES	82,620	4,712	5,082	370	7.9%	
INTEREST	47,280	8,819	8,532	(287)	-3.3%	
SALE OF HYDROELECTRIC POWER	12,035	2,849	3,263	414	14.5%	
READINESS-TO-SERVE CHARGES	64,050	1,684	3,587	1,903	113.0%	
CONNECTION MAINTENANCE CHARGES	2,978	496	490	(6)	-1.2%	
OTHER	750	124	173	49	39.5%	
TOTAL RECEIPTS	\$812,394	\$123,914	\$143,010	\$19,096		
EXPENDITURES						
O&M	213,268	37,083	36,839	244	0.7%	
OPERATING EQUIPMENT	7,070	1,178	1,469	(291)	-24.7%	
STATE WATER SUPPLIES						
SWC CAPITAL	139,132	54,957	54,957	0	0.0%	
SWC OMP&R	94,517	15,151	15,152	(1)	0.0%	
OFF AQUEDUCT	41,916	8,140	7,955	185	2.3%	
SWC VARIABLE POWER	9,118	2,855	444	2,411	84.4%	
SWC CREDITS	(50,871)	(2,401)	(572)	(1,829)	76.2%	
BAY DELTA CATEGORY III FUNDING	10,000	0	0	0	0.0%	
WATER TRANSFERS \ OPTIONS (1)	1,510	1,510	1,510	0	0.0%	
COLORADO RIVER SUPPLIES						
IID CAPITAL	6,781	0	0	0	0.0%	
IID O&M AND INDIRECT	3,779	0	0	0	0.0%	
CRA POWER	37,364	6,508	3,342	3,166	48.6%	
MWD CAPITAL PROGRAM						
REVENUE BOND DEBT SERVICE	106,330	53,041	53,685	(644)	-1.2%	
G.O. BOND DEBT SERVICE	56,332	0	87	(87)	0.0%	
COMM. PAPER DEBT SERVICE	9,974	1,416	958	458	32.3%	
PAYG CONSTRUCTION	107,000	15,300	9,146	6,154	40.2%	
TOTAL EXPENDITURES	\$793,220	\$194,738	\$184,972	\$9,766		
NET CHANGE IN CASH	\$19,174	(\$70,824)	(\$41,962)	\$28,862		
CONSTRUCTION EXPENDITURES (As Revised) *	\$517,813	\$74,040	\$59,068	\$14,972	-20.2%	

Note: Trust Account Transactions are not reflected in this report.

(1) \$34M will be deposited into the Water Transfer Fund during the fiscal year.

Variance explanations will be provided at the end of the first quarter of this fiscal year.

* Includes PAYG Construction, also shown in table above.

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND BALANCES
JULY 1, 1996 THROUGH AUGUST 31, 1996**

	TOTAL ALL FUND	OPERATING FUNDS	STATE CONTRAC FUNDS	DEBT SERVICE FUNDS	RATE STABILIZATIO FUNDS	PAY-AS-YOU GO FUND	REVOLVING CONSTRUCTION FUNDS	REVENUE BOND CONSTRUCTION FUNDS	COMMERCIAL PAPER NOTE CONSTRUCTION	OTHER FUNDS
CASH AND INVESTMENT BALANCES - START OF PERIOD	1,143,189,767.95	261,950,997.07	64,634,698.78	125,266,366.19	201,378,193.21	237,683,928.91	114,461.43	35,406,156.01	40,177,473.85	176,577,492.50
RECEIPTS										
Net Tax Collections	5,081,793.52	0.00	2,136,194.49	2,945,599.03	0.00	0.00	0.00	0.00	0.00	0.00
Water Sales	121,883,413.65	121,883,413.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Readiness-To-Serve (WSC)	3,587,330.45	3,587,330.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Power Recoveries	3,263,281.07	3,263,281.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Investments	10,225,156.15	2,712,256.17	668,744.92	929,736.70	2,701,162.57	1,519,530.69	1,056.37	1,087,111.96	235,959.26	369,597.51
Debt Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reimbursements	1,910,480.90	1,272,424.88	0.00	0.00	0.00	814.78	0.00	637,241.24	0.00	0.00
Other Collections	662,884.11	662,884.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL RECEIPTS	146,614,339.85	133,381,590.33	2,804,939.41	3,875,335.73	2,701,162.57	1,520,345.47	1,056.37	1,724,353.20	235,959.26	369,597.51
INTER-FUND TRANSACTIONS										
Inter-Fund Transfers	(0.00)	(32,535,067.37)	16,000,000.00	16,535,067.37	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTER-FUND TRANSACTIONS	(0.00)	(32,535,067.37)	16,000,000.00	16,535,067.37	0.00	0.00	0.00	0.00	0.00	0.00
DISBURSEMENTS - NET										
Operations & Maintenance	37,076,189.01	37,076,589.01	0.00	0.00	0.00	(400.00)	0.00	0.00	0.00	0.00
Operating Equipment - Net	1,526,321.50	1,526,321.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Supplies Inventory	(104,764.04)	(104,764.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Undistributed Payroll (Net)	287,278.86	287,278.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Construction	60,504,513.55	587,426.82	0.00	0.00	0.00	9,356,178.60	214.40	31,086,284.94	19,474,408.79	0.00
DWR - Capital Payments	54,957,048.00	0.00	54,957,048.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DWR - Minimum O&M	15,152,311.00	15,152,311.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Off Aqueduct Facilities	7,955,121.00	3,337,173.00	4,617,948.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRA - Power	3,342,470.69	3,342,470.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SWC - Variable Power	443,980.00	443,980.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SWC - Credit	(571,564.00)	(571,564.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DWR - Water Bank/Transfer/Options	1,510,485.80	1,510,485.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
To MWDOC - Allen-McColloch Ppl	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service on MWD Bonds	54,731,102.09	0.00	0.00	54,731,102.09	0.00	0.00	0.00	0.00	0.00	0.00
Arbitrage Rebate Tax to IRS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Book Gain/Loss on Investment	742.56	742.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS	236,811,236.02	62,588,451.20	59,574,996.00	54,731,102.09	0.00	9,355,778.60	214.40	31,086,284.94	19,474,408.79	0.00
TRANSFERS TO ESCROW BANK ACCOUNT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRUST ACCT TRANSACTIONS <NET>	(7,678,315.42)	1,771,987.69	0.00	(9,357,335.20)	0.00	0.00	0.00	0.00	0.00	(92,967.91)
CASH AND INVESTMENT BALANCES - END OF PERIOD	1,045,314,556.36	301,981,056.52	23,864,642.19	81,588,332.00	204,079,355.78	229,848,495.78	115,303.40	6,044,224.27	20,939,024.32	176,854,122.10

BALANCE SHEET AS OF AUGUST 31, 1996

ASSETS

CASH AND INVESTMENTS	
Operating, Construction and Other	907,219,348.15
Held for Crossover Refunding Bonds	<u>138,095,208.21</u>
Total Cash and Investments	1,045,314,556.36
ACCOUNTS RECEIVABLE	
Tax Assessments	81,787,616.03
Annexation Charges	21,406,472.15
Water Sales	140,311,193.50
Readiness-To-Serve (WSC)	59,507,439.24
Power Recoveries	2,779,401.69
Interest Accrued on Investments	20,526,051.13
Notes Receivable	6,830,279.23
Sundry	<u>(3,193,791.10)</u>
Total Accounts Receivable	329,954,661.87
Inventories	15,853,909.73
OTHER ASSETS	
Deferred Charges	274,840,630.34
Feasibility Studies, Reimbursables, etc.	14,099,265.58
Construction & Right of Way Deposits	<u>26,944,753.68</u>
Total Other Assets	315,884,649.60
PROPERTY, PLANT AND EQUIPMENT	
Land, Easements & Right of Way	381,845,864.10
Completed Features	1,731,403,907.17
Work in Progress	1,490,672,287.70
Less: Allowance for Depreciation	<u>(488,515,113.06)</u>
Total Comp. Features & WIP Net of Allow. for Depr.	2,733,561,081.81
Preoperating Costs - Capitalized	44,594,758.04
Less: Portion Amortized	<u>(19,281,243.71)</u>
Total Preoperating Costs Net of Amortization	25,313,514.33
Participation Rights - State Fac.	2,803,756,747.22
Less: Portion Amortized	<u>(1,351,292,826.00)</u>
Total State Fac. Partic. Rts Net of Amort.	1,452,463,921.22
Participation Rights - Other Fac.	152,954,845.01
Less: Portion Amortized	<u>(9,383,190.76)</u>
Total Other Fac. Partic. Rts. Net of Amort.	143,571,654.25
Major Operating Equipment	86,441,424.88
Less: Allowance for Depreciation	<u>(57,508,196.34)</u>
Total Major Operating Equipment Net of Depr.	28,933,228.54
Total Assets	6,472,697,041.81

BALANCE SHEET AS OF AUGUST 31, 1996

LIABILITIES AND EQUITY

ACCOUNTS PAYABLE & ACCRUED EXPENSE

Commercial Paper Notes	130,000,000.00
Matured Bonds & Coupon not Presented for Payments	59,906.51
Bond Int. Accrued but not Due	34,215,142.18
Accrued Prem. on Called Bonds	<u>(34,295.12)</u>
Total Bonds	34,240,753.57
Participation Rights - State Facilities	204,850,564.00
State Variable and Minimum OMP&R Services, Material, etc.	172,523,062.00
Compensated Absences	19,358,611.54
Trust Funds	21,819,100.19
Customer Deposits	32,519,249.01
	<u>3,446,925.04</u>
Total Accounts Payable & Accrued Expense	618,758,265.35

DEFERRED INCOME

Deferred Readiness-To-Serve (WSC)	53,374,990.00
Deferred Water Sales	984,787.54
Deferred Tax Levies - Current Year	66,031,584.82
PERS Employer's Credits	21,139,987.40
Deferred Interest	0.00
Deferred Water Bank Sales	<u>0.00</u>

Total Deferred Income 141,531,349.76

Long Term Obligations

Bonds & Notes Payable:	
1966/69 G.O. Bonds	407,435,000.00
* G.O. Refunding Bonds.	193,496,200.00
Revenue Bonds	737,440,000.00
* Revenue Refunding Bonds	591,093,113.00
Crossover Refunding Bonds	<u>138,085,000.00</u>

Total Bonds & Notes Payable 2,067,549,313.00

Other Long Term Obligations:

Due to MWDOC - Allen-McColloch Pipeline	34,490,864.00
Unamortized Bond Premium	4,132,452.12
Unamortized Bond Discount	(30,430,982.14)
Employees' Deferred Compensation Payable	32,590,752.00
Obligation for Off-Aqueduct Power Facilities	139,246,379.00
Interest to Be Rebated to IRS	1,340,531.98
Obligation for Iron Mountain Landfill Closure	<u>2,663,000.00</u>

Total Other Long Term Obligations 184,032,996.96

EQUITY

Contributions	35,918,918.57
Annexation Commitments	372,389,927.85
Other Retained Earnings	2,955,116,686.04
Estimated Income	<u>97,399,584.28</u>

Total Equity 3,460,825,116.74

TOTAL LIABILITIES AND EQUITY 6,472,697,041.81

* Net of Deferred Loss on Early Retirement of Debt. \$2,818,800.00 & \$20,871,776.00 respectively.

STATEMENT OF OPERATIONS
FISCAL YEAR THROUGH AUGUST 31, 1996

GROSS OPERATING INCOME

Water Sales:	Acre Feet		
Treated	267,414.00	111,285,185.30	
Untreated	83,730.10	27,274,584.00	
Reclaimed Water	9,855.00	2,281,230.20	
	360,999.10	140,840,999.50	
Readiness-To-Serve (WSC)		8,661,060.32	
Connection Maintenance Charge		473,475.00	
Power Recoveries	(75,288,801.00 kWh)	3,533,753.23	153,509,288.05

OPERATION AND MAINTENANCE

Operations		31,586,855.16	
Power and Water Costs		25,998,020.17	57,584,875.33
Operating Income before Amort. & Depr.			95,924,412.72
Amort. of Participation Rights		13,635,917.22	
Depreciation, Plant		4,604,336.00	18,240,253.22
Operating Income			77,684,159.50

OTHER INCOME

Net Tax Revenues		12,938,823.66	
Interest Earned on Investments		10,968,614.38	
Current Interest Levies - Annexation Commitments		217,247.54	
Property Rentals		41,269.41	
Gain on Land Sales		400.00	
Earnings on Escrow Accounts		0.00	
Sundry Revenues		93,022.76	24,259,377.75

INTEREST AND OTHER EXPENSE

Bond Interest Expense		9,611,295.27	
Adjustment for OAPF obligation		0.00	
Arbitrage Rebate Tax		0.00	
Sundry Expense		(37,322.87)	9,573,972.40

Income before Annex Inc. & Prior Year' Adjust 92,369,564.85

ANNEXATION INCOME

Levies for Uncapitalized Annexation - Principal		427.55	
New Annexations - Principal		25,843.88	26,271.43

ADJUSTMENTS OF PRIOR YEAR' POWER AND WATER COSTS 5,003,748.00
EXTRAORDINARY LOSS ON DEFEASANCE OF BONDS

NET INCOME 97,399,584.28

RETAINED EARNINGS AT START OF YEAR 3,327,506,613.89
RETAINED EARNINGS TO DATE 3,424,906,198.17

STATEMENT OF OPERATIONS

FISCAL YEAR THROUGH AUGUST 31, 1995

GROSS OPERATING INCOME

Water Sales:	Acre Feet		
Treated	247,345.20	103,233,869.90	
Untreated	62,948.80	20,756,574.10	
Reclaimed Water	6,920.50	782,016.50	
	317,214.50	124,772,460.50	
Readiness-To-Serve (WSC)		8,596,332.90	
Connection Maintenance Charge		495,850.00	
Power Recoveries (46,157,248 kWh)		2,668,736.22	136,533,379.62

OPERATION AND MAINTENANCE

Operations		28,405,047.86	
Power and Water Costs		25,819,161.22	54,224,209.08
Operating Income before Amort. & Depr.			82,309,170.54
Amort. of Participation Rights		16,128,367.22	
Depreciation, Plant		4,054,056.00	20,182,423.22
Operating Income			62,126,747.32

OTHER INCOME

Net Tax Revenues		12,971,761.46	
Interest Earned on Investments		12,106,351.90	
Current Interest Levies - Annexation Commitments		243,738.07	
Property Rentals		73,821.97	
Gain on Land Sales		64,826.39	
Earnings on Escrow Accounts			
Sundry Revenues		199,582.49	25,660,082.28

INTEREST AND OTHER EXPENSE

Bond Interest Expense		13,009,109.75	
Adjustment for OAPF obligation			
Arbitrage Rebate Tax			
Sundry Expense		322,427.00	13,331,536.75
Income before Annex Inc. & Prior Year' Adjust			74,455,292.85

ANNEXATION INCOME

Levies for Uncapitalized Annexation - Principal		1,235.92	
New Annexations - Principal			1,235.92

ADJUSTMENTS OF PRIOR YEAR' POWER AND WATER COSTS
EXTRAORDINARY LOSS ON DEFEASANCE OF BONDS

4,202,782.00

NET INCOME

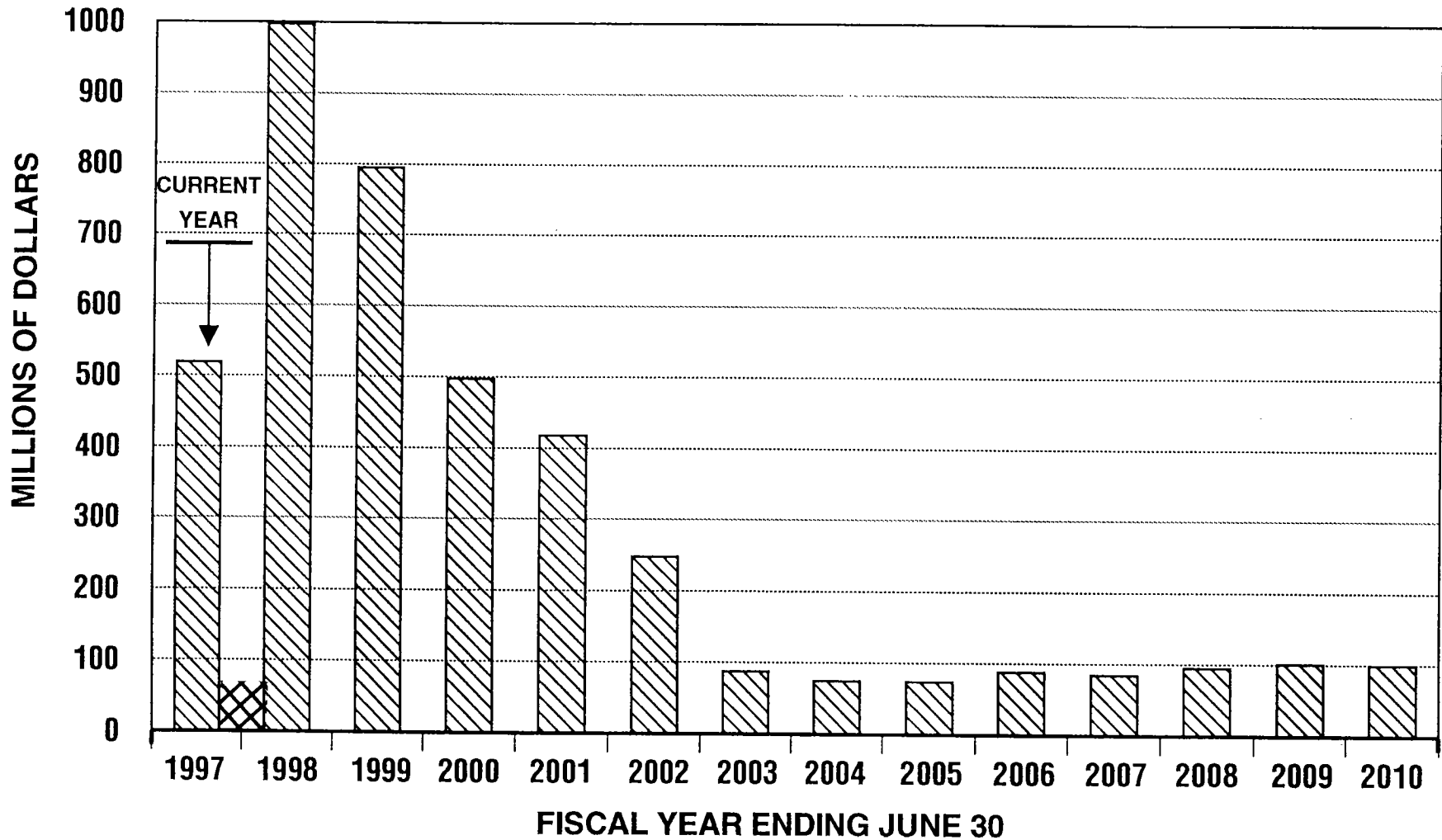
78,659,310.77

RETAINED EARNINGS AT START OF YEAR
RETAINED EARNINGS TO DATE3,013,392,129.47
3,092,051,440.24






THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
PROJECTED AND ACTUAL CONSTRUCTION COSTS

AUGUST 1996

▨	PROJECTED COSTS THROUGH 2010 ESCALATED AT 5%: TOTAL PROGRAM	\$4,152.1
▩	EXPENDITURES TO DATE (F/Y 1996-97)	59.0
·	APPROPRIATIONS APPROVED TO DATE (F/Y 1996-97)	34.6

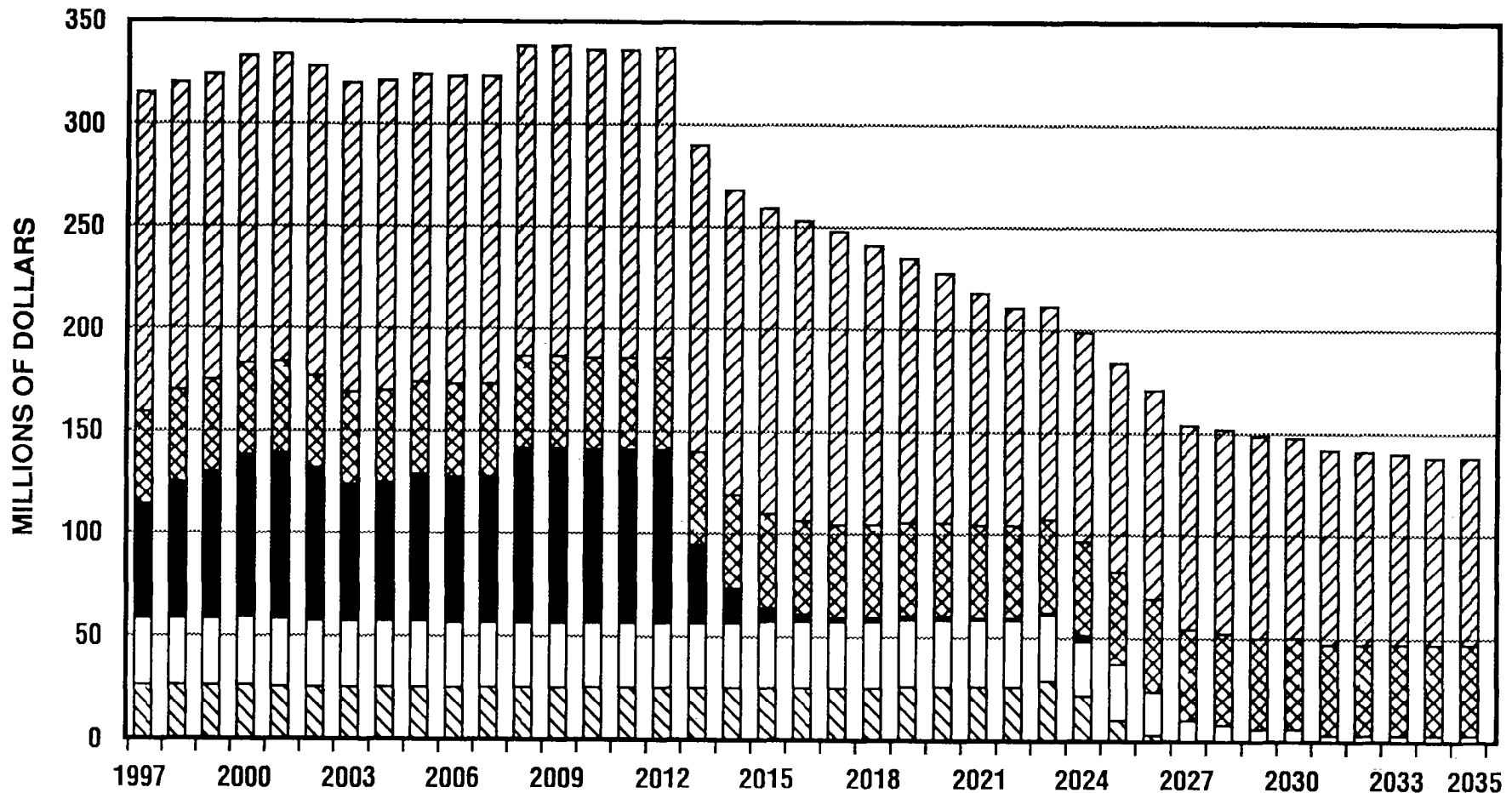


THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
PROJECTED FIXED SWC CHARGES THROUGH 2035

	TRANSPORTATION	\$ 5,014
	STORAGE & CONSERVATION	1,747
	OFF-AQUEDUCT	1,272
	EAST BRANCH ENLARGEMENT	947
	REVENUE BOND SURCHARGE	722

* FROM ATTACHMENT 3, DEPARTMENT OF WATER RESOURCES INVOICE DATED JULY 1, 1996. ALL AMOUNTS IN 1996 DOLLARS. AMOUNT CHARGES ARE BASED ON ORIGINAL ENTITLEMENT OF 2,011,500 AF FOR 1997 - 2035.

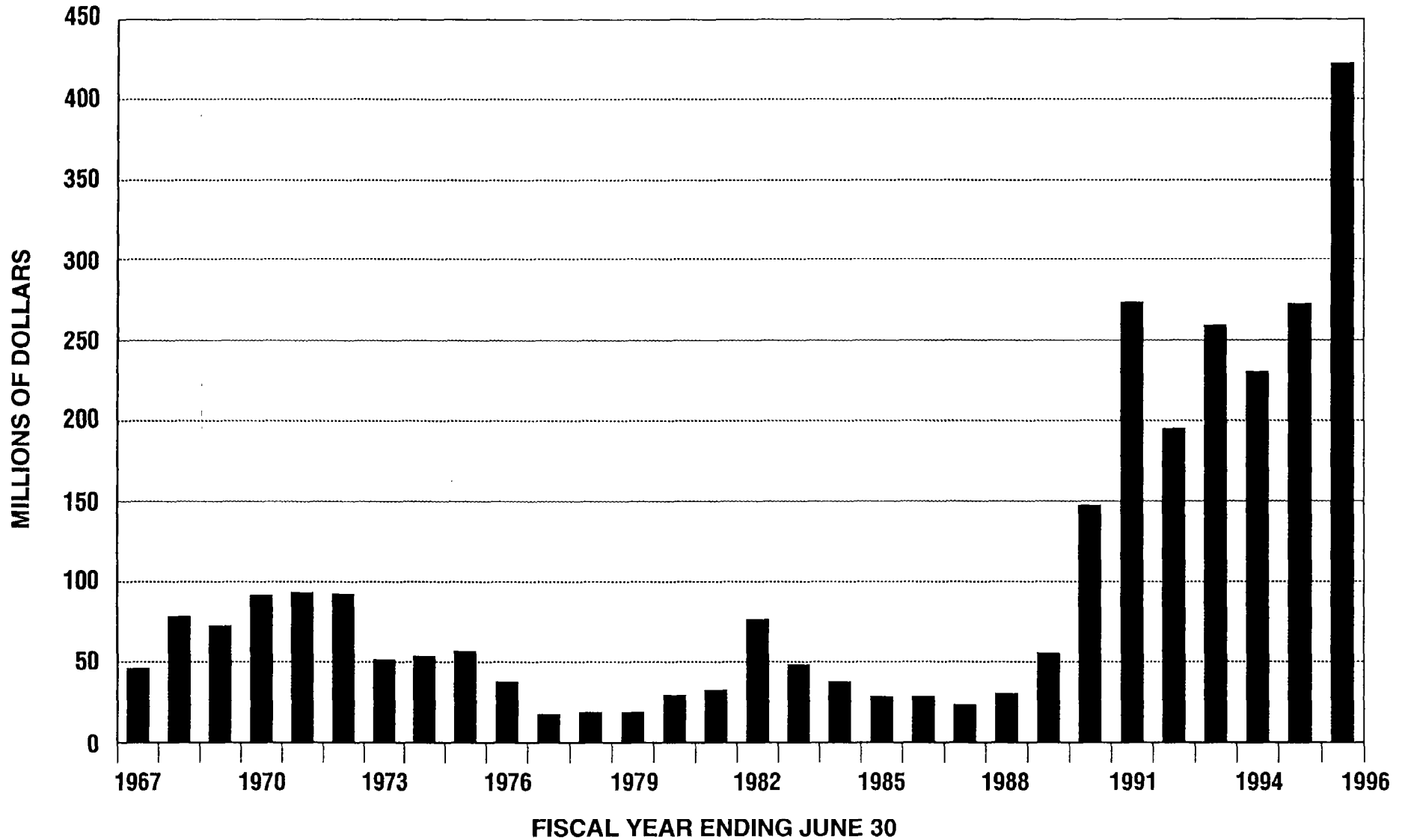
TOTAL	<u><u>\$ 9,702</u></u>
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THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
HISTORICAL CONSTRUCTION EXPENDITURES

from 7-1-66 through 6-30-96

■ EXPENDITURES THROUGH 6-30-96 \$ 2.91 BILLION



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 9, 1996

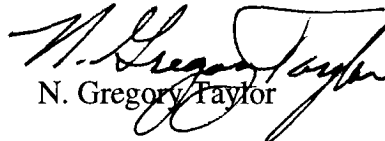
To: Board of Directors

From: General Counsel

Subject:

**Review as to Eligibility of Securities Invested in by the Treasurer
for the Month of August 1996.**

Pursuant to Sections 2741(a) and 5101(b)(5) of the Administrative Code, this office has examined the Treasurer's Monthly Report to the Board for the month of August, 1996, covering the investment of securities for that period. The reported forms of investment are within the eligible group of securities authorized by Section 5101(b)(2) of the Administrative Code, and as of the end of the month are within the percentage constraints specified in that section.


N. Gregory Taylor

SBB:sac

cc: J. R. Wodraska
L. H. Becker
D. I. Furukawa
R. N. Marumoto

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 6, 1996

To: General Manager

From: Treasurer

Subject: Treasurer's Monthly Report - August 1996

This letter transmits a summary report of investments and cash balances and yield comparisons for the end of the current month. A detail report of investments is filed each month with the Executive Secretary. These reports are required by Section 5114 of the MWD Administrative Code. All of the investments comply with Chapter 5101 of the MWD Administrative Code and the Investment Policy dated June 12, 1996.

District investments are held in various funds designated for certain purposes as follows:

	<u>Book Value</u>	<u>Market Value</u>
Operating Funds	\$ 308,172,000	
State Water Contract Fund	23,864,000	
Debt Service Funds	81,542,000	
Rate Stabilization Funds	<u>204,078,000</u>	
Total	\$ 617,656,000	\$ 617,179,000
Construction and Trust Funds	\$ 295,605,000	\$ 301,609,000

Interest Earnings

	<u>Month</u>	<u>Fiscal Year to Date</u>	<u>Weighted Average Days to Maturity</u>	<u>Portfolio Yield</u>	<u>1 Year Treasury Bill</u>
August 1996	\$ 4,492,562	\$ 9,254,215	536	6.04%	5.57%
August 1995	\$ 5,146,225	\$ 10,254,789	372	6.03%	5.30%


 Roger N. Marumoto

RNM:yc

Attachments