

# Monthly Financial Update

CFSO Oral Report  
Finance, Budget and Audit Committee  
April 2012



**Metro**<sup>®</sup>

# Headlines & Economic Overview

- Domestic economy growing at slow pace
- Reports indicate gradual improvement in labor market
- Rising gasoline prices are headwind for sustainable growth

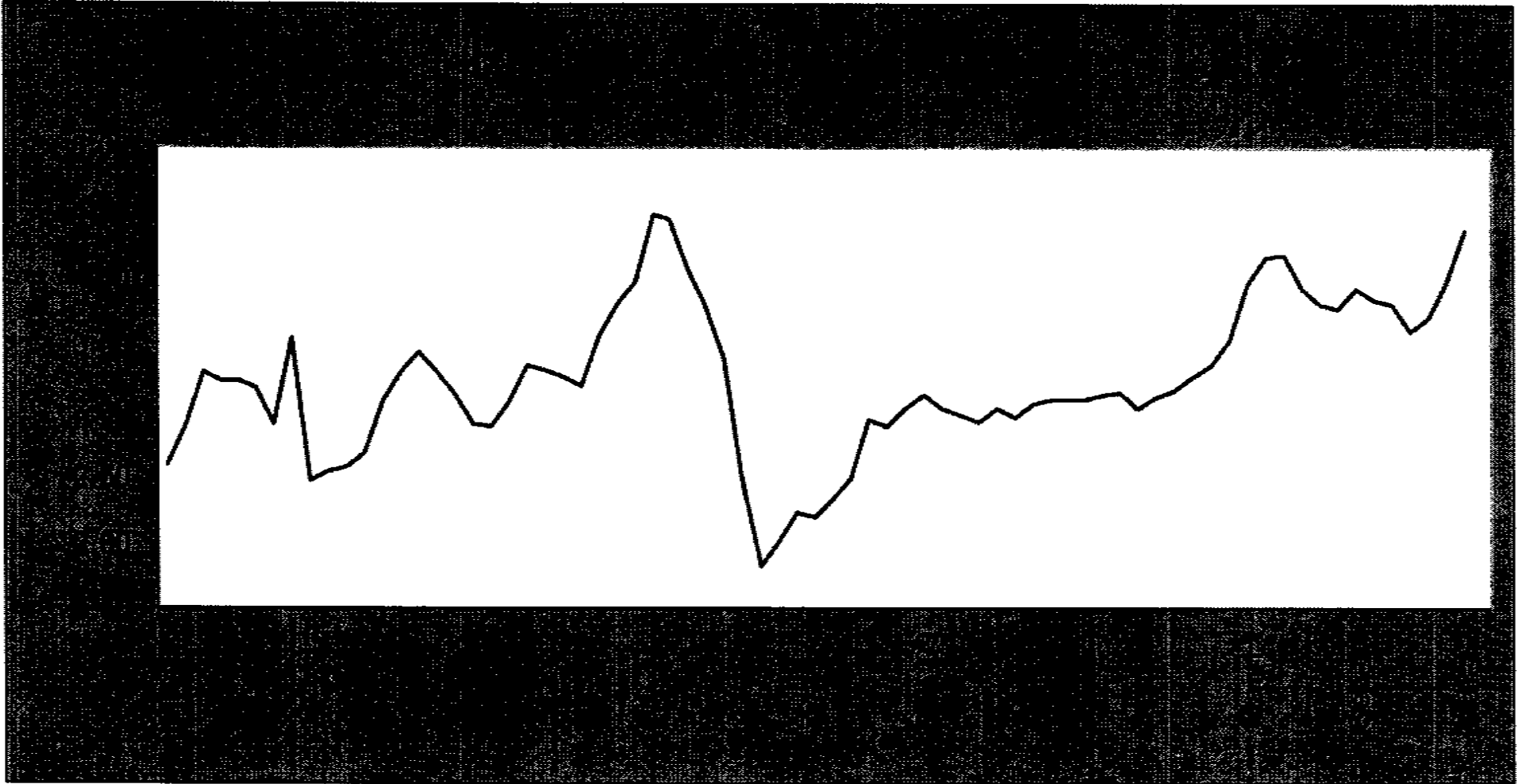
# Economic Dashboard

	<b>Current Trend</b>	
GDP Growth Forecast	2.1%	Below Normal – Steady
LA County Unemployment	12.1%	High – Improving
Inflation	2.9%	Normal – Steady
Consumer Confidence	70.2	Slight decline - Below Normal

# Economic Dashboard

	<b>Current Trend</b>	
Fed Funds Rate	0.25%	Low – Steady
US Treasury 10 year	2.23%	Low – Rising

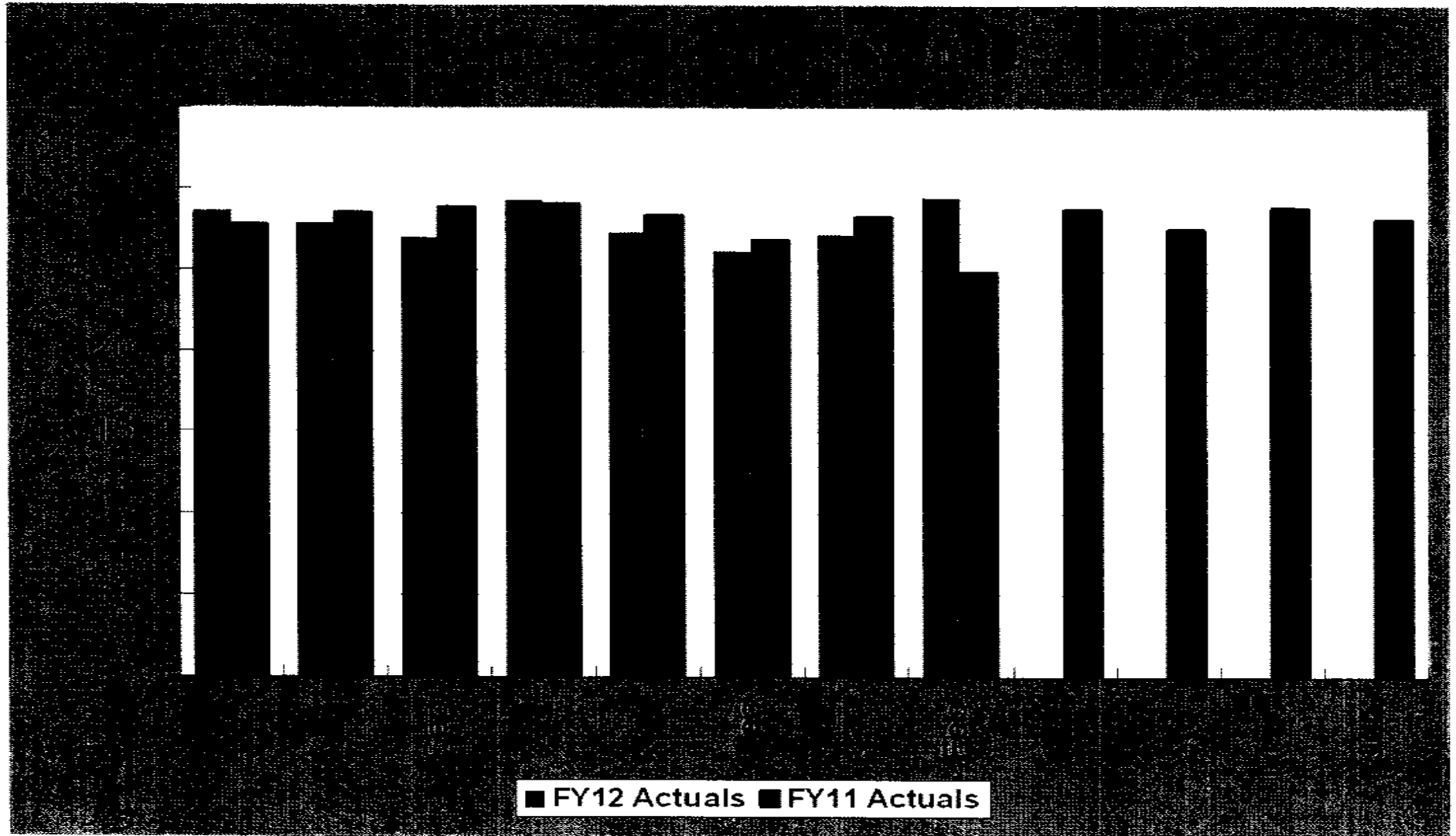
# Financial Markets



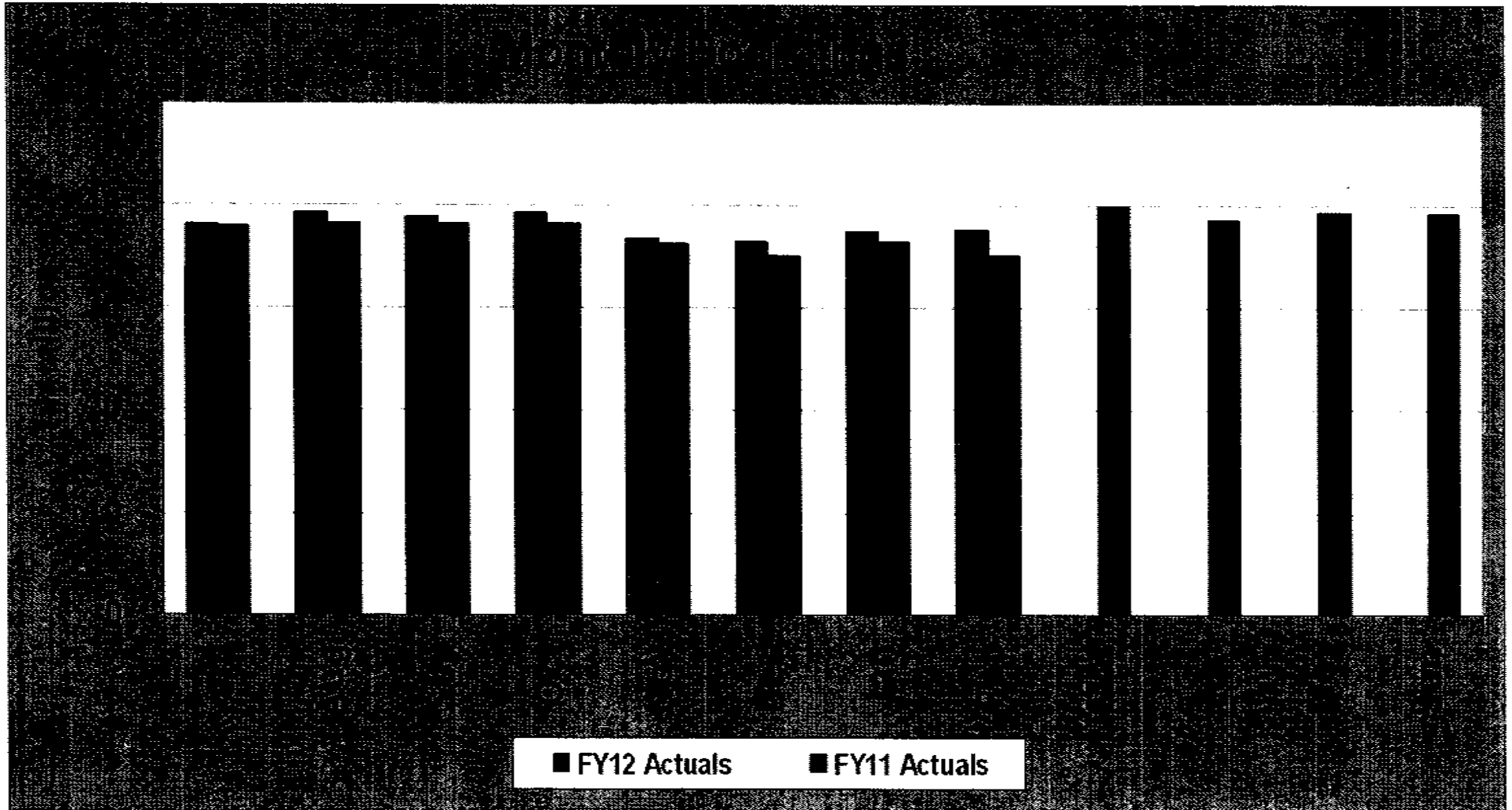
# Impacts

- Sales tax receipts expected to continue gradual recovery similar to economy
- Moody's threatening ratings downgrades for 17 commercial and investment banks
- Long-term interest rates remain low enough to provide refunding opportunities

# Fare Revenue

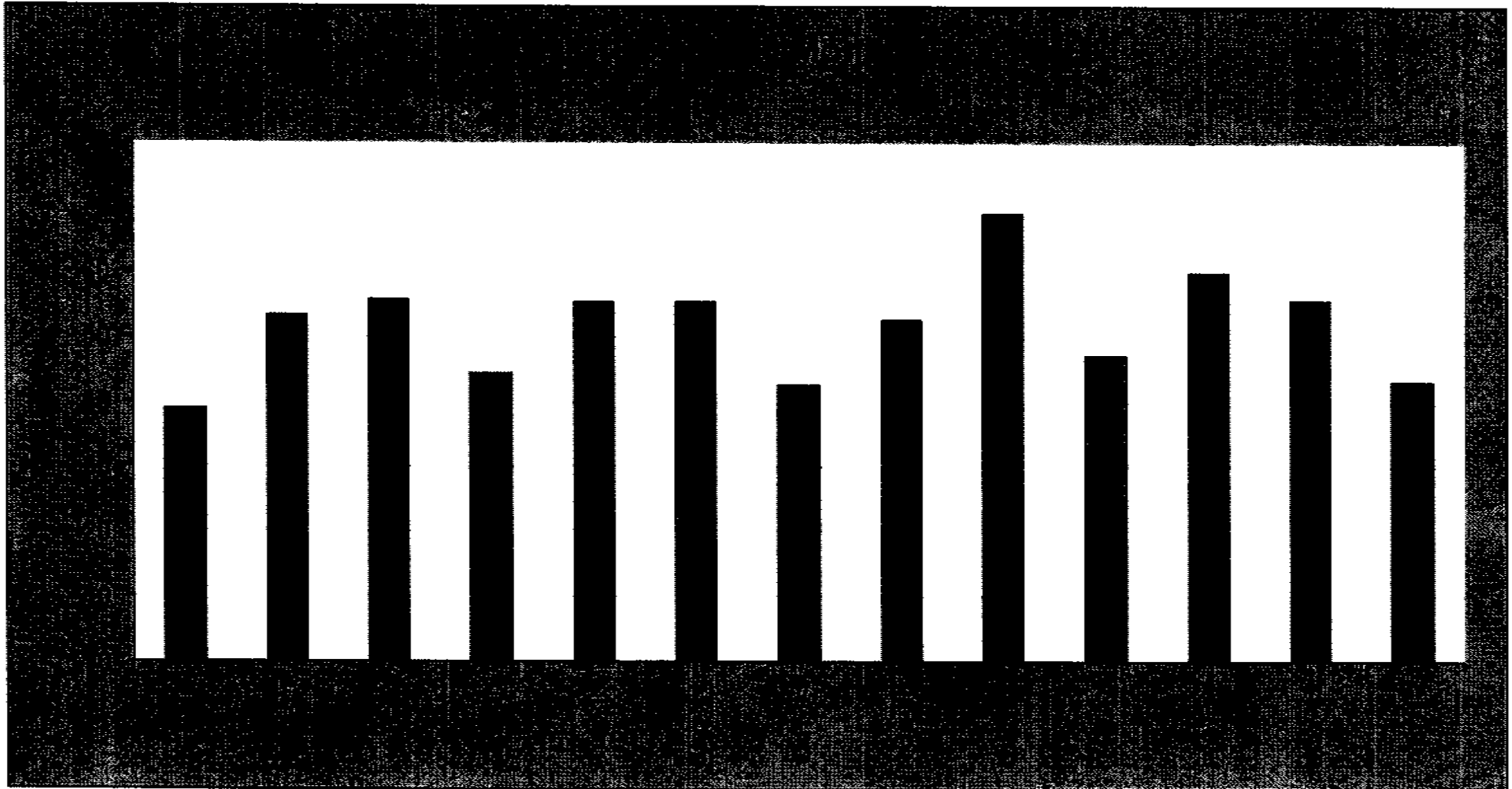


# Boardings

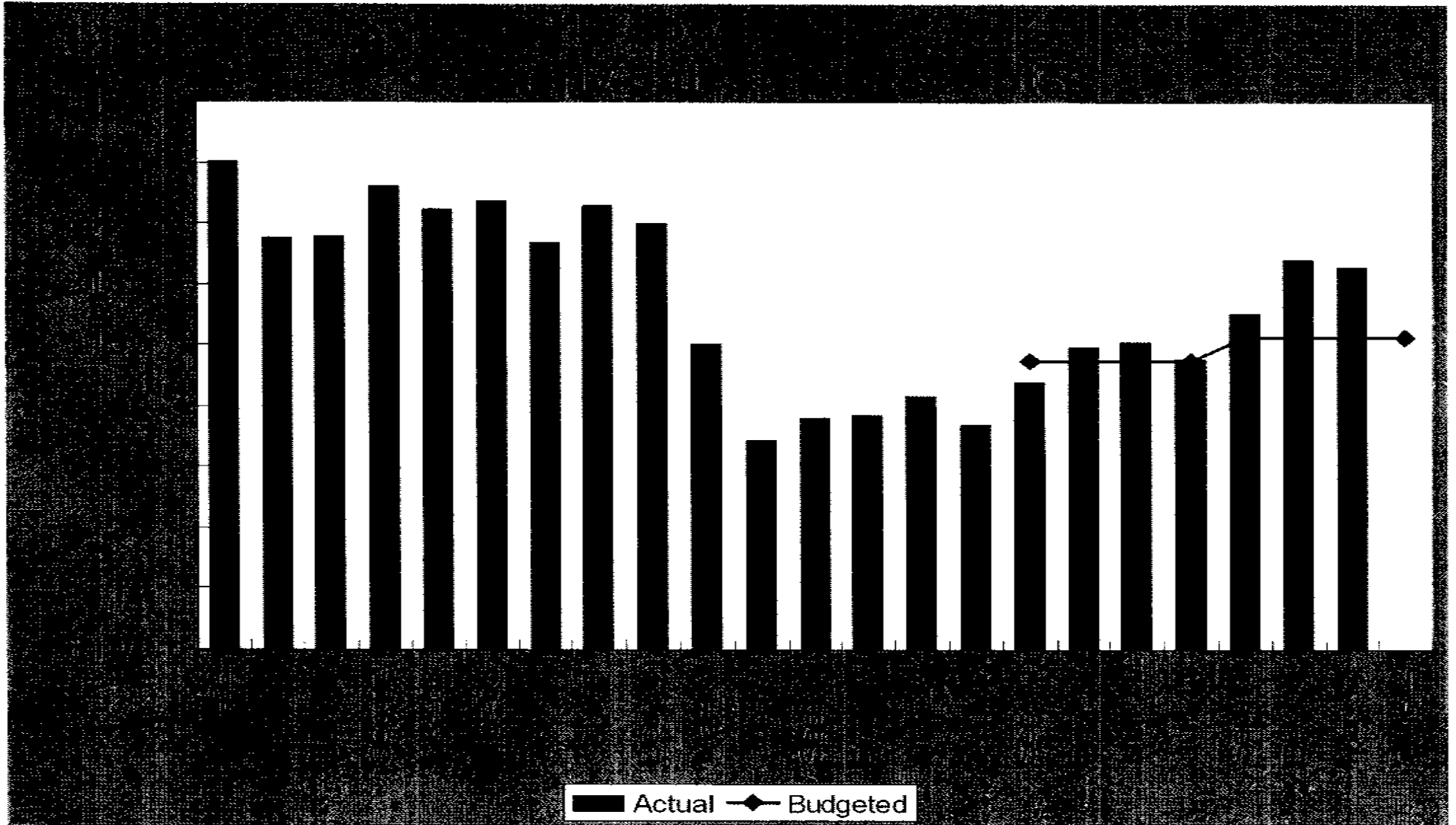




# Prop A Sales Tax Receipts



# Sales Tax Receipts vs Budgeted



# Since Last Update

- Reviewed proposals to replace \$90 million liquidity facility for Prop C 2009-C bonds
- For Crenshaw TIFIA Loan
  - Provided draft Funding Agreement to USDOT
  - Measure R Oversight Committee made finding of benefit needed to authorize borrowing
- Moody's may downgrade Bank of America affecting two of our credit facilities

# Next Steps

- Submit recommendation for banks to replace expiring Prop C liquidity facilities
- Form Crenshaw Project Corporation related to Crenshaw TIFIA loan
- Provide legal and business documents to USDOT and support final phase of credit approval for the Crenshaw TIFIA loan application

# Low Carbon Fuel Standard Credits

- Nature of the credits
- Potential Revenue
- Implementation Process and Timeline
- Next Steps

# End Presentation

## Discussion