



*THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA*

**BALANCE SHEETS AND
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
AS OF AND FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2011 AND 2010
(UNAUDITED)**

Balance Sheets

The Metropolitan Water District
of Southern California

	September 30,	
	2011	2010
(Dollars in thousands)		
ASSETS	(Unaudited)	
Current Assets:		
Cash and investments, at fair value:		
Unrestricted (cost: \$3,503 and \$35 for 2011 and 2010, respectively)	\$ 3,503	\$ 35
Restricted (cost: \$335,284 and \$413,041 for 2011 and 2010, respectively)	338,997	419,578
	342,500	419,613
Receivables, net:		
Water Sales	269,762	209,096
Annexation charges	314	1,036
Interest on investments	5,156	3,706
Tax assessments	91,197	99,120
Readiness-to-serve	43,928	43,718
Other	16,403	11,655
Total receivables	426,760	368,331
Inventories (at moving-average cost)	109,653	99,166
Prepaid State Water Project costs - current portion	130,851	128,294
Deposits, deferred charges and other - current portion	8,811	61,797
Total current assets	1,018,575	1,077,201
Noncurrent Assets:		
Cash and investments, at fair value:		
Unrestricted (cost: \$484,679 and \$309,226 for 2011 and 2010, respectively)	\$ 489,991	\$ 314,120
Restricted (cost: \$177,244 and \$168,233 for 2011 and 2010, respectively)	179,187	170,895
	669,178	485,015
Capital assets:		
Plant and equipment	9,966,978	9,692,277
Participation rights	456,109	482,432
Total capital assets	10,423,087	10,174,709
Less accumulated depreciation and amortization	(1,834,640)	(1,683,854)
Total capital assets, net	8,588,447	8,490,855
Other assets, net of current portion:		
Prepaid State Water Project costs, net	1,361,054	1,332,329
Deposits, deferred charges and other	253,237	145,216
Annexation charges, net	5,320	4,598
Total other assets	1,619,611	1,482,143
Total noncurrent assets	10,877,236	10,458,013
Deferred Outflows		
Deferred outflow of effective swaps	97,749	93,612
Total Assets and Deferred Outflows	\$ 11,993,560	\$ 11,628,826

Balance Sheets

The Metropolitan Water District
of Southern California

	September 30,	
	2011	2010
<i>(Dollars in thousands)</i>		
LIABILITIES AND NET ASSETS		
<i>(Unaudited)</i>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 100,998	\$ 83,653
Current portion of long-term debt	371,724	240,795
Current portion of obligations for off-aqueduct power facilities	6,380	6,032
Current portion of accrued compensated absences	18,800	18,400
Current portion of customer deposits and trust funds	8,507	2,478
Current portion of worker's compensation and third party claims	5,559	5,564
Deferred tax levies	66,266	71,521
Current portion of other long-term obligations	50	40
Accrued bond interest	45,171	45,810
Matured bonds and coupons not presented for payment	1,884	1,912
Other	19,019	10,873
Total current liabilities	644,358	487,078
Noncurrent Liabilities:		
Long-term debt, net of current portion	4,430,860	4,441,070
Obligations for off-aqueduct power facilities, net of current portion	39,219	46,270
Accrued compensated absences, net of current portion	26,681	27,825
Customer deposits and trust funds, net of current portion	39,307	41,532
Postemployment benefits other than pensions	134,484	111,917
Worker's compensation and third party claims, net of current portion	11,944	12,323
Fair value of interest rate swaps	200,393	180,008
Other long-term obligations, net of current portion	2,276	5,110
Total noncurrent liabilities	4,885,164	4,866,055
Total liabilities	5,529,522	5,353,133
Net Assets:		
Invested in capital assets and State Water Project costs, net of related debt	5,703,681	5,591,479
Restricted for:		
Debt service	284,964	339,712
Other	162,002	183,738
Unrestricted	313,391	160,764
Total net assets	6,464,038	6,275,693
Total Liabilities and Net Assets	\$ 11,993,560	\$ 11,628,826

Statements of Revenues, Expenses and Changes in Net Assets

The Metropolitan Water District
of Southern California

(Dollars in thousands)	Three Months Ended September 30,	
	2011	2010
Operating Revenues:	(Unaudited)	
Water sales	\$ 405,207	\$ 322,055
Readiness-to-serve charges	31,250	29,875
Power Recoveries	15,215	8,815
Total operating revenues	451,672	360,745
Operating Expenses:		
Power and water costs	104,585	68,458
Operations and maintenance	92,358	98,903
Total operating expenses	196,943	167,361
Operating income before depreciation and amortization	254,729	193,384
Less depreciation and amortization	(67,760)	(67,736)
Operating Income	186,969	125,648
Nonoperating Revenues (Expense):		
Taxes, net	22,005	22,117
Bond interest, net of \$ 13,586 and \$ 14,043 of interest capitalized in 2011 and 2010, respectively	(33,651)	(32,763)
Investment income	15,074	12,863
Interest and adjustments on off-aqueduct power facilities obligations	(655)	(768)
Other, net	2,803	2,048
Total nonoperating revenues, net	5,576	3,497
Income before Contributions	192,545	129,145
Capital contributions	7,771	146
Change in net assets	200,316	129,291
Net assets, beginning of year	6,263,722	6,146,402
Net assets, end of year	\$ 6,464,038	\$ 6,275,693