



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

# **Executive Financial Report**

## **For the Eleven Months Ended May 31, 2007**

**Executive Financial Summary**  
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**For the Eleven Months Ended May 31, 2007**

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# The Metropolitan Water District of Southern California

## Statements of Operations - Accrual Basis (Dollars in millions)

	For the Eleven Months Ended May 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2007	2006	
<b>Operating Revenues:</b>			
Water Sales	\$ 823.6	\$ 744.2	\$ 79.4
Wheeling / Exchange	12.9	8.3	4.6
Readiness-to-Serve	73.3	73.3	(0.0)
Capacity Charge	29.6	29.1	0.4
Power Sales	23.9	24.6	(0.7)
Total Operating Revenues	963.2	879.5	83.7
<b>Operating Expenses:</b>			
Cost of Water	283.7	278.2	(5.5)
Operations & Maintenance	287.4	265.1	(22.2)
Water Management Programs, Net	36.4	31.0	(5.4)
Depreciation & Amortization	192.1	187.2	(4.9)
Total Operating Expenses	799.5	761.5	(38.0)
<b>Net Operating Income</b>	<b>163.7</b>	<b>118.0</b>	<b>45.7</b>
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	90.7	91.6	(1.0)
Investment Income <sup>(1)</sup>	51.6	29.5	22.1
Bond Interest Expense	(86.1)	(97.3)	11.2
Other	(1.6)	1.7	(3.3)
Total Other Income - Net	54.5	25.5	29.0
<b>Net Income</b>	<b>\$ 218.2</b>	<b>\$ 143.5</b>	<b>\$ 74.7</b>

**Sales Statistics** (average prices calculated using exact rather than rounded dollar amounts):

Water Sales (TAF)	2,067.2	1,883.4	183.8
Wheeling/Exchange (TAF)	49.8	31.9	17.9
Power Sales (mWh)	469.9	449.9	20.0
<b>Average Sales Price</b>			
Water Sales	\$ 398.41	\$ 395.13	\$ 3.28
Wheeling/Exchange	\$ 258.04	\$ 258.31	\$ (0.27)
Power Sales	\$ 0.05	\$ 0.05	\$ (0.00)

**Ratios:**

Operating (Operating Expense* divided by Operating Revenue)	63.1 %	65.3 %
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\* Excludes depreciation and amortization expense.

**Notes:**

(1) Includes fair value adjustment of \$8.6 million and (\$12.1) million at May 31, 2007 and 2006, respectively.

# The Metropolitan Water District of Southern California

## Balance Sheets - Accrual Basis (Dollars in millions)

	2007	May 31, 2006	Increase/ (Decrease)
<b>Assets:</b>			
Cash and investments at book value <sup>(1)</sup>	\$ 1,294.6	\$ 992.8	\$ 301.9
Fair Value Adjustment	0.5	(7.6)	8.1
Accounts Receivable	247.1	177.4	69.7
Property, Plant and Equipment, net	7,109.5	6,568.4	541.0
Prepaid State Water Project Entitlements, net	1,505.4	1,555.3	(49.9)
Participation Rights, net	261.4	266.3	(5.0)
Deferred Charges and Water Rights	240.0	252.7	(12.7)
Other	132.4	134.8	(2.4)
<b>Total Assets</b>	<b>\$ 10,790.8</b>	<b>\$ 9,940.2</b>	<b>\$ 850.6</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 4,525.4	\$ 3,868.9	\$ 656.4
Off-Aqueduct Power Facilities	73.9	82.6	(8.7)
Accounts Payable and Accrued Bond Interest	141.6	90.8	50.8
Deferred Income	46.1	39.6	6.4
State Water Project Obligations	230.6	224.4	6.2
Trust Funds and Other	82.3	78.8	3.5
<b>Total Liabilities</b>	<b>5,099.9</b>	<b>4,385.3</b>	<b>714.6</b>
<b>Equity</b>	<b>5,691.0</b>	<b>5,555.0</b>	<b>136.0</b>
<b>Total Liabilities and Equity</b>	<b>\$ 10,790.8</b>	<b>\$ 9,940.2</b>	<b>\$ 850.6</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 79.5 %      69.6 %

(1) Fair value of cash and investments was \$1,295.1 million and \$985.2 million at May 31, 2007 and 2006, respectively.

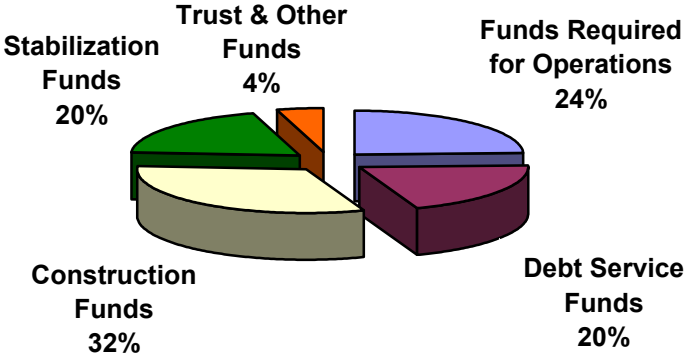
Certain reclassifications of prior year amounts have been made to conform to current year's presentation.

Totals may not foot / cross foot due to rounding.

# The Metropolitan Water District of Southern California

## Cash and Investments at Book Value As of May 31, 2007 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 212.3	\$ 103.2	\$ 0.5	\$ 316.0
Debt Service Funds	257.6	-	-	257.6
Construction Funds	389.6	-	20.7	410.3
Stabilization Funds	-	-	253.8	253.8
Trust & Other Funds	38.7	18.2	-	56.9
<b>Total</b>	<b>\$ 898.2</b>	<b>\$ 121.4</b>	<b>\$ 275.0</b>	<b>\$ 1,294.6</b>



The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the Eleven Months Ended May 31, 2007  
(Dollars in millions)

	Estimate	Actual	Variance from Estimate		Fiscal Year	Projected	Variance from Estimate		
	to Date	to Date	\$	%	Estimate	Year-End (1)	\$	%	
<b>Sources of Funds</b>									
Bond Construction Funds	\$ 364.9	\$ 379.8	\$ (14.9)	(4%)	\$ 396.2	\$ 367.0	\$ 29.2	7%	
R & R/General Funds	152.1	113.0	39.1	26%	165.1	153.0	12.1	7%	
<b>Total</b>	<b>\$ 517.0</b>	<b>\$ 492.7</b>	<b>\$ 24.2</b>	<b>5%</b>	<b>\$ 561.3</b>	<b>\$ 520.0</b>	<b>\$ 41.3</b>	<b>7%</b>	
<b>Program Expenditures</b>									
Oxidation Retrofit Programs	\$ 158.2	\$ 116.5	\$ 41.7	26%	\$ 171.0	\$ 108.0	\$ 63.0	37%	
Treatment Plant Improvement	84.9	90.5	(5.6)	(7%)	90.6	109.0	(18.4)	(20%)	
Perris Valley Pipeline	47.4	15.4	31.9	67%	51.8	15.0	36.8	71%	
Inland Feeder	47.5	67.1	(19.6)	(41%)	51.8	80.0	(28.2)	(54%)	
Skinner Filtration Plant Expansion No. 4	30.3	44.2	(13.9)	(46%)	31.7	44.0	(12.3)	(39%)	
Chlorine Containment and Handling Facilities	27.8	44.9	(17.1)	(61%)	31.0	35.0	(4.0)	(13%)	
Diemer - Solids Handling/Water Reclamation	14.3	11.5	2.8	20%	15.1	12.0	3.1	21%	
Distribution System - Rehabilitation Program	12.8	14.9	(2.1)	(17%)	13.6	14.0	(0.4)	(3%)	
Diamond Valley Lake Recreation	12.1	10.6	1.5	13%	13.4	12.0	1.4	10%	
CRA - Reliability/Containment Programs	8.5	15.9	(7.4)	(88%)	9.8	16.0	(6.2)	(63%)	
Other	73.3	61.3	12.0	16%	81.4	75.0	6.4	8%	
<b>Total</b>	<b>\$ 517.0</b>	<b>\$ 492.7</b>	<b>\$ 24.2</b>	<b>5%</b>	<b>\$ 561.3</b>	<b>\$ 520.0</b>	<b>\$ 41.3</b>	<b>7%</b>	

(1) Projected numbers are updated at quarter-end.

Totals may not foot / cross foot due to rounding.



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** June 13, 2007  
**To:** Board of Directors  
**From:** General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the  
Treasurer for the Month of May 2007

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 May 2007 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. For purposes of this letter, we have not undertaken to independently verify the accuracy of the information submitted by the Treasurer to this office.

  
Karen L. Tachiki

cc: T. E. DeBacker  
J. Kightlinger  
R. N. Marumoto  
B. G. Thomas