



Statements of Net Position

January 31, 2019 & June 30, 2018

	January 2019	June 2018	
<u>Assets & Deferred Outflows of Resources</u>			
Current Assets:			
Restricted Cash & Cash Equivalents, & Investments	\$ 18,638,822	\$ 110,277,408	
Receivables	11,186,682	11,977,208	
Prepaid Expenses	412,749	1,178,951	
Total Current Assets	30,238,253	123,433,567	
Restricted Investments *	166,070,182	79,752,122	
Assets Held for Transfer	13,347,625	13,347,625	
Net OPEB Asset	231,353	231,353	
Capital Assets, Net	1,565,088,204	1,577,352,702	
Total Assets	1,774,975,617	1,794,117,369	
Deferred Outflows of Resources:			
Charges on Refunding	17,454,242	18,325,981	
Pension Contributions & Differences in Experience	883,417	883,417	
Total Assets & Deferred Outflows of Resources	\$ 1,793,313,276	\$ 1,813,326,767	
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>			
Current Liabilities:			
Accounts Payable	\$ 1,059,187	\$ 1,993,677	
Unearned Revenue	921,382	1,266,841	
Accrued Interest Payable, Current Portion	21,125,960	22,204,169	
Revenue Bonds Payable, Current Portion	42,611,850	32,995,584	
Other Liabilities	520,761	547,980	
Total Current Liabilities	66,239,140	59,008,251	
Noncurrent Liabilities:			
Collateral Deposit	-	-	
Shortfall Advances Payable to Ports	12,255,127	12,099,503	
Net Pension Liability	2,105,587	2,105,587	
Accrued Interest Payable, Net of Current Portion	531,650,938	502,457,879	
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,598,316,521	1,646,414,982	
Total Noncurrent Liabilities	2,144,328,173	2,163,077,951	
Total Liabilities	\$ 2,210,567,313	\$ 2,222,086,202	
Deferred Inflows of Resources	88,156	88,156	
<u>Net Position</u>			
Net Investment in Capital Assets	41,593,004	21,972,470	
Restricted for Debt Service	83,661,813	102,946,436	
Restricted for Capital Projects	-	-	
Restricted by Master Trust Agreement	85,466,390	71,551,248	
Unrestricted	(628,063,400)	(605,317,745)	
Total Net Position	(417,342,193)	(408,847,591)	
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,793,313,276	\$ 1,813,326,767	
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* 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.			
	January 2019	June 2018	FY2019 Decrease
Current	\$ 18,638,822	\$ 110,277,408	
Noncurrent	166,070,182	79,752,122	
	\$ 184,709,004	\$ 190,029,530	\$ (5,320,526)



Statement of Revenues, Expenses, & Changes in Net Position

For seven months ended January 31, 2019 & January 31, 2018

	<u>January 2019</u>	<u>January 2018</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 66,582,551	\$ 64,278,680
Maintenance-of-Way Charges	2,825,312	2,515,022
Total Operating Revenues	<u>69,407,863</u>	<u>66,793,702</u>
Operating Expenses:		
Salaries & Benefits	1,194,622	1,195,873
Administrative Expenses	1,012,704	1,222,819
Professional Services	482,437	560,171
Maintenance-of-Way	3,912,564	3,677,166
Depreciation	12,264,497	12,268,719
Total Operating Expenses	<u>18,866,824</u>	<u>18,924,748</u>
Operating Income (Loss)	50,541,039	47,868,954
Nonoperating Revenues:		
Interest & Investment Revenue, Net	3,352,883	567,735
Public Benefit Income	243,337	60,583
Miscellaneous Revenue	80,316	74,063
Total Nonoperating Revenues	<u>3,676,536</u>	<u>702,381</u>
Nonoperating Expenses:		
Interest Expense	62,257,339	61,667,256
Expenses for Public Benefit & Pass Thru Expenses	454,838	915,842
Total Nonoperating Expenses, Net	<u>62,712,177</u>	<u>62,583,098</u>
Changes in Net Position	(8,494,602)	(14,011,763)
Net Position:		
Net Position, Beginning of Year	(408,847,591)	(390,223,232)
Net Position - End of Year	<u><u>\$ (417,342,193)</u></u>	<u><u>\$ (404,234,995)</u></u>



Comparison of Budget By Expense Type as of January 31, 2019

(\$ in thousands)	<u>Fiscal Year-to-Date</u>		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 65,452,178	\$ 66,582,551	\$ 1,130,373
Maintenance-of-Way Charges	3,232,174	2,825,312	(406,862)
Total Operating Revenues	<u>68,684,352</u>	<u>69,407,863</u>	<u>723,511</u>
Other Revenues			
Projects			
Pier Pass	35,000	35,000	-
EPA Order	133,054	(4,237)	(137,291)
Subtotal Projects	<u>168,054</u>	<u>30,763</u>	<u>(137,291)</u>
Miscellaneous			
Public Benefit Income	3,691,014	243,337	(3,447,677)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	69,183	49,553	(19,630)
Investment Income	966,825	3,352,883	2,386,058
Subtotal Miscellaneous	<u>4,727,022</u>	<u>3,645,773</u>	<u>(1,081,249)</u>
Subtotal Other Revenues	<u>4,895,076</u>	<u>3,676,536</u>	<u>(1,218,540)</u>
Total Sources of Funds	<u>73,579,428</u>	<u>73,084,399</u>	<u>(495,029)</u>
Expenses			
Salaries	892,925	832,890	(60,035)
Benefits	405,466	361,732	(43,734)
Office Expenses	254,115	252,898	(1,217)
Other Management Expenses	42,904	16,127	(26,777)
Information Technologies	182,758	156,106	(26,652)
Bank & Investment	88,083	86,521	(1,562)
ACET Administrative & Capital Support	827,182	501,052	(326,130)
Audit	92,336	99,553	7,217
Legal	495,833	300,135	(195,698)
Governmental Affairs	84,093	36,000	(48,093)
Other Professional Services	193,248	46,749	(146,499)
Pass Thru Expenses & EPA Order	133,054	11,173	(121,881)
Expenses for Public Benefit	3,691,014	443,665	(3,247,349)
Total Administrative Expenses	<u>7,383,011</u>	<u>3,144,601</u>	<u>(4,238,410)</u>
Maintenance-of-Way Expenses-Rail - Contractors	2,004,453	1,610,801	(393,652)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,227,721	1,214,511	(13,210)
Maintenance-of-Way Expenses-Nonrail - Contractors	564,943	470,218	(94,725)
Maintenance-of-Way Expenses-Nonrail - Capital	1,450,708	461,352	(989,356)
Maintenance-of-Way Expenses-Nonrail - Other	209,019	43,580	(165,439)
Maintenance-of-Way Expenses - ACTA	109,745	112,102	2,357
Total Maintenance-of-Way Expenses	<u>5,566,589</u>	<u>3,912,564</u>	<u>(1,654,025)</u>
Subtotal Administrative and M&O Expenses	<u>12,949,600</u>	<u>7,057,165</u>	<u>(5,892,435)</u>
Financing Expenses			
Debt Service - Interest	37,491,567	32,957,872	(4,533,695)
Debt Service - Accrued CAB Interest	22,412,615	29,299,467	6,886,852
Subtotal Financing Expenses	<u>59,904,182</u>	<u>62,257,339</u>	<u>2,353,157</u>
Depreciation & Amortization Expenses			
Depreciation	12,238,429	12,264,497	26,068
Subtotal Depreciation & Amortization Expenses	<u>12,238,429</u>	<u>12,264,497</u>	<u>26,068</u>
Total Operating Expenses	<u>85,092,211</u>	<u>81,579,001</u>	<u>(3,513,210)</u>
Income (Loss)	<u>\$ (11,512,783)</u>	<u>\$ (8,494,602)</u>	<u>\$ 3,018,181</u>
* Y-T-D Budget calculated on a straight line basis.			



Comparison of Budget By Funds as of January 31, 2019

(\$ in thousands)	<u>Fiscal Year-to-Date</u>		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 65,452,178	\$ 66,582,551	\$ 1,130,373
Maintenance-of-Way Charges	3,232,174	2,825,312	(406,862)
Total Operating Revenues	<u>68,684,352</u>	<u>69,407,863</u>	<u>723,511</u>
Other Revenues			
Projects			
Pier Pass	35,000	35,000	-
EPA Order	133,054	(4,237)	(137,291)
Subtotal Projects	<u>168,054</u>	<u>30,763</u>	<u>(137,291)</u>
Miscellaneous			
Public Benefit Income	3,691,014	243,337	(3,447,677)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	69,183	49,553	(19,630)
Investment Income	966,825	3,352,883	2,386,058
Subtotal Miscellaneous	<u>4,727,022</u>	<u>3,645,773</u>	<u>(1,081,249)</u>
Subtotal Other Revenues	<u>4,895,076</u>	<u>3,676,536</u>	<u>(1,218,540)</u>
Total Sources of Funds	<u>73,579,428</u>	<u>73,084,399</u>	<u>(495,029)</u>
Expenses			
Administrative Costs	3,558,943	2,689,763	(869,180)
Railroads-M&O	3,232,174	2,825,312	(406,862)
Reserve-M&O	2,224,670	975,150	(1,249,520)
Financing Fees-M&O	109,745	112,102	2,357
Revenue Fund-Interest & COI	37,491,567	32,957,872	(4,533,695)
Expenses for Public Benefit	3,691,014	443,665	(3,247,349)
LAIF General Fund-Pass Thru & EPA	133,054	11,173	(121,881)
Total Expenses	<u>50,441,167</u>	<u>40,015,037</u>	<u>(10,426,130)</u>
Non Cash Expenses			
Accrued CAB Debt Service Interest	22,412,615	29,299,467	6,886,852
Depreciation	12,238,429	12,264,497	26,068
Subtotal Interest, Depreciation, & Amortization Expenses	<u>34,651,044</u>	<u>41,563,964</u>	<u>6,912,920</u>
Total Operating Expenses	<u>85,092,211</u>	<u>81,579,001</u>	<u>(3,513,210)</u>
Income (Loss)	<u>\$ (11,512,783)</u>	<u>\$ (8,494,602)</u>	<u>\$ 3,018,181</u>

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



Cash & Investment Summary as of January 31, 2019

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	624	624
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,651	4,665
Grant Reimbursement Received this Month \$147,837 Grant Reimbursement Received FY to Date \$519,855					
US Bank					
	35000	-	Bank of America Collateral	-	-
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,641	8,641
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	53,618	53,814
	1171	508	M & O Fund	1,013	1,013
	1172	509	Reserve Account	14,246	14,224
	1189	518	Administrative Costs	6,704	6,733
			Subtotal Revenue Funds	75,581	75,784
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	7,252	7,374
	1201	-	99C Principal Account	9,866	10,031
	9004	515	04A Debt Service Reserve	37,187	36,568
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,990	22,762
	59001	-	12 Debt Service Interest Account	685	696
	59004	-	12 Debt Service Reserve Account	6,355	6,303
	7001	-	13A Debt Service Interest Account	3,929	3,995
	7002	-	13A Debt Service Principal Account	3,707	3,769
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,556	3,497
	108001	-	16B Interest Account	-	-
			Subtotal Debt Service Funds	95,527	94,995
			Total U.S. Bank	171,108	170,779
Total Cash & Investment Balances				\$ 185,024	184,709



Cash & Investment Summary (cont'd)

as of January 31, 2019

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	\$ 9,375	\$ 9,375	5.08%	20.00%
U.S. Government & Agency Obligations	64,771	64,927	35.14%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	84,956	84,705	45.86%	100.00%
Corporate Bonds	16,657	16,437	8.90%	30.00%
Bank of America	624	624	0.34%	20.00%
Local Agency Investment Fund	8,641	8,641	4.68%	\$40 Million
Total	\$ 185,024	\$ 184,709	100.00%	

Monthly Cash Flow

January 2019

Total Beginning Cash \$ 72,785,916

Receipts

Use Fees & Container Charges	\$ 9,937,864
M&O, Grants, & Miscellaneous Revenue	256,341
Total Receipts	10,194,205

Disbursements

Debt Service - Transfer to Accounts	6,359,244
M&O, Administrative, & Financing Expenses	1,039,577
Total Disbursements	7,398,821

Cash Flow for Month \$ 2,795,383

Total Ending Cash \$ 75,581,300



Cash Flow as of January 31, 2019

<u>January 2019</u>	
Beginning Cash	
Master Indenture Revenue Fund 1170	49,992,839
Master Indenture M&O Fund 1171	1,232,646
Master Indenture Reserve Fund 1172	14,408,746
1999A Admin Fund 1189	7,151,685
2004A Financing Fund 39006	-
Total Beginning Cash	<u>72,785,916</u>
Receipts	
Use Fee & Container Charges	9,937,864
M&O	159,556
Funds Transferred from BOA to Admin Fund	4,172
Funds Transferred from BOA to Reserve Fund	25,693
Semi-Annual Accounting - Transfer from Revenue Fund	-
Interest Income / Loss	66,920
Total Receipts	<u>10,194,205</u>
Total Cash	<u><u>\$ 82,980,121</u></u>
Disbursements	
Debt Service - transfer to 1999C Principal	1,812,946
Debt Service - transfer to 1999C Interest	2,466,250
Debt Service - transfer to 2012 Interest	982,246
Debt Service - transfer to 2013A Interest	926,667
Debt Service- transfer to 2013A Principal	171,135
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	384,969
M&O - Reserve expense payments	170,814
Administrative expense payments	483,794
Financing expense payments	-
Total Disbursements	<u>7,398,821</u>
Net Ending Cash	<u><u>\$ 75,581,300</u></u>
Ending Cash	
Master Indenture Revenue Fund 1170	53,617,745
Master Indenture M&O Fund 1171	1,013,337
Master Indenture Reserve Fund 1172	14,245,896
1999A Admin Fund 1189	6,704,322
2004A Financing Fund 39006	-
Total Ending Cash	<u><u>\$ 75,581,300</u></u>



Cash Flow – YTD as of January 31, 2019

Cash Flow - Fiscal Year-to-Date

January 2019

Total Beginning Cash as of 7/1/18		\$ 62,800,505
Receipts		
Use Fees & Container Charges	\$ 66,201,503	
M&O, Grants, & Miscellaneous Revenue	10,339,509	
Total Receipts	76,541,012	
Disbursements		
Debt Service - Transfer to Accounts	56,928,112	
M&O, Administrative, & Financing Expenses	6,832,105	
Total Disbursements	63,760,217	
Cash Flow for Fiscal Year		\$ 12,780,795
Total Ending Cash		\$ 75,581,300



Cash Flow – YTD as of January 31, 2019

		<u>January 2019</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		66,201,503
M&O		2,678,454
Funds Transferred from BOA to Admin Fund		5,754,172
Funds Transferred from BOA to Reserve Fund		1,225,693
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		681,190
Total Receipts		<u>76,541,012</u>
Total Cash		<u><u>\$ 139,341,517</u></u>
Disbursements		
Debt Service - transfer to 1999C Principal		11,291,237
Debt Service - transfer to 1999C Interest		12,903,501
Debt Service - transfer to 2012 Interest		4,181,911
Debt Service - transfer to 2013A Interest		6,012,158
Debt Service- transfer to 2013A Principal		659,757
Semi-Annual Accounting - Transfers & Debt Service		-
Transfer to 2012 Reserve		1,028,572
Transfer to 2004A Financing Fee		-
Transfer to Admin Fund		5,750,000
Transfer to Master Reserve		1,200,000
Transfer to 2016A Reserve		10,000
Transfer to 2016B Financing Fee		-
Debt service payment - 2016A Interest		803,850
Debt service payment - 2016B Interest		13,087,125
Debt service payment - 2004		-
M&O - Railroads expense payments		2,596,654
M&O - Reserve expense payments		1,090,970
Administrative expense payments		3,144,481
Financing expense payments		-
Total Disbursements		<u>63,760,217</u>
Net Ending Cash		<u><u>\$ 75,581,300</u></u>
Ending Cash		
Master Indenture Revenue Fund 1170		53,617,745
Master Indenture M&O Fund 1171		1,013,337
Master Indenture Reserve Fund 1172		14,245,896
1999A Admin Fund 1189		6,704,322
2004A Financing Fund 39006		-
Total Ending Cash		<u><u>\$ 75,581,300</u></u>