



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the One Month Ended July 31, 2011

**Executive Financial Report
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For the One Month Ended July 31, 2011**

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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>
	2011	2010	
Operating Revenues:			
Water Sales	\$ 121.4	\$ 99.5	\$ 21.8
Wheeling / Exchange	4.9	3.9	1.0
Readiness-to-Serve	10.4	10.0	0.5
Capacity Charge	2.9	2.9	(0.0)
Power Sales	5.7	2.6	3.1
Total Operating Revenues	145.2	118.9	26.4
Operating Expenses:			
Cost of Water	29.1	(11.3)	(40.4)
Operations & Maintenance	26.5	25.0	(1.5)
Demand Management Programs	1.3	2.7	1.3
Depreciation & Amortization	22.1	21.0	(1.1)
Total Operating Expenses	78.9	37.3	(41.6)
Net Operating Income	66.3	81.5	(15.2)
Other Income (Expense):			
Net Taxes/Annexations	7.9	9.0	(1.0)
Investment Income	5.5	4.5	1.0
Bond Interest Expense	(10.2)	(10.8)	0.6
Other	1.7	1.3	0.4
Total Other Income/(Expense) - Net	4.8	3.9	0.9
Net Income	\$ 71.2	\$ 85.5	\$ (14.3)

Note:

(1) Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Balance Sheets - Accrual Basis (Dollars in millions)

	July 31,		<i>Increase/ (Decrease)</i>
	2011	2010	
Assets:			
Cash and investments at book value ⁽¹⁾	\$ 993.0	\$ 952.7	\$ 40.2
Fair Value Adjustment	6.6	11.2	(4.6)
Accounts Receivable	408.5	391.3	17.2
Property, Plant and Equipment, net	8,187.7	8,032.9	154.9
Prepaid State Water Project Costs, net	1,730.5	1,642.7	87.8
Participation Rights, net	347.1	385.4	(38.4)
Deferred Charges and Water Rights	586.4	392.8	193.6
Deferred Outflow of Effective Swaps	45.8	70.0	(24.1)
Other	226.0	194.4	31.6
Total Assets	\$ 12,531.6	\$ 12,073.4	\$ 458.2
Liabilities and Equity:			
Long-Term Debt	\$ 4,801.9	\$ 4,681.0	\$ 120.9
Fair Value of Interest Rate Swaps	148.3	156.2	(8.0)
Off-Aqueduct Power Facilities	46.7	53.3	(6.6)
Accounts Payable and Accrued Bond Interest	213.9	183.3	30.6
Deferred Income	239.6	228.6	11.0
State Water Project Obligations	652.3	451.5	200.8
Trust Funds and Other	90.8	87.6	3.2
Total Liabilities	6,193.4	5,841.5	351.9
Equity	6,338.2	6,231.9	106.3
Total Liabilities and Equity	\$ 12,531.6	\$ 12,073.4	\$ 458.2

Notes:

- (1) Fair value of cash and investments was \$999.6 million and \$963.9 million at July 31, 2011 and 2010, respectively.
(2) Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Statistics and Ratios - Cash and Accrual Basis For the One Month Ended

	2011	July 31, 2010	<i>Increase/ (Decrease)</i>
Sales Statistics:			
Water Sales (TAF)	192.9	157.0	35.9
Wheeling/Exchange (TAF)	13.1	12.3	0.8
Power Sales (MWh)	61.2	31.6	29.6
Average Sales Price ⁽¹⁾			
Water Sales	\$ 629.17	\$ 633.99	\$ (4.82)
Wheeling/Exchange	\$ 372.02	\$ 314.00	\$ 58.02
Power Sales	\$ 0.09	\$ 0.08	\$ -
Ratios:			
Fixed Charge Coverage (rolling 12 months) - Cash Basis:			
Actual	0.98 x	1.27 x	
Target ⁽²⁾	≥ 1.20 x	≥ 1.20 x	
Revenue Bond Debt Service Coverage (rolling 12 months) - Cash Basis:			
Actual	1.39 x	1.49 x	
Target ⁽²⁾	> 2.00 x	> 2.00 x	
Revenue Bond Debt as a Percent of Equity			
Actual	74.1 %	73.1 %	
Target ⁽³⁾	< 100.0 %	< 100.0 %	

Notes:

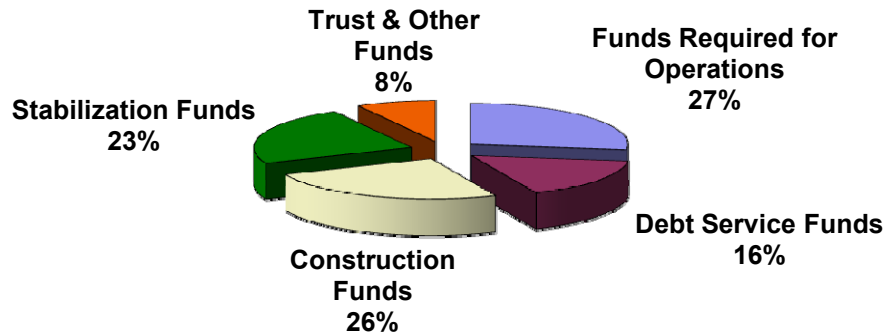
- (1) Average prices calculated using exact rather than rounded dollar amounts.
- (2) Board adopted guideline.
- (3) Per Metropolitan Water District Act - Part 5, Chapter 1.6, Section 239.2.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of July 31, 2011 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 159.2	\$ 109.6	\$ 0.4	\$ 269.2
Debt Service Funds	161.2	-	-	161.2
Construction Funds	221.7	-	29.9	251.6
Stabilization Funds	11.0 ⁽¹⁾	-	219.2	230.2
Trust & Other Funds	61.0	19.8	-	80.8
Total	\$ 614.1	\$ 129.4	\$ 249.5	\$ 993.0

(1) Restricted investments of \$11 million are posted as collateral with Morgan Stanley pursuant to Metropolitan's interest rate swap agreements.



The Metropolitan Water District of Southern California
Actual vs. Budget: Construction Activity - Accrual Basis
(Dollars in millions)

	For the One Month Ended July 31, 2011					Fiscal Year Ending June 30, 2012				
	Budget	1.8 MAF Projection	Actual	<i>Variance: Actual vs. Projection</i>		Annual Budget	1.8 MAF Projection	Year End Estimate ⁽¹⁾	<i>Variance: Estimate vs. Projection</i>	
				\$	%				\$	%
Sources of Funds										
Bond Construction Funds	\$ 22.3	\$ 16.7	\$ 7.9	\$ 8.8	53%	\$ 293.5	\$ 236.9	\$ 236.9	\$ -	0%
R & R/General Funds	3.6	3.2	3.1	0.1	3%	47.5	45.0	45.0	-	0%
Total	\$ 25.9	\$ 19.9	\$ 11.0	\$ 8.8	45%	\$ 341.0	\$ 281.9	\$ 281.9	\$ -	0%
Program Expenditures										
Oxidation Retrofit Programs	\$ 4.8	\$ 4.5	\$ 3.3	\$ 1.2	26%	\$ 80.0	\$ 84.6	\$ 84.6	-	0%
Treatment Plant Improvement	6.4	6.1	3.7	2.5	40%	67.1	78.9	78.9	-	0%
Distribution System - Rehabilitation Program	4.1	3.4	1.0	2.4	70%	46.1	36.0	36.0	-	0%
CRA - Reliability/Containment Programs	1.5	1.5	1.1	0.4	27%	34.8	23.1	23.1	-	0%
La Verne Shop Facilities Upgrades	0.6	0.6	0.4	0.2	33%	11.9	12.5	12.5	-	0%
Information Technology System	2.1	0.8	0.1	0.7	87%	23.7	10.2	10.2	-	0%
Chlorine Containment and Handling Facilities	0.4	0.4	0.1	0.3	70%	2.4	6.2	6.2	-	0%
Inland Feeder	0.2	0.2	0.2	0.1	25%	1.9	2.1	2.1	-	0%
Other	6.0	2.3	1.2	1.2	50%	73.2	28.3	28.3	-	0%
Total	\$ 25.9	\$ 19.9	\$ 11.0	\$ 8.8	45%	\$ 341.0	\$ 281.9	\$ 281.9	\$ -	0%

Notes:

(1) Year end estimate numbers are updated at quarter-end.

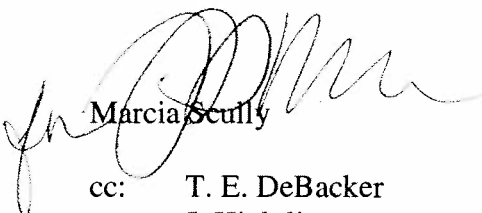
(2) Totals may not foot / cross foot due to rounding.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: August 22, 2011
To: Board of Directors
From: Interim General Counsel Marcia Scully
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of July 2011

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 2011 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. We note that the Investment Policy authorizes continued holding of the investments listed on Attachment 2a for orderly and systematic liquidation. For purposes of this letter, we have not undertaken to independently verify the accuracy of the information submitted by the Treasurer to this office.


Marcia Scully

cc: T. E. DeBacker
J. Kightlinger
R. N. Marumoto