



Statements of Net Position

May 31, 2018 & June 30, 2017

	May 2018	June 2017
<u>Assets & Deferred Outflows of Resources</u>		
Current Assets:		
Restricted Cash & Cash Equivalents, & Investments	\$ 25,026,668	\$ 112,986,027
Receivables	11,390,443	11,370,587
Prepaid Expenses	1,276,990	1,127,821
Total Current Assets	37,694,101	125,484,435
Restricted Investments *	155,608,997	77,919,769
Assets Held for Transfer	13,347,625	13,347,625
Net OPEB Asset	379,895	379,895
Capital Assets, Net	1,579,105,380	1,598,384,791
Total Assets	1,786,135,998	1,815,516,515
Deferred Outflows of Resources:		
Charges on Refunding	18,450,516	19,820,392
Pension Contributions & Differences in Experience	644,604	644,604
Total Assets & Deferred Outflows of Resources	\$ 1,805,231,118	\$ 1,835,981,511
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>		
Current Liabilities:		
Accounts Payable	\$ 1,005,324	\$ 2,631,015
Unearned Revenue	1,927,947	1,329,353
Accrued Interest Payable, Current Portion	10,860,773	20,685,602
Revenue Bonds Payable, Current Portion	32,995,584	29,444,651
Other Liabilities	493,852	528,538
Total Current Liabilities	47,283,480	54,619,159
Noncurrent Liabilities:		
Collateral Deposit	-	8,136,078
Shortfall Advances Payable to Ports	12,083,292	11,934,966
Net Pension Liability	1,842,521	1,842,521
Accrued Interest Payable, Net of Current Portion	504,402,659	460,752,146
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,647,198,384	1,688,811,395
Total Noncurrent Liabilities	2,165,526,856	2,171,477,106
Total Liabilities	\$ 2,212,810,336	\$ 2,226,096,265
Deferred Inflows of Resources	108,478	108,478
<u>Net Position</u>		
Net Investment in Capital Assets	23,610,866	14,815,507
Restricted for Debt Service	100,630,743	98,757,783
Restricted for Capital Projects	-	-
Restricted by Master Trust Agreement	68,594,466	66,146,811
Unrestricted	(600,523,771)	(569,943,333)
Total Net Position	(407,687,696)	(390,223,232)
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,805,231,118	\$ 1,835,981,511

* 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.

	May 2018	June 2017	FY2018 Decrease
Current	\$ 25,026,668	\$ 112,986,027	
Noncurrent	155,608,997	77,919,769	
	\$ 180,635,665	\$ 190,905,796	\$ (10,270,131)



Statement of Revenues, Expenses, & Changes in Net Position

For eleven months ended May 31, 2018 & May 31, 2017

	<u>May 2018</u>	<u>May 2017</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 103,101,426	\$ 93,674,063
Maintenance-of-Way Charges	3,972,819	4,012,706
Total Operating Revenues	<u>107,074,245</u>	<u>97,686,769</u>
Operating Expenses:		
Salaries & Benefits	1,927,626	1,791,415
Administrative Expenses	1,837,464	1,685,416
Professional Services	878,345	1,164,212
Maintenance-of-Way	5,464,277	5,611,639
Depreciation	19,279,414	19,265,508
Total Operating Expenses	<u>29,387,126</u>	<u>29,518,190</u>
Operating Income (Loss)	77,687,119	68,168,579
Nonoperating Revenues:		
Interest & Investment Revenue, Net	1,904,171	1,657,126
Public Benefit Income	680,947	604,038
Miscellaneous Revenue	272,025	369,056
Total Nonoperating Revenues	<u>2,857,143</u>	<u>2,630,220</u>
Nonoperating Expenses:		
Interest Expense	96,688,992	95,892,631
Expenses for Public Benefit & Pass Thru Expenses	1,319,734	1,103,150
Total Nonoperating Expenses, Net	<u>98,008,726</u>	<u>96,995,781</u>
Changes in Net Position	(17,464,464)	(26,196,982)
Net Position:		
Net Position, Beginning of Year	(390,223,232)	(361,712,419)
Net Position - End of Year	<u>\$ (407,687,696)</u>	<u>\$ (387,909,401)</u>



Comparison of Budget By Expense Type as of May 31, 2018

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 96,861,000	\$ 103,101,426	\$ 6,240,426
Maintenance-of-Way Charges	4,889,111	3,972,819	(916,292)
Total Operating Revenues	<u>101,750,111</u>	<u>107,074,245</u>	<u>5,324,134</u>
Other Revenues			
Projects			
Pier Pass	55,000	55,000	-
EPA Order	208,264	108,309	(99,955)
Subtotal Projects	<u>263,264</u>	<u>163,309</u>	<u>(99,955)</u>
Miscellaneous			
Public Benefit Income	5,602,317	680,947	(4,921,370)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	106,169	108,716	2,547
Investment Income	1,512,006	1,904,171	392,165
Subtotal Miscellaneous	<u>7,220,492</u>	<u>2,693,834</u>	<u>(4,526,658)</u>
Subtotal Other Revenues	<u>7,483,756</u>	<u>2,857,143</u>	<u>(4,626,613)</u>
Total Sources of Funds	<u>109,233,867</u>	<u>109,931,388</u>	<u>697,521</u>
Expenses			
Salaries	1,388,106	1,308,220	(79,886)
Benefits	641,368	619,406	(21,962)
Office Expenses	381,366	335,751	(45,615)
Other Management Expenses	65,038	43,135	(21,903)
Information Technologies	280,706	262,619	(18,087)
Bank & Investment	137,500	117,057	(20,443)
ACET Administrative & Capital Support	1,258,325	1,078,902	(179,423)
Audit	153,047	141,688	(11,359)
Legal	861,667	463,627	(398,040)
Governmental Affairs	121,000	110,000	(11,000)
Other Professional Services	470,739	163,030	(307,709)
Pass Thru Expenses & EPA Order	208,264	288,923	80,659
Expenses for Public Benefit	5,602,317	1,030,811	(4,571,506)
Total Administrative Expenses	<u>11,569,443</u>	<u>5,963,169</u>	<u>(5,606,274)</u>
Maintenance-of-Way Expenses-Rail - Contractors	2,936,444	2,202,733	(733,711)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,952,668	1,770,086	(182,582)
Maintenance-of-Way Expenses-Nonrail - Contractors	831,374	346,796	(484,578)
Maintenance-of-Way Expenses-Nonrail - Capital	1,857,079	515,879	(1,341,200)
Maintenance-of-Way Expenses-Nonrail - Other	110,843	462,707	351,864
Maintenance-of-Way Expenses - ACTA	164,159	166,076	1,917
Total Maintenance-of-Way Expenses	<u>7,852,567</u>	<u>5,464,277</u>	<u>(2,388,290)</u>
Subtotal Administrative and M&O Expenses	<u>19,422,010</u>	<u>11,427,446</u>	<u>(7,994,564)</u>
Financing Expenses			
Debt Service - Interest	64,132,322	53,038,478	(11,093,844)
Debt Service - Accrued CAB Interest	33,519,211	43,650,514	10,131,303
Subtotal Financing Expenses	<u>97,651,533</u>	<u>96,688,992</u>	<u>(962,541)</u>
Depreciation & Amortization Expenses			
Depreciation	19,231,817	19,279,414	47,597
Subtotal Depreciation & Amortization Expenses	<u>19,231,817</u>	<u>19,279,414</u>	<u>47,597</u>
Total Operating Expenses	<u>136,305,360</u>	<u>127,395,852</u>	<u>(8,909,508)</u>
Income (Loss)	<u>\$ (27,071,493)</u>	<u>\$ (17,464,464)</u>	<u>\$ 9,607,029</u>
* Y-T-D Budget calculated on a straight line basis.			



Comparison of Budget By Funds as of May 31, 2018

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 96,861,000	\$ 103,101,426	\$ 6,240,426
Maintenance-of-Way Charges	4,889,111	3,972,819	(916,292)
Total Operating Revenues	<u>101,750,111</u>	<u>107,074,245</u>	<u>5,324,134</u>
Other Revenues			
Projects			
Pier Pass	55,000	55,000	-
EPA Order	208,264	108,309	(99,955)
Subtotal Projects	<u>263,264</u>	<u>163,309</u>	<u>(99,955)</u>
Miscellaneous			
Public Benefit Income	5,602,317	680,947	(4,921,370)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	106,169	108,716	2,547
Investment Income	1,512,006	1,904,171	392,165
Subtotal Miscellaneous	<u>7,220,492</u>	<u>2,693,834</u>	<u>(4,526,658)</u>
Subtotal Other Revenues	<u>7,483,756</u>	<u>2,857,143</u>	<u>(4,626,613)</u>
Total Sources of Funds	<u>109,233,867</u>	<u>109,931,388</u>	<u>697,521</u>
Expenses			
Financing Fees	-	-	-
Administrative Costs	5,758,863	4,643,434	(1,115,429)
Capital	-	-	-
Railroads-M&O	4,889,111	3,972,819	(916,292)
Reserve-M&O	2,799,296	1,325,383	(1,473,913)
Financing Fees-M&O	164,159	166,076	1,917
Revenue Fund-Interest & COI	64,132,322	53,038,478	(11,093,844)
Expenses for Public Benefit	5,602,317	1,030,811	(4,571,506)
LAIF General Fund-Pass Thru & EPA	208,264	288,923	80,659
Total Expenses	<u>83,554,332</u>	<u>64,465,924</u>	<u>(19,088,408)</u>
Non Cash Expenses			
Accrued CAB Debt Service Interest	33,519,211	43,650,514	10,131,303
Depreciation	19,231,817	19,279,414	47,597
Subtotal Interest, Depreciation, & Amortization Expenses	<u>52,751,028</u>	<u>62,929,928</u>	<u>10,178,900</u>
Total Operating Expenses	<u>136,305,360</u>	<u>127,395,852</u>	<u>(8,909,508)</u>
Income (Loss)	<u>\$ (27,071,493)</u>	<u>\$ (17,464,464)</u>	<u>\$ 9,607,029</u>

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



Cash & Investment Summary

as of May 31, 2018

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	956	956
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,246	4,246
Grant Reimbursement Received this Month \$532,422					
Grant Reimbursement Received FY to Date \$1,414,567					
US Bank					
	35000	-	Bank of America Collateral	-	-
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,432	8,432
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	38,675	38,732
	1171	508	M & O Fund	992	992
	1172	509	Reserve Account	14,105	13,985
	1189	518	Administrative Costs	4,373	4,367
			Subtotal Revenue Funds	58,145	58,076
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	6,203	6,280
	1201	-	99C Principal Account	20,709	21,141
	9004	515	04A Debt Service Reserve	48,427	47,477
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,716	22,288
	59001	-	12 Debt Service Interest Account	524	531
	59004	-	12 Debt Service Reserve Account	5,266	5,153
	7001	-	13A Debt Service Interest Account	2,604	2,642
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,513	3,414
	108001	-	16B Interest Account	-	-
			Subtotal Debt Service Funds	109,962	108,926
			Total U.S. Bank	168,107	167,002
Total Cash & Investment Balances				\$ 181,741	180,636



Cash & Investment Summary (cont'd)

as of May 31, 2018

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	\$ 15,638	\$ 15,638	8.66%	20.00%
U.S. Government & Agency Obligations	69,959	69,402	38.41%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	64,117	63,883	35.37%	100.00%
Corporate Bonds	22,639	22,325	12.36%	30.00%
Bank of America	956	956	0.53%	20.00%
Local Agency Investment Fund	8,432	8,432	4.67%	\$40 Million
Total	\$ 181,741	\$ 180,636	100.00%	

Monthly Cash Flow

May 2018

Total Beginning Cash \$ 56,605,410

Receipts

Use Fees & Container Charges	\$ 9,737,584
M&O, Grants, & Miscellaneous Revenue	33,259
Total Receipts	9,770,843

Disbursements

Debt Service - Transfer to Accounts	5,391,475
M&O, Administrative, & Financing Expenses	2,839,805
Total Disbursements	8,231,280

Cash Flow for Month \$ 1,539,563

Total Ending Cash \$ 58,144,973



Cash Flow as of May 31, 2018

		May 2018
Beginning Cash		
Master Indenture Revenue Fund 1170		34,322,297
Master Indenture M&O Fund 1171		2,987,991
Master Indenture Reserve Fund 1172		14,308,877
1999A Admin Fund 1189		4,986,245
2004A Financing Fund 39006		-
Total Beginning Cash		<u>56,605,410</u>
Receipts		
Use Fee & Container Charges		9,737,584
M&O		-
Funds Transferred from BOA to Admin Fund		-
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		33,259
Total Receipts		<u>9,770,843</u>
Total Cash		<u>\$ 66,376,253</u>
Disbursements		
Debt Service - transfer to 1999C Principal		2,276,250
Debt Service - transfer to 1999C Interest		1,960,903
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		-
Debt service payment - 2004		-
M&O - Railroads expense payments		1,998,356
M&O - Reserve expense payments		222,295
Administrative expense payments		619,154
Financing expense payments		-
Total Disbursements		<u>8,231,280</u>
Net Ending Cash		<u>\$ 58,144,973</u>
Ending Cash		
Master Indenture Revenue Fund 1170		38,675,183
Master Indenture M&O Fund 1171		991,731
Master Indenture Reserve Fund 1172		14,105,167
1999A Admin Fund 1189		4,372,892
2004A Financing Fund 39006		-
Total Ending Cash		<u>\$ 58,144,973</u>



Cash Flow – YTD as of May 31, 2018

<u>Cash Flow - Fiscal Year-to-Date</u>		
		<u>May 2018</u>
Total Beginning Cash as of 7/1/17		\$ 58,395,496
Receipts		
Use Fees & Container Charges	\$ 101,658,437	
M&O, Grants, & Miscellaneous Revenue	<u>11,748,676</u>	
Total Receipts	<u>113,407,113</u>	
Disbursements		
Debt Service - Transfer to Accounts	102,240,186	
M&O, Administrative, & Financing Expenses	<u>11,417,450</u>	
Total Disbursements	<u>113,657,636</u>	
Cash Flow for Fiscal Year		<u>\$ (250,523)</u>
Total Ending Cash		<u><u>\$ 58,144,973</u></u>



Cash Flow – YTD as of May 31, 2018

		<u>May 2018</u>
Beginning Cash as of 7/1/17		
Master Indenture Revenue Fund 1170		38,849,118
Master Indenture M&O Fund 1171		858,599
Master Indenture Reserve Fund 1172		14,625,256
1999A Admin Fund 1189		4,062,523
2004A Financing Fund 39006		-
Total Beginning Cash		<u>58,395,496</u>
Receipts		
Use Fee & Container Charges		101,658,437
M&O		4,528,782
Funds Transferred from BOA to Admin Fund		118,871
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		6,500,000
Interest Income / Loss		601,023
Total Receipts		<u>113,407,113</u>
Total Cash		<u>\$ 171,802,609</u>
Disbursements		
Debt Service - transfer to 1999C Principal		24,084,067
Debt Service - transfer to 1999C Interest		22,398,704
Debt Service - transfer to 2012 Interest		1,887,189
Debt Service - transfer to 2013A Interest		10,804,705
Semi-Annual Accounting - Transfers & Debt Service		-
Transfer to 2012 Reserve		1,028,572
Transfer to 2004A Financing Fee		-
Transfer to Admin Fund		5,500,000
Transfer to Master Reserve		1,000,000
Transfer to 2016A Reserve		-
Transfer to 2016B Financing Fee		-
Debt service payment - 2016A Interest		1,607,700
Debt service payment - 2016B Interest		26,174,249
Debt service payment - 2004		7,755,000
M&O - Railroads expense payments		4,405,743
M&O - Reserve expense payments		1,659,666
Administrative expense payments		5,352,041
Financing expense payments		-
Total Disbursements		<u>113,657,636</u>
Net Ending Cash		<u>\$ 58,144,973</u>
Ending Cash		
Master Indenture Revenue Fund 1170		38,675,183
Master Indenture M&O Fund 1171		991,731
Master Indenture Reserve Fund 1172		14,105,167
1999A Admin Fund 1189		4,372,892
2004A Financing Fund 39006		-
Total Ending Cash		<u>\$ 58,144,973</u>