



**MWD**

*METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA*

# **Executive Financial Report**

## **For the One Month Ended July 31, 2007**

**Executive Financial Summary**  
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**For the One Month Ended July 31, 2007**

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# The Metropolitan Water District of Southern California

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

	For the One Month Ended July 31,		<i>Favorable/ (Unfavorable) Variance</i>
	2007	2006	
<b>Operating Revenues:</b>			
Water Sales	\$ 101.5	\$ 97.0	\$ 4.4
Wheeling / Exchange	1.5	0.9	0.7
Readiness-to-Serve	6.9	6.7	0.2
Capacity Charge	2.7	2.7	0.0
Power Sales	2.8	2.7	0.1
Total Operating Revenues	<b>115.4</b>	110.0	5.4
<b>Operating Expenses:</b>			
Cost of Water	3.9 <sup>(1)</sup>	24.1	20.2
Operations & Maintenance	24.9	23.0	(1.9)
Water Management Programs, Net	4.4	2.5	(1.9)
Depreciation & Amortization	17.5	17.4	(0.1)
Total Operating Expenses	<b>50.7</b>	67.1	16.3
<b>Net Operating Income</b>	<b>64.7</b>	42.9	21.8
<b>Other Income (Expense):</b>			
Net Taxes/Annexations	8.3	8.3	(0.0)
Investment Income <sup>(2)</sup>	9.0	6.8	2.2
Bond Interest Expense	(9.9)	(7.2)	(2.7)
Other	(0.6)	(0.4)	(0.2)
Total Other Income - Net	<b>6.8</b>	7.5	(0.8)
<b>Net Income</b>	<b>\$ 71.4</b>	\$ 50.4	\$ 21.0

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

Water Sales (TAF)	251.4	245.6	5.8
Wheeling/Exchange (TAF)	6.0	3.3	2.6
Power Sales (mWh)	48.7	49.7	(1.0)
<b>Average Sales Price</b>			
Water Sales	\$ 403.67	\$ 395.07	\$ 8.60
Wheeling/Exchange	\$ 257.96	\$ 258.00	\$ (0.04)
Power Sales	\$ 0.06	\$ 0.05	\$ 0.00

**Ratios:**

Operating (Operating Expense* divided by Operating Revenue)	28.8 %	45.2 %
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\* Excludes depreciation and amortization expense.

**Notes:**

- (1) July 2007 cost includes credit of \$30.3 million from DWR related to prior year variable costs.  
(2) Includes fair value adjustment of \$3.0 million and \$3.7 million at July 31, 2007 and 2006, respectively.

# The Metropolitan Water District of Southern California

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

	2007	July 31, 2006	Increase/ (Decrease)
<b>Assets:</b>			
Cash and investments at book value (1)	\$ 1,267.5	\$ 807.9	\$ 459.7
Fair Value Adjustment	2.2	(4.4)	6.6
Accounts Receivable	394.5	358.1	36.4
Property, Plant and Equipment, net	7,149.0	6,658.2	490.8
Prepaid State Water Project Costs, net	1,661.9	1,656.5	5.4
Participation Rights, net	260.2	265.2	(5.0)
Deferred Charges and Water Rights	463.3	423.7	39.6
Other	155.2	134.2	20.9
<b>Total Assets</b>	<b>\$ 11,353.8</b>	<b>\$ 10,299.4</b>	<b>\$ 1,054.4</b>
<b>Liabilities and Equity:</b>			
Long-Term Debt	\$ 4,570.7	\$ 3,828.7	\$ 742.0
Off-Aqueduct Power Facilities	72.0	79.2	(7.2)
Accounts Payable and Accrued Bond Interest	142.9	122.8	20.1
Deferred Income	187.6	185.8	1.8
State Water Project Obligations	543.5	480.4	63.0
Trust Funds and Other	83.9	79.3	4.6
<b>Total Liabilities</b>	<b>5,600.7</b>	<b>4,776.3</b>	<b>824.4</b>
<b>Equity</b>	<b>5,753.1</b>	<b>5,523.1</b>	<b>230.0</b>
<b>Total Liabilities and Equity</b>	<b>\$ 11,353.8</b>	<b>\$ 10,299.4</b>	<b>\$ 1,054.4</b>

Debt as a percent of equity (Long-Term Debt divided by Equity) 79.4 %      69.3 %

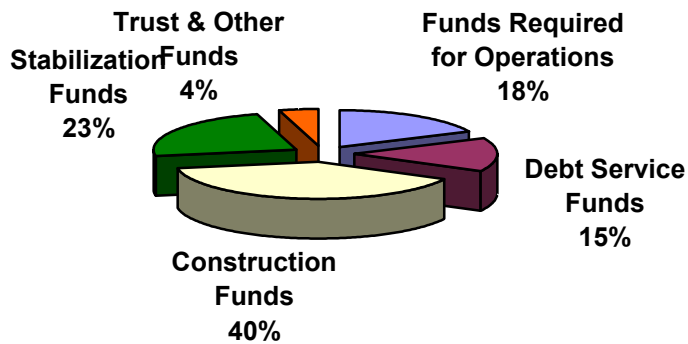
(1) Fair value of cash and investments was \$1,269.7 million and \$803.5 million at July 31, 2007 and 2006, respectively.

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 July 31, 2007 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 138.0	\$ 91.3	\$ 0.0	\$ 229.3
Debt Service Funds	185.6	-	-	185.6
Construction Funds	445.6	-	54.5	500.1
Stabilization Funds	-	-	295.5	295.5
Trust & Other Funds	38.6	18.4	-	57.0
<b>Total</b>	<b>\$ 807.8</b>	<b>\$ 109.7</b>	<b>\$ 350.0</b>	<b>\$ 1,267.5</b>

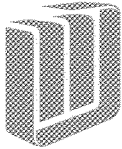


The Metropolitan Water District of Southern California

Estimate vs. Actual: Construction Activities - Accrual Basis  
For the One Month Ended July 31, 2007  
(Dollars in millions)

	Estimate to Date		Actual to Date		Variance from Estimate		Fiscal Year Estimate	Projected Year-End (1)	Variance from Estimate	
	\$	%	\$	%	\$	%			\$	%
<b>Sources of Funds</b>										
Bond Construction Funds	\$ 32.6		\$ 11.4		\$ 21.2	65%	\$ 388.6	\$ 388.6	\$ -	0%
R & R/General Funds	9.2		7.4		1.8	19%	109.8	109.8	-	0%
<b>Total</b>	<b>\$ 41.8</b>		<b>\$ 18.9</b>		<b>\$ 23.0</b>	<b>55%</b>	<b>\$ 498.4</b>	<b>\$ 498.4</b>	<b>\$ -</b>	<b>0%</b>
<b>Program Expenditures</b>										
Oxidation Retrofit Programs	\$ 11.4		\$ 1.1		\$ 10.3	91%	\$ 155.5	\$ 155.5	\$ -	0%
Treatment Plant Improvement	7.1		2.9		4.2	59%	83.2	83.2	-	0%
Inland Feeder	5.8		4.9		0.9	16%	69.3	69.3	-	0%
Chlorine Containment and Handling Facilities	3.7		1.5		2.2	59%	28.5	28.5	-	0%
Perris Valley Pipeline	0.4		0.2		0.1	33%	25.1	25.1	-	0%
Distribution System - Rehabilitation Program	2.1		1.2		0.9	44%	18.3	18.3	-	0%
Mills Capacity Upgrade	0.5		0.2		0.3	54%	17.1	17.1	-	0%
CRA - Reliability/Containment Programs	1.7		0.6		1.1	63%	11.4	11.4	-	0%
Local Groundwater Storage	0.7		0.1		0.7	90%	9.6	9.6	-	0%
Diamond Valley Lake Recreation	1.2		0.2		1.0	81%	9.6	9.6	-	0%
Other	7.1		5.8		1.3	18%	70.9	70.9	-	0%
<b>Total</b>	<b>\$ 41.8</b>		<b>\$ 18.9</b>		<b>\$ 23.0</b>	<b>55%</b>	<b>\$ 498.4</b>	<b>\$ 498.4</b>	<b>\$ -</b>	<b>0%</b>

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



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**Date:** August 22, 2007  
**To:** Board of Directors  
**From:** General Counsel  
**Subject:** Review as to Eligibility of Securities Invested in by the  
Treasurer for the Month of July 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 July 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