



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

Executive Financial Report For the Eleven Months Ended May 31, 2012

**Executive Financial Report
Table of Contents
For the Eleven Months Ended May 31, 2012**

Schedule	Page No.
Financial Statements Year-to-date Current vs. Prior Year – Accrual Basis	
Statements of Operations	1
Balance Sheets	2
Statistics and Ratios – Cash and Accrual Basis	3
Cash and Investments	4
Construction Activities Year-to-date Actual vs. 1.8 MAF Projection – Accrual Basis	5
Eligibility of Securities	6

The Metropolitan Water District of Southern California

Statements of Operations - Accrual Basis (Dollars in millions)

	For the Eleven Months Ended		<i>Favorable/(Unfavorable)</i>	
	2012	May 31, 2011	<i>Variance</i>	<i>%</i>
	\$	\$	\$	%
Operating Revenues				
Water Sales	\$ 918.7	\$ 819.0	\$ 99.6	12%
Wheeling / Exchange	85.4	49.0	36.4	74%
Readiness-to-Serve	123.3	109.5	13.8	13%
Capacity Charge	30.4	31.5	(1.1)	(4%)
Power Sales	28.4	20.7	7.7	37%
Total Operating Revenues	1,186.2	1,029.7	156.4	15%
Operating Expenses				
Cost of Water	352.7	319.9	(32.8)	(10%)
Operations & Maintenance	339.5	320.7	(18.8)	(6%)
Demand Management Programs	38.2	42.1	3.9	9%
Depreciation & Amortization	268.2	243.9	(24.4)	(10%)
Total Operating Expenses	998.6	926.6	(72.1)	(8%)
Net Operating Income	187.5	103.2	84.3	82%
Other Income (Expense)				
Net Taxes/Annexations	75.4	80.9	(5.5)	(7%)
Investment Income	30.7	16.4	14.3	87%
Bond Interest Expense	(118.3)	(121.8)	3.6	3%
Other	4.6	10.0	(5.4)	(54%)
Total Other Income/(Expense) - Net	(7.6)	(14.6)	7.0	(48%)
Net Income	\$ 179.9	\$ 88.6	\$ 91.4	103%

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)

	May 31,		Increase/(Decrease)	
	2012	2011	\$	%
Assets				
Cash and investments at book value ⁽¹⁾	\$ 1,040.7	\$ 1,019.3	\$ 21.4	2%
Fair Value Adjustment	20.4	4.8	15.6	322%
Accounts Receivable	269.7	249.3	20.4	8%
Property, Plant and Equipment, net	8,232.5	8,175.6	56.9	1%
Prepaid State Water Project Costs, net	1,580.1	1,556.7	23.4	2%
Participation Rights, net	335.8	375.3	(39.5)	(11%)
Deferred Charges and Water Rights	336.5	292.6	43.9	15%
Deferred Outflow of Effective Swaps	113.8	46.7	67.1	144%
Other	223.2	217.7	5.5	3%
Total Assets	\$ 12,152.8	\$ 11,938.1	\$ 214.7	2%
Liabilities and Equity				
Long-Term Debt	\$ 4,759.7	\$ 4,896.3	\$ (136.6)	(3%)
Fair Value of Interest Rate Swaps	216.5	134.0	82.4	62%
Off-Aqueduct Power Facilities	41.3	48.3	(6.9)	(14%)
Accounts Payable and Accrued Bond Interest	268.1	245.6	22.5	9%
Deferred Income	23.7	29.5	(5.8)	(20%)
State Water Project Obligations	291.1	245.2	45.9	19%
Trust Funds and Other	98.7	88.8	9.9	11%
Total Liabilities	5,699.1	5,687.7	11.4	0%
Equity	6,453.7	6,250.4	203.4	3%
Total Liabilities and Equity	\$ 12,152.8	\$ 11,938.1	\$ 214.7	2%

Notes:

- (1) Fair value of cash and investments was \$1,061.1 million and \$1,024.1 million at May 31, 2012 and 2011, respectively.
(2) Totals may not foot / cross foot due to rounding.

The Metropolitan Water District of Southern California

Statistics and Ratios

	For the Eleven Months Ended		Increase/(Decrease)	
	2012	May 31, 2011	TAF/\$	%
Sales Statistics - Accrual Basis				
Water Sales (TAF)	1,155.6	1,272.0	(116.4)	(9%)
Wheeling/Exchange (TAF)	151.0	143.6	7.3	5%
Replenishment Sales (TAF)	224.9	-	224.9	n/a
CVWD Exchange (TAF)	105.0	-	105.0	n/a
Power Sales (MWh)	375.0	277.3	97.7	35%
Average Sales Price ⁽¹⁾				
Water Sales	\$ 706.28	\$ 643.88	\$ 62.40	10%
Wheeling/Exchange	\$ 383.11	\$ 340.82	\$ 42.28	12%
Replenishment Sales	\$ 455.70	\$ -	\$ 455.70	n/a
CVWD Exchange	\$ 262.32	\$ -	\$ 262.32	n/a
Power Sales	\$ 0.08	\$ 0.07	\$ -	0%

Notes:

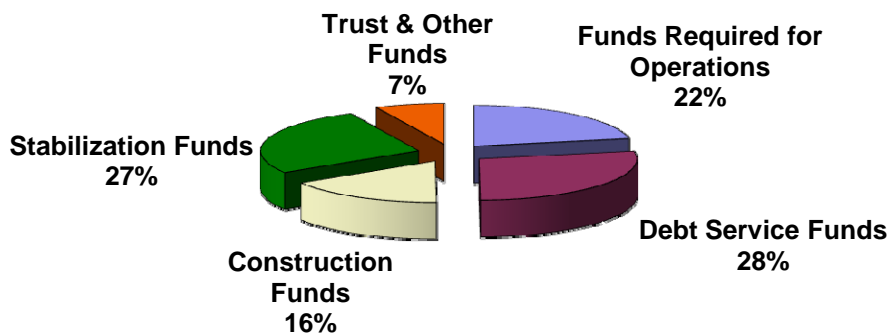
- (1) Average prices calculated using exact rather than rounded dollar amounts.
- (2) The fixed charge coverage ratio, bond debt service coverage ratio and revenue bond debt as a percent of equity are presented at quarter-end.

The Metropolitan Water District of Southern California

Cash and Investments at Book Value As of May 31, 2012 (Dollars in millions)

	Restricted		Unrestricted	Total
	Contractual	Board		
Funds Required for Operations	\$ 146.6	\$ 80.0	\$ 2.1	\$ 228.7
Debt Service Funds	290.2	-	-	290.2
Construction Funds	148.2	-	20.5	168.7
Stabilization Funds	32.3 ⁽¹⁾	-	247.1	279.4
Trust & Other Funds	53.8	19.9	-	73.7
Total	\$ 671.1	\$ 99.9	\$ 269.7	\$ 1,040.7

(1) Restricted investments of \$29.3 million and \$3.0 million were posted as collateral with Morgan Stanley and JP Morgan Chase, respectively, pursuant to Metropolitan's interest rate swap agreements.



The Metropolitan Water District of Southern California

Actual vs. 1.8 MAF Projection: Construction Activity - Accrual Basis
(Dollars in millions)

	For the Eleven Months Ended May 31, 2012				Fiscal Year Ending June 30, 2012				
	1.8 MAF Projection	Actual	Variance: Actual vs. Projection		1.8 MAF Projection	Year End Estimate ⁽¹⁾	Variance: Estimate vs. Projection		
			\$	%			\$	%	
Sources of Funds									
Bond Construction Funds	\$ 214.0	\$ 82.0	\$ 131.9	62%	\$ 236.9	\$ 113.0	\$ 123.9	42%	
R & R/General Funds	40.6	54.1	(13.4)	(33%)	45.0	45.0	-	0%	
Total	\$ 254.6	\$ 136.1	\$ 118.5	47%	\$ 281.9	\$ 158.0	\$ 123.9	44%	
Program Expenditures									
Oxidation Retrofit Programs	\$ 75.4	\$ 45.7	\$ 29.8	39%	\$ 84.6	\$ 53.0	31.6	40%	
Treatment Plant Improvement	72.3	33.0	39.3	54%	78.9	40.0	38.9	58%	
Distribution System - Rehabilitation Program	33.2	15.1	18.1	54%	36.0	20.0	16.0	35%	
CRA - Reliability/Containment Programs	20.0	15.3	4.8	24%	23.1	15.0	8.1	23%	
La Verne Shop Facilities Upgrades	11.0	5.9	5.2	47%	12.5	8.2	4.3	36%	
Information Technology System	9.3	2.4	6.9	74%	10.2	2.0	8.2	34%	
Chlorine Containment and Handling Facilities	5.7	3.6	2.1	37%	6.2	4.0	2.2	93%	
Inland Feeder	2.0	3.8	(1.8)	(89%)	2.1	3.5	(1.4)	(72%)	
Other	25.6	11.3	14.3	56%	28.3	12.3	16.0	22%	
Total	\$ 254.6	\$ 136.1	\$ 118.5	47%	\$ 281.9	\$ 158.0	\$ 123.9	44%	

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: June 18, 2012
To: Board of Directors
From: General Counsel Marcia Scully
Subject: Review as to Eligibility of Securities Invested in by the
Treasurer for the Month of May 2012

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 2012 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.

A handwritten signature in cursive script that reads "M. Scully".

Marcia Scully

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

Portfolio Summary Report
Attachment 2a
May 31, 2012
(\$ in Thousands)

Credit Ratings		Medium Term Notes	Maturity Date	Market Value	Book Value
Moody's	S&P				
Baa1	A-	Bank of America 6.5%	8/1/2016	\$ 1,083	\$ 1,056
Baa1	A-	Merrill Lynch Corporation 5.0%	1/15/2015	\$ 2,054	\$ 2,028
WR	A-	ALLTEL 7.0%	7/1/2012	\$ 437	\$ 438
				\$ 3,574	\$ 3,522