

# Monthly Financial Update

CFSO Oral Report  
Finance, Budget and Audit Committee  
January 2012



**Metro**

# Economic Overview

- Domestic economy continues to expand moderately
- Europe remains a threat as debt crisis continues and signs point to recession
- European debt crisis and uncertain U.S. banking banks regulations are impacting terms and availability of bank liquidity facilities
- Credit rating downgrades continue to affect financial institutions

# Economic Dashboard

|                        | Current Trend |                                   |
|------------------------|---------------|-----------------------------------|
| GDP Growth             | 1.7%          | Below Normal – Steady             |
| LA County Unemployment | 11.5%         | High – Improving                  |
| Inflation              | 3.4%          | Normal – Steady                   |
| Consumer Confidence    | 64.5          | Below Normal – Modest Improvement |

# Economic Dashboard

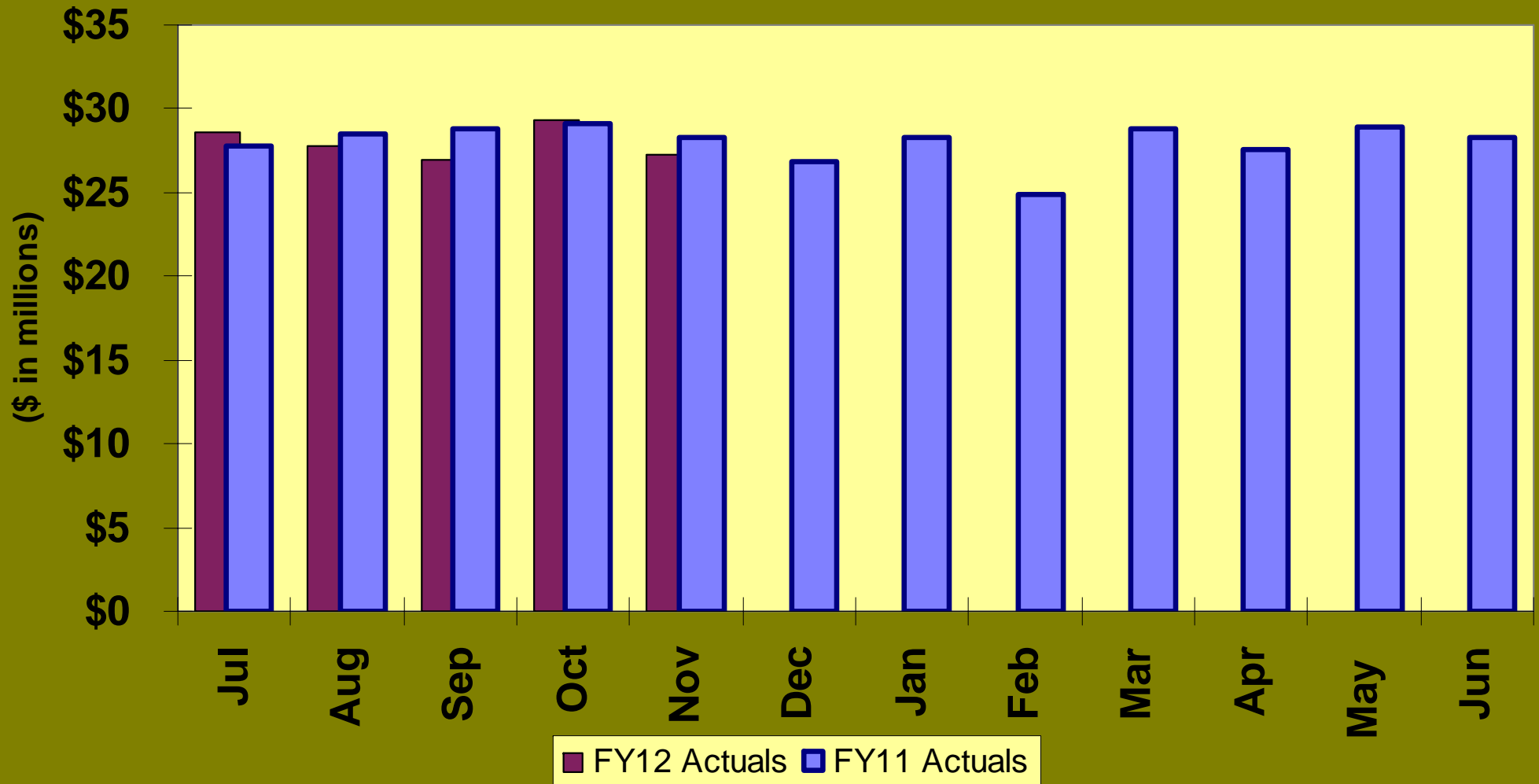
|                     | Current Trend |              |
|---------------------|---------------|--------------|
| Fed Funds Rate      | 0.25%         | Low – Steady |
| US Treasury 10 year | 1.96%         | Low – Steady |

# Impacts:

- We remain cautious about continued improvement in sales tax receipts due to slow domestic growth
- Low rates continue to provide opportunities to refund bonds to reduce interest cost
- Availability and business terms for liquidity facilities are being adversely affected by European crisis and U.S. regulatory changes
- Ratings downgraded for Merrill Lynch and bond insurer FSA

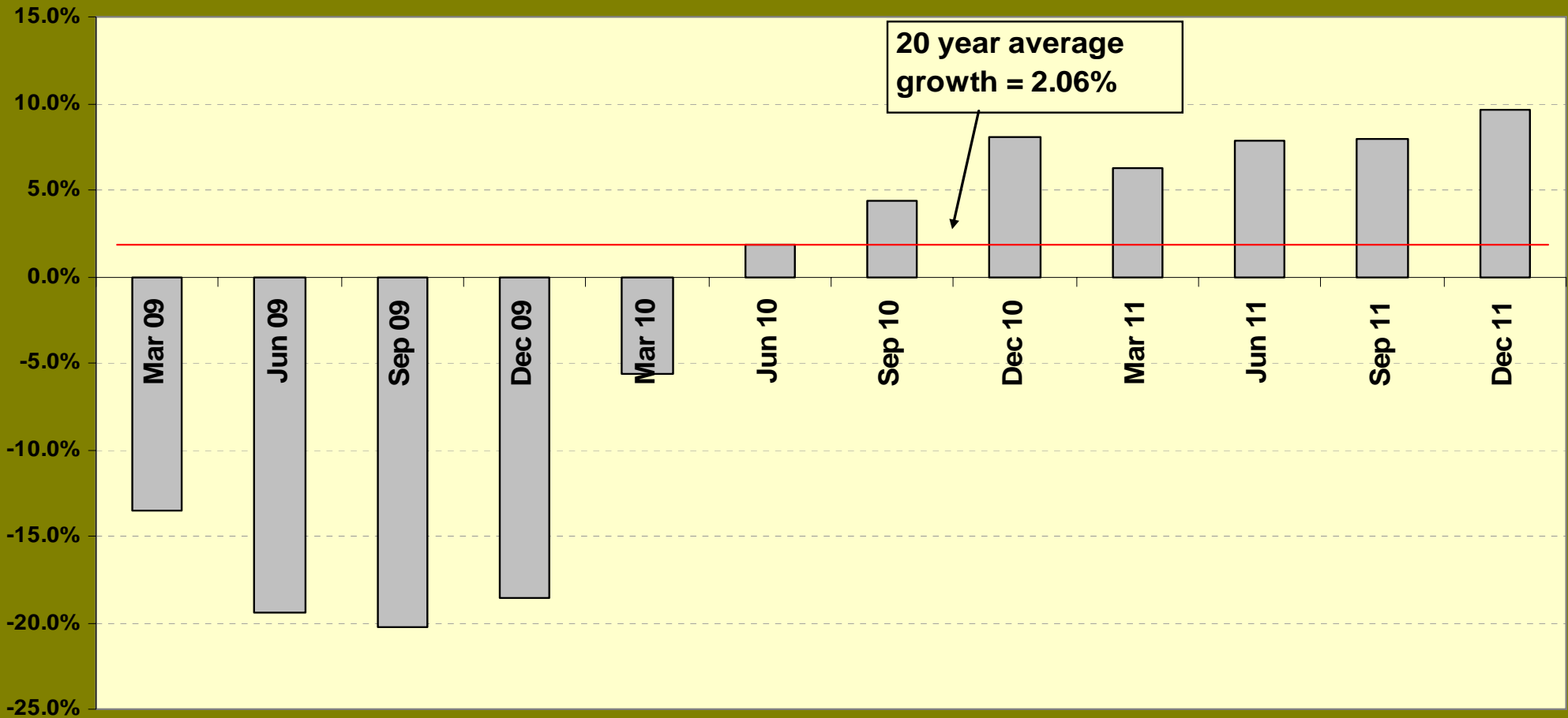
# Fare Revenue

## Monthly Fare Revenue

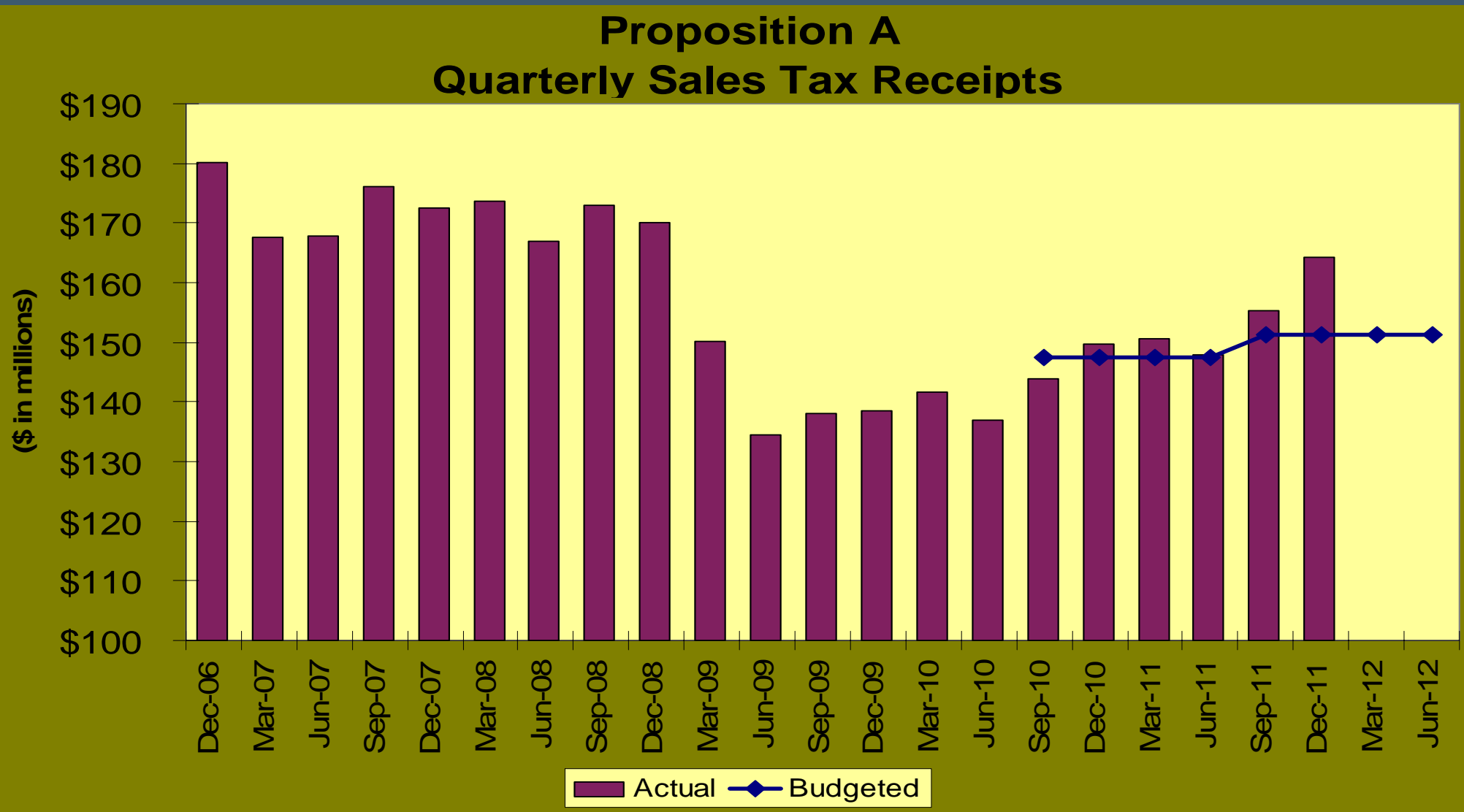


# Sales Tax Receipts

**Quarterly Sales Tax Revenue History**  
Year over Year Proposition A and C Growth Rate

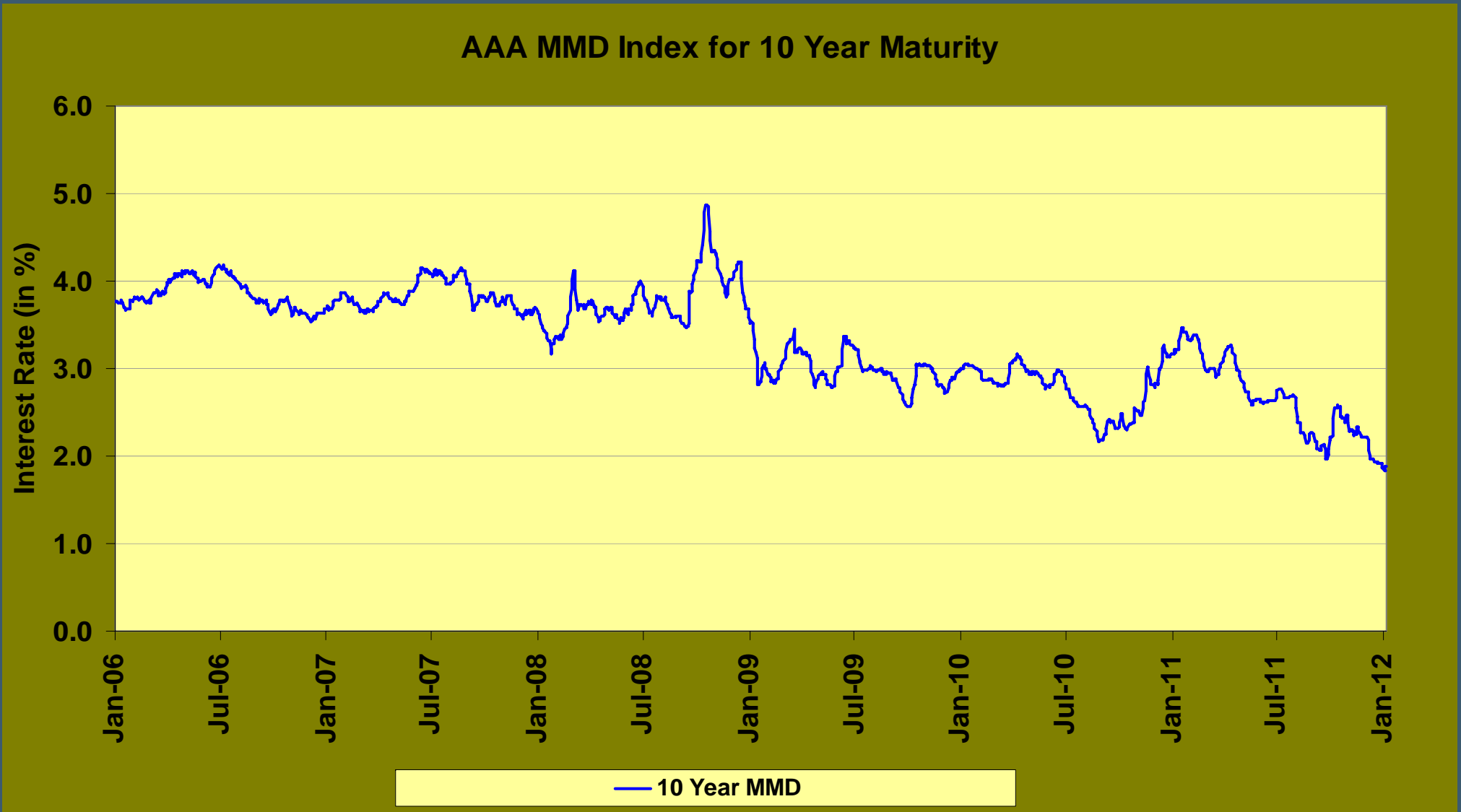


# Sales Tax Receipts vs. Budgeted

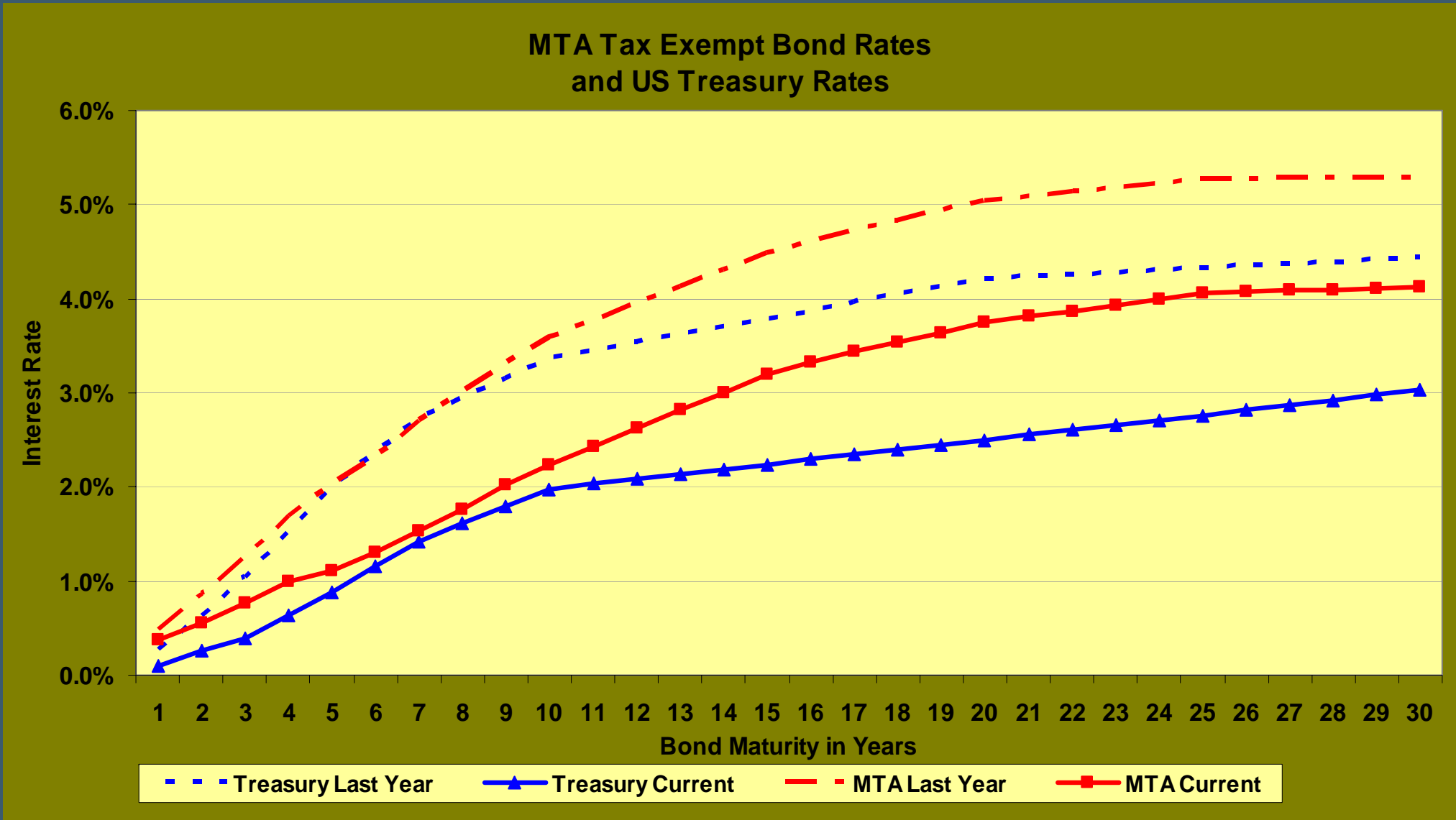




# Tax Exempt Rate History



# Bond Rates



# Since Last Update:

- Evaluated proposals from bond underwriters for ideas to refund Prop C 2003 bonds
- Negotiated final terms with banks to replace expiring Prop C 2009 liquidity facility
- Executed documents for termination of lease with Agilent Technologies as defeased lease lessor

# Next Steps:

- Execute agreement for Merrill Lynch to post collateral following their downgrade
- Finalize documentation and execute agreements for Prop C 2009 liquidity replacement
- Recommend bond underwriter team to refund Prop C 2003 bonds

# End Presentation

Discussion