



Statements of Net Position

November 30, 2017 & June 30, 2017

	November 2017	June 2017
<u>Assets & Deferred Outflows of Resources</u>		
Current Assets:		
Restricted Cash & Cash Equivalents, & Investments	\$ 22,083,251	\$ 112,986,027
Receivables	9,919,539	11,370,587
Prepaid Expenses	661,861	1,127,821
Total Current Assets	32,664,651	125,484,435
Restricted Investments *	144,461,270	77,919,769
Assets Held for Transfer	13,347,625	13,347,625
Net OPEB Asset	379,895	379,895
Capital Assets, Net	1,589,621,421	1,598,384,791
Total Assets	1,780,474,862	1,815,516,515
Deferred Outflows of Resources:		
Charges on Refunding	19,197,721	19,820,392
Pension Contributions & Differences in Experience	644,604	644,604
Total Assets & Deferred Outflows of Resources	\$ 1,800,317,187	\$ 1,835,981,511
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>		
Current Liabilities:		
Accounts Payable	\$ 1,146,864	\$ 2,631,015
Unearned Revenue	1,730,457	1,329,353
Accrued Interest Payable, Current Portion	10,858,893	20,685,602
Revenue Bonds Payable, Current Portion	32,995,584	29,444,651
Other Liabilities	499,748	528,538
Total Current Liabilities	47,231,546	54,619,159
Noncurrent Liabilities:		
Collateral Deposit	6,129,491	8,136,078
Shortfall Advances Payable to Ports	11,991,266	11,934,966
Net Pension Liability	1,842,521	1,842,521
Accrued Interest Payable, Net of Current Portion	480,593,288	460,752,146
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,651,898,799	1,688,811,395
Total Noncurrent Liabilities	2,152,455,365	2,171,477,106
Total Liabilities	\$ 2,199,686,911	\$ 2,226,096,265
Deferred Inflows of Resources	108,478	108,478
<u>Net Position</u>		
Net Investment in Capital Assets	34,874,116	14,815,507
Restricted for Debt Service	84,605,097	98,757,783
Restricted for Capital Projects	-	-
Restricted by Master Trust Agreement	64,130,327	66,146,811
Unrestricted	(583,087,742)	(569,943,333)
Total Net Position	(399,478,202)	(390,223,232)
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,800,317,187	\$ 1,835,981,511

	<u>November 2017</u>	<u>June 2017</u>	<u>FY2017 Decrease</u>
Current	\$ 22,083,251	\$ 112,986,027	
Noncurrent	144,461,270	77,919,769	
	\$ 166,544,521	\$ 190,905,796	\$ (24,361,275)

* 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.



Statement of Revenues, Expenses, & Changes in Net Position

For five months ended November 30, 2017 & November 30, 2016

	<u>November 2017</u>	<u>November 2016</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 45,841,465	\$ 41,848,007
Maintenance-of-Way Charges	1,237,351	1,772,416
Total Operating Revenues	<u>47,078,816</u>	<u>43,620,423</u>
Operating Expenses:		
Salaries & Benefits	857,317	803,115
Administrative Expenses	707,916	391,423
Professional Services	469,005	586,093
Maintenance-of-Way	1,718,767	2,261,396
Depreciation	8,763,371	8,762,991
Total Operating Expenses	<u>12,516,376</u>	<u>12,805,018</u>
Operating Income (Loss)	34,562,440	30,815,405
Nonoperating Revenues:		
Interest & Investment Revenue, Net	731,427	(203,022)
Public Benefit Income	58,351	10,178
Miscellaneous Revenue	74,416	176,254
Total Nonoperating Revenues	<u>864,194</u>	<u>(16,590)</u>
Nonoperating Expenses:		
Interest Expense	44,162,248	43,786,507
Expenses for Public Benefit & Pass Thru Expenses	519,356	326,089
Total Nonoperating Expenses, Net	<u>44,681,604</u>	<u>44,112,596</u>
Changes in Net Position	(9,254,970)	(13,313,781)
Net Position:		
Net Position, Beginning of Year	(390,223,232)	(361,712,419)
Net Position - End of Year	<u>\$ (399,478,202)</u>	<u>\$ (375,026,200)</u>



Comparison of Budget By Expense Type as of November 30, 2017

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 44,027,727	\$ 45,841,465	\$ 1,813,738
Maintenance-of-Way Charges	2,222,323	1,237,351	(984,972)
Total Operating Revenues	46,250,050	47,078,816	828,766
Other Revenues			
Projects			
Pier Pass	25,000	25,000	-
EPA Order	94,665	-	(94,665)
Subtotal Projects	119,665	25,000	(94,665)
Miscellaneous			
Public Benefit Income	2,546,508	58,351	(2,488,157)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	48,259	49,416	1,157
Investment Income	687,275	731,427	44,152
Subtotal Miscellaneous	3,282,042	839,194	(2,442,848)
Subtotal Other Revenues	3,401,707	864,194	(2,537,513)
Total Sources of Funds	49,651,757	47,943,010	(1,708,747)
Expenses			
Salaries	630,957	585,272	(45,685)
Benefits	291,531	272,045	(19,486)
Office Expenses	173,350	165,276	(8,074)
Other Management Expenses	29,563	14,451	(15,112)
Information Technologies	127,594	154,168	26,574
Bank & Investment	62,500	55,226	(7,274)
ACET Administrative & Capital Support	571,966	318,795	(253,171)
Audit	69,567	102,585	33,018
Legal	391,667	242,975	(148,692)
Governmental Affairs	55,000	60,000	5,000
Other Professional Services	213,972	63,445	(150,527)
Pass Thru Expenses & EPA Order	94,665	85,564	(9,101)
Expenses for Public Benefit	2,546,508	433,792	(2,112,716)
Total Administrative Expenses	5,258,840	2,553,594	(2,705,246)
Maintenance-of-Way Expenses-Rail - Contractors	1,334,747	488,896	(845,851)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	887,576	748,456	(139,120)
Maintenance-of-Way Expenses-Nonrail - Contractors	377,897	86,568	(291,329)
Maintenance-of-Way Expenses-Nonrail - Capital	844,127	149,953	(694,174)
Maintenance-of-Way Expenses-Nonrail - Other	50,383	214,206	163,823
Maintenance-of-Way Expenses - ACTA	74,618	30,688	(43,930)
Total Maintenance-of-Way Expenses	3,569,348	1,718,767	(1,850,581)
Subtotal Administrative and M&O Expenses	8,828,188	4,272,361	(4,555,827)
Financing Expenses			
Debt Service - Interest	29,151,055	24,321,105	(4,829,950)
Debt Service - Accrued CAB Interest	15,236,005	19,841,143	4,605,138
Subtotal Financing Expenses	44,387,060	44,162,248	(224,812)
Depreciation & Amortization Expenses			
Depreciation	8,741,735	8,763,371	21,636
Subtotal Depreciation & Amortization Expenses	8,741,735	8,763,371	21,636
Total Operating Expenses	61,956,983	57,197,980	(4,759,003)
Income (Loss)	\$ (12,305,226)	\$ (9,254,970)	\$ 3,050,256

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



Comparison of Budget By Funds as of November 30, 2017

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 44,027,727	\$ 45,841,465	\$ 1,813,738
Maintenance-of-Way Charges	2,222,323	1,237,351	(984,972)
Total Operating Revenues	46,250,050	47,078,816	828,766
Other Revenues			
Projects			
Pier Pass	25,000	25,000	-
EPA Order	94,665	-	(94,665)
Subtotal Projects	119,665	25,000	(94,665)
Miscellaneous			
Public Benefit Income	2,546,508	58,351	(2,488,157)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	48,259	49,416	1,157
Investment Income	687,275	731,427	44,152
Subtotal Miscellaneous	3,282,042	839,194	(2,442,848)
Subtotal Other Revenues	3,401,707	864,194	(2,537,513)
Total Sources of Funds	49,651,757	47,943,010	(1,708,747)
Expenses			
Financing Fees	-	-	-
Administrative Costs	2,617,667	2,034,238	(583,429)
Capital	-	-	-
Railroads-M&O	2,222,323	1,237,351	(984,972)
Reserve-M&O	1,272,407	450,728	(821,679)
Financing Fees-M&O	74,618	30,688	(43,930)
Revenue Fund-Interest & COI	29,151,055	24,321,105	(4,829,950)
Expenses for Public Benefit	2,546,508	433,792	(2,112,716)
LAIF General Fund-Pass Thru & EPA	94,665	85,564	(9,101)
Total Expenses	37,979,243	28,593,466	(9,385,777)
Non Cash Expenses			
Accrued CAB Debt Service Interest	15,236,005	19,841,143	4,605,138
Depreciation	8,741,735	8,763,371	21,636
Subtotal Interest, Depreciation, & Amortization Expenses	23,977,740	28,604,514	4,626,774
Total Operating Expenses	61,956,983	57,197,980	(4,759,003)
Income (Loss)	<u>\$ (12,305,226)</u>	<u>\$ (9,254,970)</u>	<u>\$ 3,050,256</u>

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



Cash & Investment Summary as of November 30, 2017

Cash and Investment Balances (\$ in thousands)					
<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	338	338
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,395	4,390
Grant Reimbursement Received this Month \$128,005					
Grant Reimbursement Received FY to Date \$398,402					
US Bank					
	35000	-	Bank of America Collateral	6,096	6,096
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,462	8,462
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	32,175	32,193
	1171	508	M & O Fund	1,361	1,361
	1172	509	Reserve Account	14,973	14,874
	1189	518	Administrative Costs	7,163	7,154
Subtotal Revenue Funds				55,672	55,582
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	4,666	4,752
	1201	-	99C Principal Account	5,354	5,388
	9004	515	04A Debt Service Reserve	48,036	47,561
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,542	22,323
	59001	-	12 Debt Service Interest Account	506	513
	59004	-	12 Debt Service Reserve Account	5,219	5,165
	7001	-	13A Debt Service Interest Account	2,509	2,553
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,487	3,422
	108001	-	16B Interest Account	-	-
Subtotal Debt Service Funds				92,319	91,677
Total U.S. Bank				147,991	147,259
Total Cash & Investment Balances				\$ 167,282	166,545



Cash & Investment Summary (cont'd)

as of November 30, 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	\$ 13,284	\$ 13,284	7.98%	20.00%
U.S. Government & Agency Obligations	70,566	70,718	42.46%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	52,677	52,010	31.23%	100.00%
Corporate Bonds	21,955	21,733	13.05%	30.00%
Bank of America	338	338	0.20%	20.00%
Local Agency Investment Fund	8,462	8,462	5.08%	\$40 Million
Total	\$ 167,282	\$ 166,545	100.00%	

Monthly Cash Flow

November 2017

Total Beginning Cash \$ 50,287,385

Receipts

Use Fees & Container Charges	\$ 9,231,582
M&O, Grants, & Miscellaneous Revenue	383,955
Total Receipts	9,615,536

Disbursements

Debt Service - Transfer to Accounts	3,936,039
M&O, Administrative, & Financing Expenses	295,850
Total Disbursements	4,231,888

Cash Flow for Month \$ 5,383,649

Total Ending Cash \$ 55,671,034



Cash Flow

as of November 30, 2017

		November 2017
Beginning Cash		
Master Indenture Revenue Fund 1170		26,878,358
Master Indenture M&O Fund 1171		1,044,075
Master Indenture Reserve Fund 1172		14,975,625
1999A Admin Fund 1189		7,389,328
2004A Financing Fund 39006		-
1999C Construction Fund 1206		-
Total Beginning Cash		<u>50,287,385</u>
Receipts		
Use Fee & Container Charges		9,231,582
M&O		329,191
Funds Transferred from BOA to Admin Fund		34,794
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		19,970
Total Receipts		<u>9,615,536</u>
Total Cash		<u><u>\$ 59,902,922</u></u>
Disbursements		
Debt Service - transfer to 1999C Principal		1,286,408
Debt Service - transfer to 1999C Interest		1,496,250
Debt Service - transfer to 2012 Interest		171,135
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		-
Debt service payment - 2004		-
1999C Construction expense payments		-
M&O - Railroads expense payments		13,192
M&O - Reserve expense payments		16,011
Administrative expense payments		266,646
Financing expense payments		-
Total Disbursements		<u>4,231,888</u>
Net Ending Cash		<u><u>\$ 55,671,034</u></u>
Ending Cash		
Master Indenture Revenue Fund 1170		32,174,695
Master Indenture M&O Fund 1171		1,360,723
Master Indenture Reserve Fund 1172		14,972,576
1999A Admin Fund 1189		7,163,040
2004A Financing Fund 39006		-
1999C Construction Fund 1206		-
Total Ending Cash		<u><u>\$ 55,671,034</u></u>