



Balance Sheets

December 31, 2010 & June 30, 2010

	<u>December 2010</u>	<u>June 2010</u>	
<u>Assets</u>			
Current Assets:			
Restricted Cash & Cash Equivalents, at Market *	\$ 17,626,721	\$ 31,297,021	
Receivables	7,650,775	12,975,898	
Condemnation Deposits	14,195	14,195	
Prepaid Expenses	881,135	1,502,596	
Total Current Assets	26,172,826	45,789,710	
Noncurrent Assets:			
Restricted Cash, Cash Equivalents, & Investments *	193,719,624	204,060,647	
Bond Issuance Costs	54,069,302	55,684,482	
Capital Assets:			
Buildings & Equipment	11,827,001	11,827,001	
Alameda Corridor Project Infrastructure, Right-of-Way & Land Improvements	2,086,368,014	2,082,024,675	
Less Accumulated Depreciation	(182,987,931)	(172,157,255)	
Total Noncurrent Assets	2,162,996,010	2,181,439,550	
Total Assets	\$ 2,189,168,836	\$ 2,227,229,260	
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 1,281,850	\$ 5,176,250	
Right-of-Way Acquisition Payable	14,195	14,195	
Contract Retention Payable	57,273	219,376	
Deferred Revenue	6,565,677	7,293,320	
Accrued Interest Payable, Current Portion	13,154,037	17,933,696	
Revenue Bonds Payable, Current Portion	42,632,074	36,940,692	
Other Liabilities	313,074	368,619	
Total Current Liabilities	64,018,180	67,946,148	
Noncurrent Liabilities:			
Accrued Interest Payable, net of current portion	405,442,439	372,883,325	
Revenue Bonds Payable, net of unamortized discount and current portion	1,619,962,184	1,662,545,755	
Total Noncurrent Liabilities	2,025,404,623	2,035,429,080	
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	426,649,185	409,705,121	
Restricted for Debt Service	20,510,057	24,450,400	
Restricted for Capital Projects	3,923,896	1,861,443	
Restricted by Master Trust Agreement	37,462,411	45,220,563	
Unrestricted	(388,799,516)	(357,383,495)	
Total Net Assets	99,746,033	123,854,032	
Total Liabilities & Net Assets	\$ 2,189,168,836	\$ 2,227,229,260	
<p>* All investments with a maturity within three months are considered cash for the year-end financial statements. Monthly, unaudited financial statements, carry all investments, regardless of maturity date(s), as Restricted Investments. Fully detailed classifications are only done at year-end in accordance with GASB 41, therefore classification differences exist.</p>			
	December 2010	June 2010	FY2011 Decrease
Current	\$ 17,626,721	\$ 31,297,021	
Noncurrent	193,719,624	204,060,647	
	\$ 211,346,345	\$ 235,357,668	\$ (24,011,323)



Statement of Revenues, Expenses, & Changes in Net Assets

For six months ended December 31, 2010 & December 31, 2009

	<u>December 2010</u>	<u>December 2009</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 46,985,889	\$ 39,370,472
Maintenance-of-Way Charges	2,008,461	1,901,732
Total Operating Revenues	<u>48,994,350</u>	<u>41,272,204</u>
Operating Expenses:		
Salaries & Benefits	752,605	1,120,020
Administrative Expenses	815,882	1,718,446
Professional Services	878,962	774,554
Pass Thru Expenses	984	4,039
Maintenance-of-Way	2,597,139	2,263,230
Depreciation	10,830,677	10,849,657
Total Operating Expenses	<u>15,876,249</u>	<u>16,729,946</u>
Operating Income (Loss)	33,118,101	24,542,258
Nonoperating Revenues:		
Interest & Investment Revenue (Net)	1,493,900	1,992,013
Grants	1,924,365	334,433
Gain / Loss from Sale of Fixed Assets	-	-
Miscellaneous Revenue	211,858	267,822
Total Nonoperating Revenues	<u>3,630,123</u>	<u>2,594,268</u>
Nonoperating Expenses:		
Interest Expense	59,241,043	58,444,904
Amortization of Bond Issuance Costs	1,615,180	1,644,729
Total Nonoperating Expenses	<u>60,856,223</u>	<u>60,089,633</u>
Income (Loss) Before Contributions	(24,107,999)	(32,953,107)
Change in Net Assets	(24,107,999)	(32,953,107)
Total Net Assets - Beginning	<u>123,854,032</u>	<u>182,136,459</u>
Total Net Assets - Ending	<u>\$ 99,746,033</u>	<u>\$ 149,183,352</u>



Comparison of Budget By Departments as of December 31, 2010

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 42,434,577	\$ 46,985,889	\$ 4,551,312
Maintenance-of-Way Charges	2,113,030	2,008,461	(104,569)
Total Operating Revenues	44,547,607	48,994,350	4,446,743
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
PCH	-	43,211	43,211
SR-47	-	1,881,154	1,881,154
Other Grant Revenue	-	-	-
Subtotal Projects	30,000	1,954,365	1,924,365
Miscellaneous			
Office Rental & Other Income	173,808	181,858	8,050
Investment Income	2,367,433	1,493,900	(873,533)
Subtotal Miscellaneous	2,541,241	1,675,758	(865,483)
Subtotal Other Revenues	2,571,241	3,630,123	1,058,882
Total Sources of Funds	47,118,848	52,624,473	5,505,625
Expenses			
Admin Management	228,183	191,401	(36,782)
Revenue Collection	490,263	314,797	(175,466)
Accounting & Audit	353,143	389,971	36,828
A/P & Investments	288,719	256,274	(32,445)
Human Resource & Office Staff	135,660	129,008	(6,652)
Legal	867,500	813,214	(54,286)
Public Affairs	401,621	362,844	(38,777)
Office General	532,643	364,327	(168,316)
ACET Administrative & Capital Support	1,706,416	1,972,295	265,879
Non-Capital Construction	-	-	-
Pass Thru Expenses	30,000	984	(29,016)
Total Administrative Expenses	5,034,148	4,795,115	(239,033)
Maintenance-of-Way Expenses-Rail - Contractors	1,138,030	1,045,438	(92,592)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	975,000	963,023	(11,977)
Maintenance-of-Way Expenses-Nonrail - Contractors	304,622	233,043	(71,579)
Maintenance-of-Way Expenses-Nonrail - Capital	190,294	135,437	(54,857)
Maintenance-of-Way Expenses-Nonrail - Other	207,500	142,680	(64,820)
Maintenance-of-Way Expenses - ACTA	93,419	77,518	(15,901)
Total Maintenance-of-Way Expenses	2,908,865	2,597,139	(311,726)
Subtotal Administrative and M&O Expenses	7,943,013	7,392,254	(550,759)
Financing Expenses			
Debt Service - Interest	26,633,426	26,681,930	48,504
Debt Service - Accrued CAB Interest	32,559,114	32,559,113	(1)
Subtotal Financing Expenses	59,192,540	59,241,043	48,503
Depreciation and Amortization Expenses			
Depreciation	10,640,755	10,830,677	189,922
CalPERS OPEB Fund	39,200	-	(39,200)
Cost of Issuance	1,615,181	1,615,180	(1)
Subtotal Depreciation and Amortization Expenses	12,295,136	12,445,857	150,721
Total Operating Expenses	79,430,689	79,079,154	(351,535)
Income (Loss) Before Transfer	(32,311,841)	(26,454,681)	5,857,160
Operating and Capital Expenses transfer			
Expenses transfer to Capital Project (Salaries)	(15,000)	(12,246)	2,754
Expenses transfer to Capital Project (Legal)	(425,000)	(599,943)	(174,943)
Expenses transfer to Capital Project (ACET)	(967,236)	(1,688,393)	(721,157)
Expenses transfer from Capital Project (Public Affairs)	(42,730)	(46,100)	(3,370)
Total Transfer	(1,449,966)	(2,346,682)	(896,716)
Income (Loss)	\$ (30,861,875)	\$ (24,107,999)	\$ 6,753,876

* Y-T-D Budget calculated on a straight line basis.



Comparison of Budget By Expense Type as of December 31, 2010

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 42,434,577	\$ 46,985,889	\$ 4,551,312
Maintenance-of-Way Charges	2,113,030	2,008,461	(104,569)
Total Operating Revenues	44,547,607	48,994,350	4,446,743
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
PCH	-	43,211	43,211
SR-47	-	1,881,154	1,881,154
Other Grant Revenue	-	-	-
Subtotal Projects	30,000	1,954,365	1,924,365
Miscellaneous			
Office Rental & Other Income	173,808	181,858	8,050
Investment Income	2,367,433	1,493,900	(873,533)
Subtotal Miscellaneous	2,541,241	1,675,758	(865,483)
Subtotal Other Revenues	2,571,241	3,630,123	1,058,882
Total Sources of Funds	47,118,848	52,624,473	5,505,625
Expenses			
Salaries	755,841	705,368	(50,473)
Benefits	276,514	59,483	(217,031)
Office Expenses	338,039	312,381	(25,658)
Administrative Expenses	41,063	(16,989)	(58,052)
Information Technologies	143,750	154,616	10,866
Bank & Investment	87,500	81,972	(5,528)
ACET Administrative & Capital Support	1,706,416	1,972,295	265,879
Audit	115,000	153,847	38,847
Legal	867,500	843,181	(24,319)
Governmental Affairs	252,525	245,258	(7,267)
Other Professional Services	420,000	282,719	(137,281)
Non-Capitalized-Capital Project Related Costs	-	-	-
Pass Thru Expenses	30,000	984	(29,016)
Total Administrative Expenses	5,034,148	4,795,115	(239,033)
Maintenance-of-Way Expenses-Rail - Contractors	1,138,030	1,045,438	(92,592)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	975,000	963,023	(11,977)
Maintenance-of-Way Expenses-Nonrail - Contractors	304,622	233,043	(71,579)
Maintenance-of-Way Expenses-Nonrail - Capital	190,294	135,437	(54,857)
Maintenance-of-Way Expenses-Nonrail - Other	207,500	142,680	(64,820)
Maintenance-of-Way Expenses - ACTA	93,419	77,518	(15,901)
Total Maintenance-of-Way Expenses	2,908,865	2,597,139	(311,726)
Subtotal Administrative and M&O Expenses	7,943,013	7,392,254	(550,759)
Financing Expenses			
Debt Service - Interest	26,633,426	26,681,930	48,504
Debt Service - Accrued CAB Interest	32,559,114	32,559,113	(1)
Subtotal Financing Expenses	59,192,540	59,241,043	48,503
Depreciation and Amortization Expenses			
Depreciation	10,640,755	10,830,677	189,922
CalPERS OPEB Fund	39,200	-	(39,200)
Cost of Issuance	1,615,181	1,615,180	(1)
Subtotal Depreciation and Amortization Expenses	12,295,136	12,445,857	150,721
Total Operating Expenses	79,430,689	79,079,154	(351,535)
Income (Loss) Before Transfer	(32,311,841)	(26,454,681)	5,857,160
Operating and Capital Expenses transfer			
Expenses transfer to Capital Project (Salaries)	(15,000)	(12,246)	2,754
Expenses transfer to Capital Project (Legal)	(425,000)	(599,943)	(174,943)
Expenses transfer to Capital Project (ACET)	(967,236)	(1,688,393)	(721,157)
Expenses transfer from Capital Project (Public Affairs)	(42,730)	(46,100)	(3,370)
Total Transfer	(1,449,966)	(2,346,682)	(896,716)
Income (Loss)	\$ (30,861,875)	\$ (24,107,999)	\$ 6,753,876

* Y-T-D Budget calculated on a straight line basis.



Comparison of Budget By Funds as of December 31, 2010

(\$ in thousands)	<u>Fiscal Year-to-Date</u>		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 42,434,577	\$ 46,985,889	\$ 4,551,312
Maintenance-of-Way Charges	2,113,030	2,008,461	(104,569)
Total Operating Revenues	<u>44,547,607</u>	<u>48,994,350</u>	<u>4,446,743</u>
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
PCH	-	43,211	43,211
SR-47	-	1,881,154	1,881,154
Other Grant Revenue	-	-	-
Subtotal Projects	<u>30,000</u>	<u>1,954,365</u>	<u>1,924,365</u>
Miscellaneous			
Office Rental & Other Income	173,808	181,858	8,050
Investment Income	2,367,433	1,493,900	(873,533)
Subtotal Miscellaneous	<u>2,541,241</u>	<u>1,675,758</u>	<u>(865,483)</u>
Subtotal Other Revenues	2,571,241	3,630,123	1,058,882
Total Sources of Funds	<u>47,118,848</u>	<u>52,624,473</u>	<u>5,505,625</u>
Expenses			
Financing Fees	540,263	307,409	(232,854)
Administrative Costs	3,013,920	1,889,769	(1,124,151)
Capital	1,449,966	2,344,482	894,516
Non-Capitalized Project Expenses	-	-	-
Railroads-M&O	2,113,029	2,008,461	(104,568)
Reserve-M&O	702,416	511,160	(191,256)
Financing Fees-M&O	93,419	77,518	(15,901)
Revenue Fund-Interest & COI	28,860,580	26,681,930	(2,178,650)
LAIF General Fund-Pass Thru & Others	30,000	253,455	223,455
Total Expenses	<u>36,803,593</u>	<u>34,074,184</u>	<u>(2,729,409)</u>
Non Cash Expenses			
Accrued CAB Debt Service Interest	30,331,960	32,559,113	2,227,153
Depreciation	10,640,755	10,830,677	189,922
CalPERS OPEB Fund	39,200	-	(39,200)
Cost of Issuance	1,615,181	1,615,180	(1)
Subtotal Interest, Depreciation, & Amortization Expenses	<u>42,627,096</u>	<u>45,004,970</u>	<u>2,377,874</u>
Total Operating Expenses	79,430,689	79,079,154	(351,535)
Income (Loss) Before Transfer	(32,311,841)	(26,454,681)	5,857,160
Operating and Capital Expenses transfer			
Expenses transfer to Capital Project (Salaries)	(15,000)	(12,246)	2,754
Expenses transfer to Capital Project (Legal)	(425,000)	(599,943)	(174,943)
Expenses transfer to Capital Project (ACET)	(967,236)	(1,688,393)	(721,157)
Expenses transfer from Capital Project (Public Affairs)	(42,730)	(46,100)	(3,370)
Total Transfer	<u>(1,449,966)</u>	<u>(2,346,682)</u>	<u>(896,716)</u>
Income (Loss)	<u>\$ (30,861,875)</u>	<u>\$ (24,107,999)</u>	<u>\$ 6,753,876</u>

* Y-T-D Budget calculated on a straight line basis.



Statement of Capital as of December 31, 2010

Expenses (\$ in thousands)	Fiscal Year 2011 Budget	Expenditures		Cost to Complete	Completed Project Cost Estimate as of May 2010
		Fiscal Year-to-Date	Project-to-Date		
Project Expenses					
Substantially Completed Projects*	\$ -	\$ 36	\$ 1,520,090	\$ 6,370	\$ 1,526,460
S04 Henry Ford Grade Separation	412	14	126,382	371	\$ 126,753
S13 Dolores Yard	450	-	5,026	456	\$ 5,482
S14 Cerritos Channel Rail Bridge	1,054	292	1,180	153,768	\$ 154,948
S44/S47 SR 47 Segment 1 & Segment 2	24,463	3,337	29,162	359,638	\$ 388,800
S88 PCH Grade Separation Caltrans	220	43	83,779	157	\$ 83,936
S90 Carson Soundwall	10	-	-	3,000	\$ 3,000
E07 ATMIS	1,640	-	327	1,357	\$ 1,684
C99 System Wide Capital	1,723	620	1,861	1,371	\$ 3,232
Subtotal Project Expenses	<u>29,972</u>	<u>4,342</u>	<u>1,767,807</u>	<u>526,488</u>	<u>2,294,295</u>
Total Uses of Funds	<u>\$ 29,972</u>	<u>\$ 4,342</u>	<u>\$ 1,767,807</u>	<u>\$ 526,488</u>	<u>\$ 2,294,295</u>

Note: Completed project cost estimate was increased due to a change in the cost estimate for close-out work.
* Detailed information, by project, available upon request.

Capital Grant Funds Received Current Fiscal Year Only			
Source	Related Project(s)	Cash Received This Month	Cash Received FY to Date
Caltrans	S47	-	6,353,636
Total		<u>\$ -</u>	<u>\$ 6,353,636</u>



Cash & Investment Summary

as of December 31, 2010

<u>Cash and Investment Balances (\$ in thousands)</u>					
<u>Institution</u>	<u>Bank Reference #</u>	<u>Chandler Reference #</u>	<u>Account Description</u>	<u>Book Value</u>	<u>Market Value</u>
Bank of America					
	0457 & 0796	-	Concentration & Disbursement	1,151	1,151
Pre 1999 Bond Sale Accounts-Union Bank					
	01	512	SR-47	3,917	3,912
	03	510	PCH	6,662	6,665
			Total Union Bank	10,579	10,577
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	6,792	6,792
1999 and 2004 Bond Funds - US Bank-Trustee					
Construction Funds					
	1186	513	99A Construction Fund	34,012	34,046
	1206	503	99C Construction Fund	2,789	2,791
			Subtotal Construction Funds	36,801	36,837
Revenue Funds					
	1170	507	Revenue Fund	13,265	13,266
	1171	508	M & O Fund	441	441
	1172	509	Reserve Account	13,716	13,717
	9006	519	Financing Fees	-	-
	1189	518	Administrative Costs	10,854	10,865
			Subtotal Revenue Funds	38,276	38,289
Debt Service Funds					
	1180	-	99A Interest Account	5,074	5,191
	1181	-	99A Principal Account	2,713	2,805
	1200	-	99C Interest Account	7,065	7,229
	1212	504	99D Debt Service Reserve	14,545	14,554
	9004	515	04A Debt Service Reserve	64,793	65,909
	8003	516	04B Debt Service Reserve	21,625	22,012
	9005	517	04A Cost of Issuance	-	-
			Subtotal Debt Service Funds	115,815	117,700
			Total U.S. Bank	190,892	192,826
Total Cash & Investment Balances				\$ 209,414	\$ 211,346



Cash & Investment Summary (cont'd)

as of December 31, 2010

Investment Schedule (\$ in thousands)

<u>Type of Investment</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Percentage of Total</u>	<u>Investment Policy Limit</u>
Money Market Funds	\$ 9,684	\$ 9,684	4.58%	20.00%
U.S. Government & Agency Obligations	146,019	147,564	69.84%	100.00%
Commercial Paper	550	550	0.26%	15.00%
U.S. Treasury Note	11,776	12,077	5.71%	100.00%
Corporate Bonds	33,442	33,528	15.86%	30.00%
Bank of America	1,151	1,151	0.54%	20.00%
Local Agency Investment Fund	6,792	6,792	3.21%	\$40 Million
Total	\$ 209,414	\$ 211,346	100.00%	