



Statements of Net Position

September 30, 2018 & June 30, 2018

	September 2018	June 2018
Assets & Deferred Outflows of Resources		
Current Assets:		
Restricted Cash & Cash Equivalents, & Investments	\$ 40,024,595	\$ 110,277,408
Receivables	10,824,588	11,977,208
Prepaid Expenses	910,741	1,178,951
Total Current Assets	51,759,924	123,433,567
Restricted Investments *	178,445,494	79,752,122
Assets Held for Transfer	13,347,625	13,347,625
Net OPEB Asset	231,353	231,353
Capital Assets, Net	1,572,096,488	1,577,352,702
Total Assets	1,815,880,884	1,794,117,369
Deferred Outflows of Resources:		
Charges on Refunding	17,952,379	18,325,981
Pension Contributions & Differences in Experience	883,417	883,417
Total Assets & Deferred Outflows of Resources	\$ 1,834,716,680	\$ 1,813,326,767
Liabilities, Deferred Inflows of Resources, & Net Position		
Current Liabilities:		
Accounts Payable	\$ 996,276	\$ 1,993,677
Unearned Revenue	1,601,168	1,266,841
Accrued Interest Payable, Current Portion	38,495,328	22,204,169
Revenue Bonds Payable, Current Portion	32,995,584	32,995,584
Other Liabilities	520,335	547,980
Total Current Liabilities	74,608,691	59,008,251
Noncurrent Liabilities:		
Collateral Deposit	-	-
Shortfall Advances Payable to Ports	12,164,351	12,099,503
Net Pension Liability	2,105,587	2,105,587
Accrued Interest Payable, Net of Current Portion	514,969,190	502,457,879
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,644,063,577	1,646,414,982
Total Noncurrent Liabilities	2,173,302,705	2,163,077,951
Total Liabilities	\$ 2,247,911,396	\$ 2,222,086,202
Deferred Inflows of Resources	88,156	88,156
Net Position		
Net Investment in Capital Assets	16,103,842	21,972,470
Restricted for Debt Service	107,812,804	102,946,436
Restricted for Capital Projects	-	-
Restricted by Master Trust Agreement	88,276,339	71,551,248
Unrestricted	(625,475,857)	(605,317,745)
Total Net Position	(413,282,872)	(408,847,591)
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,834,716,680	\$ 1,813,326,767
<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>		
	September 2018	June 2018
Current	\$ 40,024,595	\$ 110,277,408
Noncurrent	178,445,494	79,752,122
	\$ 218,470,089	\$ 190,029,530
		\$ 28,440,559



Statement of Revenues, Expenses, & Changes in Net Position

For three months ended September 30, 2018 & September 30, 2017

	<u>September 2018</u>	<u>September 2017</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 28,348,404	\$ 27,744,766
Maintenance-of-Way Charges	730,477	653,710
Total Operating Revenues	<u>29,078,881</u>	<u>28,398,476</u>
Operating Expenses:		
Salaries & Benefits	453,391	449,709
Administrative Expenses	313,105	449,519
Professional Services	191,835	212,313
Maintenance-of-Way	946,772	954,626
Depreciation	5,256,213	5,258,022
Total Operating Expenses	<u>7,161,316</u>	<u>7,324,189</u>
Operating Income (Loss)	21,917,565	21,074,287
Nonoperating Revenues:		
Interest & Investment Revenue, Net	722,988	829,362
Public Benefit Income	(74,723)	23,030
Miscellaneous Revenue	39,344	44,650
Total Nonoperating Revenues	<u>687,609</u>	<u>897,042</u>
Nonoperating Expenses:		
Interest Expense	26,889,517	26,662,083
Expenses for Public Benefit & Pass Thru Expenses	150,938	265,762
Total Nonoperating Expenses, Net	<u>27,040,455</u>	<u>26,927,845</u>
Changes in Net Position	(4,435,281)	(4,956,516)
Net Position:		
Net Position, Beginning of Year	(408,847,591)	(390,223,232)
Net Position - End of Year	<u>\$ (413,282,872)</u>	<u>\$ (395,179,748)</u>



Comparison of Budget By Expense Type as of September 30, 2018

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 28,050,934	\$ 28,348,404	\$ 297,470
Maintenance-of-Way Charges	1,385,217	730,477	(654,740)
Total Operating Revenues	29,436,151	29,078,881	(357,270)
Other Revenues			
Projects			
Pier Pass	15,000	15,000	-
EPA Order	57,023	(5,306)	(62,329)
Subtotal Projects	72,023	9,694	(62,329)
Miscellaneous			
Public Benefit Income	1,581,863	(74,723)	(1,656,586)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	29,650	29,650	-
Investment Income	414,354	722,988	308,634
Subtotal Miscellaneous	2,025,867	677,915	(1,347,952)
Subtotal Other Revenues	2,097,890	687,609	(1,410,281)
Total Sources of Funds	31,534,041	29,766,490	(1,767,551)
Expenses			
Salaries	382,682	316,203	(66,479)
Benefits	173,771	137,188	(36,583)
Office Expenses	108,903	119,366	10,463
Other Management Expenses	18,388	7,298	(11,090)
Information Technologies	78,325	56,875	(21,450)
Bank & Investment	37,750	37,993	243
ACET Administrative & Capital Support	354,507	91,573	(262,934)
Audit	39,573	-	(39,573)
Legal	212,500	146,327	(66,173)
Governmental Affairs	36,040	18,000	(18,040)
Other Professional Services	82,821	27,508	(55,313)
Pass Thru Expenses & EPA Order	57,023	3,763	(53,260)
Expenses for Public Benefit	1,581,863	147,175	(1,434,688)
Total Administrative Expenses	3,164,146	1,109,269	(2,054,877)
Maintenance-of-Way Expenses-Rail - Contractors	859,051	283,619	(575,432)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	526,166	450,963	(75,203)
Maintenance-of-Way Expenses-Nonrail - Contractors	242,119	42,838	(199,281)
Maintenance-of-Way Expenses-Nonrail - Capital	621,732	138,987	(482,745)
Maintenance-of-Way Expenses-Nonrail - Other	89,580	8,682	(80,898)
Maintenance-of-Way Expenses - ACTA	47,034	21,683	(25,351)
Total Maintenance-of-Way Expenses	2,385,682	946,772	(1,438,910)
Subtotal Administrative and M&O Expenses	5,549,828	2,056,041	(3,493,787)
Financing Expenses			
Debt Service - Interest	16,067,815	14,378,206	(1,689,609)
Debt Service - Accrued CAB Interest	9,605,406	12,511,311	2,905,905
Subtotal Financing Expenses	25,673,221	26,889,517	1,216,296
Depreciation & Amortization Expenses			
Depreciation	5,245,041	5,256,213	11,172
Subtotal Depreciation & Amortization Expenses	5,245,041	5,256,213	11,172
Total Operating Expenses	36,468,090	34,201,771	(2,266,319)
Income (Loss)	\$ (4,934,049)	\$ (4,435,281)	\$ 498,768
* Y-T-D Budget calculated on a straight line basis.			



Comparison of Budget By Funds as of September 30, 2018

(\$ in thousands)	<u>Fiscal Year-to-Date</u>		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 28,050,934	\$ 28,348,404	\$ 297,470
Maintenance-of-Way Charges	1,385,217	730,477	(654,740)
Total Operating Revenues	<u>29,436,151</u>	<u>29,078,881</u>	<u>(357,270)</u>
Other Revenues			
Projects			
Pier Pass	15,000	15,000	-
EPA Order	57,023	(5,306)	(62,329)
Subtotal Projects	<u>72,023</u>	<u>9,694</u>	<u>(62,329)</u>
Miscellaneous			
Public Benefit Income	1,581,863	(74,723)	(1,656,586)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	29,650	29,650	-
Investment Income	414,354	722,988	308,634
Subtotal Miscellaneous	<u>2,025,867</u>	<u>677,915</u>	<u>(1,347,952)</u>
Subtotal Other Revenues	<u>2,097,890</u>	<u>687,609</u>	<u>(1,410,281)</u>
Total Sources of Funds	<u>31,534,041</u>	<u>29,766,490</u>	<u>(1,767,551)</u>
Expenses			
Administrative Costs	1,525,261	958,331	(566,930)
Railroads-M&O	1,385,217	734,582	(650,635)
Reserve-M&O	953,430	190,507	(762,923)
Financing Fees-M&O	47,034	21,683	(25,351)
Revenue Fund-Interest & COI	16,067,815	14,378,206	(1,689,609)
Expenses for Public Benefit	1,581,863	147,175	(1,434,688)
LAIF General Fund-Pass Thru & EPA	57,023	3,763	(53,260)
Total Expenses	<u>21,617,643</u>	<u>16,434,247</u>	<u>(5,183,396)</u>
Non Cash Expenses			
Accrued CAB Debt Service Interest	9,605,406	12,511,311	2,905,905
Depreciation	5,245,041	5,256,213	11,172
Subtotal Interest, Depreciation, & Amortization Expenses	<u>14,850,447</u>	<u>17,767,524</u>	<u>2,917,077</u>
Total Operating Expenses	<u>36,468,090</u>	<u>34,201,771</u>	<u>(2,266,319)</u>
Income (Loss)	<u>\$ (4,934,049)</u>	<u>\$ (4,435,281)</u>	<u>\$ 498,768</u>

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



Cash & Investment Summary as of September 30, 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	453	453
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,609	4,616
Grant Reimbursement Received this Month \$53,687 Grant Reimbursement Received FY to Date \$60,423					
US Bank					
	35000	-	Bank of America Collateral	-	-
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,476	8,476
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	61,335	61,410
	1171	508	M & O Fund	1,058	1,058
	1172	509	Reserve Account	13,751	13,646
	1189	518	Administrative Costs	2,799	2,803
Subtotal Revenue Funds				78,943	78,917
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	12,100	12,276
	1201	-	99C Principal Account	27,553	28,195
	9004	515	04A Debt Service Reserve	48,629	47,602
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,822	22,321
	59001	-	12 Debt Service Interest Account	1,042	1,057
	59004	-	12 Debt Service Reserve Account	5,287	5,154
	7001	-	13A Debt Service Interest Account	5,896	5,984
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,521	3,419
	108001	-	16B Interest Account	-	-
Subtotal Debt Service Funds				126,850	126,008
Total U.S. Bank				205,793	204,925
Total Cash & Investment Balances				\$ 219,331	218,470



Cash & Investment Summary (cont'd) as of September 30, 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	\$ 31,095	\$ 31,095	14.23%	20.00%
U.S. Government & Agency Obligations	79,822	79,962	36.60%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	83,764	83,060	38.02%	100.00%
Corporate Bonds	15,721	15,424	7.06%	30.00%
Bank of America	453	453	0.21%	20.00%
Local Agency Investment Fund	8,476	8,476	3.88%	\$40 Million
Total	\$ 219,331	\$ 218,470	100.00%	

Monthly Cash Flow

September 2018

Total Beginning Cash \$ 69,658,516

Receipts

Use Fees & Container Charges \$ 9,907,559

M&O, Grants, & Miscellaneous Revenue 367,782

Total Receipts 10,275,341

Disbursements

Debt Service - Transfer to Accounts 341,000

M&O, Administrative, & Financing Expenses 649,937

Total Disbursements 990,937

Cash Flow for Month \$ 9,284,404

Total Ending Cash \$ 78,942,920



Cash Flow as of September 30, 2018

		<u>September 2018</u>
Beginning Cash		
Master Indenture Revenue Fund 1170		51,781,580
Master Indenture M&O Fund 1171		904,738
Master Indenture Reserve Fund 1172		13,926,414
1999A Admin Fund 1189		3,045,784
2004A Financing Fund 39006		-
Total Beginning Cash		<u>69,658,516</u>
Receipts		
Use Fee & Container Charges		9,907,559
M&O		354,935
Funds Transferred from BOA to Admin Fund		-
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		12,847
Total Receipts		<u>10,275,341</u>
Total Cash		<u><u>\$ 79,933,857</u></u>
Disbursements		
Debt Service - transfer to 1999C Principal		-
Debt Service - transfer to 1999C Interest		-
Debt Service - transfer to 2012 Interest		-
Debt Service - transfer to 2013A Interest		341,000
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		203,562
M&O - Reserve expense payments		190,720
Administrative expense payments		255,655
Financing expense payments		-
Total Disbursements		<u>990,937</u>
Net Ending Cash		<u><u>\$ 78,942,920</u></u>
Ending Cash		
Master Indenture Revenue Fund 1170		61,335,201
Master Indenture M&O Fund 1171		1,057,548
Master Indenture Reserve Fund 1172		13,751,481
1999A Admin Fund 1189		2,798,690
2004A Financing Fund 39006		-
Total Ending Cash		<u><u>\$ 78,942,920</u></u>



Cash Flow – YTD as of September 30, 2018

<u>Cash Flow - Fiscal Year-to-Date</u>	
	<u>September 2018</u>
Total Beginning Cash as of 7/1/18	\$ 62,800,505
Receipts	
Use Fees & Container Charges	\$ 28,641,014
M&O, Grants, & Miscellaneous Revenue	<u>1,116,379</u>
Total Receipts	29,757,393
Disbursements	
Debt Service - Transfer to Accounts	11,123,948
M&O, Administrative, & Financing Expenses	<u>2,491,030</u>
Total Disbursements	13,614,978
Cash Flow for Fiscal Year	<u>\$ 16,142,415</u>
Total Ending Cash	<u><u>\$ 78,942,920</u></u>



Cash Flow – YTD as of September 30, 2018

		<u>September 2018</u>
Beginning Cash as of 7/1/18		
Master Indenture Revenue Fund 1170		43,844,134
Master Indenture M&O Fund 1171		915,952
Master Indenture Reserve Fund 1172		14,021,107
1999A Admin Fund 1189		4,019,312
2004A Financing Fund 39006		-
Total Beginning Cash		<u>62,800,505</u>
Receipts		
Use Fee & Container Charges		28,641,014
M&O		1,064,806
Funds Transferred from BOA to Admin Fund		-
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		51,573
Total Receipts		<u>29,757,393</u>
Total Cash		<u><u>\$ 92,557,898</u></u>
Disbursements		
Debt Service - transfer to 1999C Principal		4,552,500
Debt Service - transfer to 1999C Interest		3,921,805
Debt Service - transfer to 2012 Interest		344,151
Debt Service - transfer to 2013A Interest		2,305,492
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		927,132
M&O - Reserve expense payments		320,631
Administrative expense payments		1,243,267
Financing expense payments		-
Total Disbursements		<u>13,614,978</u>
Net Ending Cash		<u><u>\$ 78,942,920</u></u>
Ending Cash		
Master Indenture Revenue Fund 1170		61,335,201
Master Indenture M&O Fund 1171		1,057,548
Master Indenture Reserve Fund 1172		13,751,481
1999A Admin Fund 1189		2,798,690
2004A Financing Fund 39006		-
Total Ending Cash		<u><u>\$ 78,942,920</u></u>