



# Statements of Net Position

## May 31, 2017 & June 30, 2016

	May 2017	June 2016
<b>Assets &amp; Deferred Outflows of Resources</b>		
<b>Current Assets:</b>		
Restricted Cash & Cash Equivalents, & Investments	\$ 23,947,741	\$ 95,372,552
Receivables	10,486,790	10,969,030
Prepaid Expenses	1,215,983	1,268,710
<b>Total Current Assets</b>	<b>35,650,514</b>	<b>107,610,292</b>
Restricted Investments *	157,974,861	87,131,382
Assets Held for Transfer	13,347,625	13,347,625
Net OPEB Asset	365,719	365,719
Capital Assets, Net	1,600,153,844	1,619,413,295
<b>Total Assets</b>	<b>1,807,492,563</b>	<b>1,827,868,313</b>
<b>Deferred Outflows of Resources:</b>		
Charges on Refunding	19,944,928	21,314,804
Pension Contributions & Differences in Experience	235,436	235,436
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 1,827,672,927</b>	<b>\$ 1,849,418,553</b>
<b>Liabilities, Deferred Inflows of Resources, &amp; Net Position</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 577,372	\$ 2,645,749
Contract Retention Payable	5,000	5,000
Unearned Revenue	1,860,429	1,059,468
Accrued Interest Payable, Current Portion	11,133,502	12,985,235
Revenue Bonds Payable, Current Portion	29,444,651	23,170,000
Other Liabilities	452,498	470,040
<b>Total Current Liabilities</b>	<b>43,473,452</b>	<b>40,335,492</b>
<b>Noncurrent Liabilities:</b>		
Collateral Deposit	7,945,175	10,106,159
Shortfall Advances Payable to Ports	11,928,505	11,874,268
Net Pension Liability	1,445,588	1,445,588
Accrued Interest Payable, Net of Current Portion	460,966,771	419,488,812
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,689,594,410	1,727,652,226
<b>Total Noncurrent Liabilities</b>	<b>2,171,880,449</b>	<b>2,170,567,053</b>
<b>Total Liabilities</b>	<b>\$ 2,215,353,901</b>	<b>\$ 2,210,902,545</b>
<b>Deferred Inflows of Resources</b>	<b>228,427</b>	<b>228,427</b>
<b>Net Position</b>		
Net Investment in Capital Assets	16,721,695	14,319,910
Restricted for Debt Service	96,585,974	94,423,740
Restricted for Capital Projects	-	224,541
Restricted by Master Trust Agreement	64,262,031	57,688,600
Unrestricted	(565,479,101)	(528,369,210)
<b>Total Net Position</b>	<b>(387,909,401)</b>	<b>(361,712,419)</b>
<b>Total Liabilities, Deferred Inflows of Resources, &amp; Net Position</b>	<b>\$ 1,827,672,927</b>	<b>\$ 1,849,418,553</b>
<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>		
	<b>May 2017</b>	<b>June 2016</b>
<b>Current</b>	<b>\$ 23,947,741</b>	<b>\$ 95,372,552</b>
<b>Noncurrent</b>	<b>157,974,861</b>	<b>87,131,382</b>
	<b>\$ 181,922,602</b>	<b>\$ 182,503,934</b>
		<b>FY2017 Decrease</b>
		<b>\$ (581,332)</b>



# Statement of Revenues, Expenses, & Changes in Net Position

For eleven months ended May 31, 2017 & May 31, 2016

	<u>May 2017</u>	<u>May 2016</u>
<b>Operating Revenues:</b>		
Use Fees & Container Charges	\$ 93,674,063	\$ 95,243,823
Maintenance-of-Way Charges	4,012,706	4,332,130
<b>Total Operating Revenues</b>	<u>97,686,769</u>	<u>99,575,953</u>
<b>Operating Expenses:</b>		
Salaries & Benefits	1,791,415	1,744,152
Administrative Expenses	1,685,416	1,292,614
Professional Services	1,164,212	1,216,948
Maintenance-of-Way	5,611,639	6,052,273
Depreciation	19,265,508	19,812,258
<b>Total Operating Expenses</b>	<u>29,518,190</u>	<u>30,118,245</u>
<b>Operating Income (Loss)</b>	68,168,579	69,457,708
<b>Nonoperating Revenues:</b>		
Interest & Investment Revenue, Net	1,657,126	2,742,489
Public Benefit Income	604,038	1,767,631
Miscellaneous Revenue	369,056	896,769
<b>Total Nonoperating Revenues</b>	<u>2,630,220</u>	<u>5,406,889</u>
<b>Nonoperating Expenses:</b>		
Interest Expense	95,892,631	134,020,084
Expenses for Public Benefit & Pass Thru Expenses	1,103,150	1,921,219
Costs of Issuance	-	9,550,027
<b>Total Nonoperating Expenses, Net</b>	<u>96,995,781</u>	<u>145,491,330</u>
<b>Changes in Net Position</b>	(26,196,982)	(70,626,733)
<b>Net Position:</b>		
Net Positon, Beginning of Year	(361,712,419)	(192,692,420)
<b>Net Position - End of Year</b>	<u>\$ (387,909,401)</u>	<u>\$ (263,319,153)</u>



# Comparison of Budget By Departments as of May 31, 2017

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
<b>Revenues</b>			
<b>Operating Revenues</b>			
Use Fees & Container Charges	\$ 100,324,520	\$ 93,674,063	\$ (6,650,457)
Maintenance-of-Way Charges	5,131,734	4,012,706	(1,119,028)
<b>Total Operating Revenues</b>	<b>105,456,254</b>	<b>97,686,769</b>	<b>(7,769,485)</b>
<b>Other Revenues</b>			
<b>Projects</b>			
Pier Pass	55,000	55,000	-
EPA Order	24,851	114,199	89,348
<b>Subtotal Projects</b>	<b>79,851</b>	<b>169,199</b>	<b>89,348</b>
<b>Miscellaneous</b>			
Public Benefit Income	5,683,333	604,038	(5,079,295)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	103,318	199,857	96,539
Investment Income	1,541,362	1,657,126	115,764
<b>Subtotal Miscellaneous</b>	<b>7,328,013</b>	<b>2,461,021</b>	<b>(4,866,992)</b>
<b>Subtotal Other Revenues</b>	<b>7,407,864</b>	<b>2,630,220</b>	<b>(4,777,644)</b>
<b>Total Sources of Funds</b>	<b>112,864,118</b>	<b>100,316,989</b>	<b>(12,547,129)</b>
<b>Expenses</b>			
Admin Management	366,408	329,128	(37,280)
Revenue Collection	590,630	453,424	(137,206)
Accounting & Audit	794,418	743,675	(50,743)
A/P & Investments	312,898	283,448	(29,450)
Human Resource & Office Staff	132,300	126,030	(6,270)
Legal	861,667	784,185	(77,482)
Public Affairs	422,567	386,178	(36,389)
Office General	765,524	632,632	(132,892)
ACET Administrative & Capital Support	1,193,430	902,343	(291,087)
Expenses for Public Benefit	5,683,333	915,496	(4,767,837)
Pass Thru & EPA Order	24,851	187,654	162,803
<b>Total Administrative Expenses</b>	<b>11,148,026</b>	<b>5,744,193</b>	<b>(5,403,833)</b>
Maintenance-of-Way Expenses-Rail - Contractors	2,968,859	2,141,341	(827,518)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	2,162,875	1,958,005	(204,870)
Maintenance-of-Way Expenses-Nonrail - Contractors	790,697	473,606	(317,091)
Maintenance-of-Way Expenses-Nonrail - Capital	1,572,205	720,047	(852,158)
Maintenance-of-Way Expenses-Nonrail - Other	244,750	171,484	(73,266)
Maintenance-of-Way Expenses - ACTA	178,723	147,156	(31,567)
<b>Total Maintenance-of-Way Expenses</b>	<b>7,918,109</b>	<b>5,611,639</b>	<b>(2,306,470)</b>
<b>Subtotal Administrative and M&amp;O Expenses</b>	<b>19,066,135</b>	<b>11,355,832</b>	<b>(7,710,303)</b>
<b>Financing Expenses</b>			
Debt Service - Interest	58,167,500	54,414,671	(3,752,829)
Debt Service - Accrued CAB Interest	37,746,840	41,477,960	3,731,120
<b>Subtotal Financing Expenses</b>	<b>95,914,340</b>	<b>95,892,631</b>	<b>(21,709)</b>
<b>Depreciation &amp; Amortization Expenses</b>			
Depreciation	19,770,383	19,265,508	(504,875)
<b>Subtotal Depreciation &amp; Amortization Expenses</b>	<b>19,770,383</b>	<b>19,265,508</b>	<b>(504,875)</b>
<b>Total Operating Expenses</b>	<b>134,750,858</b>	<b>126,513,971</b>	<b>(8,236,887)</b>
<b>Income (Loss)</b>	<b>\$ (21,886,740)</b>	<b>\$ (26,196,982)</b>	<b>\$ (4,310,242)</b>

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



# Comparison of Budget By Expense Type as of May 31, 2017

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
<b>Revenues</b>			
<b>Operating Revenues</b>			
Use Fees & Container Charges	\$ 100,324,520	\$ 93,674,063	\$ (6,650,457)
Maintenance-of-Way Charges	5,131,734	4,012,706	(1,119,028)
<b>Total Operating Revenues</b>	<u>105,456,254</u>	<u>97,686,769</u>	<u>(7,769,485)</u>
<b>Other Revenues</b>			
<b>Projects</b>			
Pier Pass	55,000	55,000	-
EPA Order	24,851	114,199	89,348
<b>Subtotal Projects</b>	<u>79,851</u>	<u>169,199</u>	<u>89,348</u>
<b>Miscellaneous</b>			
Public Benefit Income	5,683,333	604,038	(5,079,295)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	103,318	199,857	96,539
Investment Income	1,541,362	1,657,126	115,764
<b>Subtotal Miscellaneous</b>	<u>7,328,013</u>	<u>2,461,021</u>	<u>(4,866,992)</u>
<b>Subtotal Other Revenues</b>	<u>7,407,864</u>	<u>2,630,220</u>	<u>(4,777,644)</u>
<b>Total Sources of Funds</b>	<u>112,864,118</u>	<u>100,316,989</u>	<u>(12,547,129)</u>
<b>Expenses</b>			
Salaries	1,302,091	1,226,532	(75,559)
Benefits	616,501	564,883	(51,618)
Office Expenses	380,821	377,929	(2,892)
Other Management Expenses	61,829	42,182	(19,647)
Information Technologies	274,346	246,708	(27,638)
Bank & Investment	151,250	116,254	(34,996)
ACET Administrative & Capital Support	1,193,430	902,343	(291,087)
Audit	170,078	156,386	(13,692)
Legal	861,667	784,186	(77,481)
Governmental Affairs	110,000	95,000	(15,000)
Other Professional Services	317,829	128,640	(189,189)
Pass Thru Expenses & EPA Order	24,851	187,654	162,803
Expenses for Public Benefit	5,683,333	915,496	(4,767,837)
<b>Total Administrative Expenses</b>	<u>11,148,026</u>	<u>5,744,193</u>	<u>(5,403,833)</u>
Maintenance-of-Way Expenses-Rail - Contractors	2,968,859	2,141,341	(827,518)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	2,162,875	1,958,005	(204,870)
Maintenance-of-Way Expenses-Nonrail - Contractors	790,697	473,606	(317,091)
Maintenance-of-Way Expenses-Nonrail - Capital	1,572,205	720,047	(852,158)
Maintenance-of-Way Expenses-Nonrail - Other	244,750	171,484	(73,266)
Maintenance-of-Way Expenses - ACTA	178,723	147,156	(31,567)
<b>Total Maintenance-of-Way Expenses</b>	<u>7,918,109</u>	<u>5,611,639</u>	<u>(2,306,470)</u>
<b>Subtotal Administrative and M&amp;O Expenses</b>	<u>19,066,135</u>	<u>11,355,832</u>	<u>(7,710,303)</u>
<b>Financing Expenses</b>			
Debt Service - Interest	58,167,500	54,414,671	(3,752,829)
Debt Service - Accrued CAB Interest	37,746,840	41,477,960	3,731,120
<b>Subtotal Financing Expenses</b>	<u>95,914,340</u>	<u>95,892,631</u>	<u>(21,709)</u>
<b>Depreciation &amp; Amortization Expenses</b>			
Depreciation	19,770,383	19,265,508	(504,875)
<b>Subtotal Depreciation &amp; Amortization Expenses</b>	<u>19,770,383</u>	<u>19,265,508</u>	<u>(504,875)</u>
<b>Total Operating Expenses</b>	<u>134,750,858</u>	<u>126,513,971</u>	<u>(8,236,887)</u>
<b>Income (Loss)</b>	<u>\$ (21,886,740)</u>	<u>\$ (26,196,982)</u>	<u>\$ (4,310,242)</u>
* Y-T-D Budget calculated on a straight line basis.			





# Comparison of Budget By Funds as of May 31, 2017

(\$ in thousands)	Fiscal Year-to-Date		Variance
	Budget*	Actuals	
<b>Revenues</b>			
<b>Operating Revenues</b>			
Use Fees & Container Charges	\$ 100,324,520	\$ 93,674,063	\$ (6,650,457)
Maintenance-of-Way Charges	5,131,734	4,012,706	(1,119,028)
<b>Total Operating Revenues</b>	<u>105,456,254</u>	<u>97,686,769</u>	<u>(7,769,485)</u>
<b>Other Revenues</b>			
<b>Projects</b>			
Pier Pass	55,000	55,000	-
EPA Order	24,851	114,199	89,348
<b>Subtotal Projects</b>	<u>79,851</u>	<u>169,199</u>	<u>89,348</u>
<b>Miscellaneous</b>			
Public Benefit Income	5,683,333	604,038	(5,079,295)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	103,318	199,857	96,539
Investment Income	1,541,362	1,657,126	115,764
<b>Subtotal Miscellaneous</b>	<u>7,328,013</u>	<u>2,461,021</u>	<u>(4,866,992)</u>
<b>Subtotal Other Revenues</b>	<u>7,407,864</u>	<u>2,630,220</u>	<u>(4,777,644)</u>
<b>Total Sources of Funds</b>	<u>112,864,118</u>	<u>100,316,989</u>	<u>(12,547,129)</u>
<b>Expenses</b>			
Financing Fees	590,630	389,226	(201,404)
Administrative Costs	4,849,212	4,251,817	(597,395)
Capital	-	-	-
Railroads-M&O	5,131,734	4,099,346	(1,032,388)
Reserve-M&O	2,607,652	1,365,137	(1,242,515)
Financing Fees-M&O	178,723	147,156	(31,567)
Revenue Fund-Interest & COI	58,167,500	54,414,671	(3,752,829)
Expenses for Public Benefit	5,683,333	915,496	(4,767,837)
LAIF General Fund-Pass Thru & EPA	24,851	187,654	162,803
<b>Total Expenses</b>	<u>77,233,635</u>	<u>65,770,503</u>	<u>(11,463,132)</u>
<b>Non Cash Expenses</b>			
Accrued CAB Debt Service Interest	37,746,840	41,477,960	3,731,120
Depreciation	19,770,383	19,265,508	(504,875)
<b>Subtotal Interest, Depreciation, &amp; Amortization Expenses</b>	<u>57,517,223</u>	<u>60,743,468</u>	<u>3,226,245</u>
<b>Total Operating Expenses</b>	<u>134,750,858</u>	<u>126,513,971</u>	<u>(8,236,887)</u>
<b>Income (Loss)</b>	<u>\$ (21,886,740)</u>	<u>\$ (26,196,982)</u>	<u>\$ (4,310,242)</u>

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



# Cash & Investment Summary

## as of May 31, 2017

<b>Cash and Investment Balances (\$ in thousands)</b>					
<u>Institution</u>	<u>Bank Reference #</u>	<u>Chandler Reference #</u>	<u>Account Description</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Bank of America</b>					
	0457 & 0796	-	Concentration & Disbursement	386	386
<b>Pre 1999 Bond Sale Accounts-Union Bank</b>					
	5080	512	SR-47	4,918	4,900
Grant Reimbursement Received this Month \$0.00 Grant Reimbursement Received FY to Date \$1,174,711.90					
<b>US Bank</b>					
	35000	-	Bank of America Collateral	7,912	7,912
<b>Local Agency Investment Fund (LAIF)</b>					
	40-19-006	570	General Fund	8,446	8,446
<b>1999 and 2004 Bond Funds - US Bank-Trustee</b>					
<b>Construction Funds</b>					
	1186	513	99A Construction Fund	-	-
	1206	503	99C Construction Fund	-	-
			<b>Subtotal Construction Funds</b>	-	-
<b>Revenue Funds</b>					
	1170	507	Revenue Fund	34,937	34,937
	1171	508	M & O Fund	1,231	1,231
	1172	509	Reserve Account	13,392	13,332
	9006	519	Financing Fees	-	-
	1189	518	Administrative Costs	4,609	4,595
			<b>Subtotal Revenue Funds</b>	54,169	54,095
<b>Debt Service Funds</b>					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	6,090	6,186
	1201	-	99C Principal Account	18,522	18,999
	9004	515	04A Debt Service Reserve	48,131	48,114
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,347	22,347
	59001	-	12 Debt Service Interest Account	491	499
	59004	-	12 Debt Service Reserve Account	4,157	4,149
	7001	-	13A Debt Service Interest Account	2,417	2,462
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,463	3,426
	8006	-	16B- Financing Fee	-	-
	108001	-	16B Interest Account	-	-
			<b>Subtotal Debt Service Funds</b>	105,618	106,184
			<b>Total U.S. Bank</b>	159,787	160,279
<b>Total Cash &amp; Investment Balances</b>				<b>\$ 181,449</b>	<b>181,923</b>



# Cash & Investment Summary (cont'd)

## as of May 31, 2017

### 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	\$ 15,116	\$ 15,116	8.31%	20.00%
U.S. Government & Agency Obligations	86,335	86,984	47.81%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	50,423	50,332	27.67%	100.00%
Corporate Bonds	20,743	20,659	11.36%	30.00%
Bank of America	386	386	0.21%	20.00%
Local Agency Investment Fund	8,446	8,446	4.64%	\$40 Million
<b>Total</b>	<b>\$ 181,449</b>	<b>\$ 181,923</b>	<b>100.00%</b>	

### Monthly Cash Flow

May 2017

**Total Beginning Cash** \$ 50,715,890

#### **Receipts**

Use Fees & Container Charges	\$ 8,551,640
M&O, Grants, & Miscellaneous Revenue	966,165
<b>Total Receipts</b>	<b>9,517,805</b>

#### **Disbursements**

Debt Service - Transfer to Accounts	5,349,506
M&O, Administrative, & Financing Expenses	714,733
<b>Total Disbursements</b>	<b>6,064,239</b>

**Cash Flow for Month** \$ 3,453,566

**Total Ending Cash** \$ 54,169,456



# Cash Flow as of May 31, 2017

		<u>May 2017</u>
<b>Beginning Cash</b>		
Master Indenture Revenue Fund 1170		31,715,247
Master Indenture M&O Fund 1171		622,533
Master Indenture Reserve Fund 1172		13,495,543
1999A Admin Fund 1189		4,882,567
2004A Financing Fund 39006		-
1999C Construction Fund 1206		-
<b>Total Beginning Cash</b>		<u>50,715,890</u>
<b>Receipts</b>		
Use Fee & Container Charges		8,551,640
M&O		880,050
Funds Transferred from BOA to Admin Fund		44,135
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		41,980
<b>Total Receipts</b>		<u>9,517,805</u>
<b>Total Cash</b>		<u><u>\$ 60,233,695</u></u>
<b>Disbursements</b>		
Debt Service - transfer to 1999C Principal		2,097,917
Debt Service - transfer to 1999C Interest		2,097,267
Debt Service - transfer to 2012 Interest		172,076
Debt Service - transfer to 2013A Interest		982,246
Semi-Annual Accounting - Transfers & Debt Service		-
Transfer to 2012 Reserve		-
Transfer to 2004A Financing Fee		-
Transfer to Admin Fund		-
Transfer to Master Reserve		-
Transfer to 2016A Reserve		-
Transfer to 2016B Financing Fee		-
Debt service payment - 2016A Interest		-
Debt service payment - 2016B Interest		-
1999C Construction expense payments		-
M&O - Railroads expense payments		271,504
M&O - Reserve expense payments		122,906
Administrative expense payments		320,323
Financing expense payments		-
<b>Total Disbursements</b>		<u>6,064,239</u>
<b>Net Ending Cash</b>		<u><u>\$ 54,169,456</u></u>
<b>Ending Cash</b>		
Master Indenture Revenue Fund 1170		34,937,198
Master Indenture M&O Fund 1171		1,231,271
Master Indenture Reserve Fund 1172		13,391,740
1999A Admin Fund 1189		4,609,247
2004A Financing Fund 39006		-
1999C Construction Fund 1206		-
<b>Total Ending Cash</b>		<u><u>\$ 54,169,456</u></u>