



Statements of Net Position

November 30, 2018 & June 30, 2018

	<u>November 2018</u>	<u>June 2018</u>
<u>Assets & Deferred Outflows of Resources</u>		
Current Assets:		
Restricted Cash & Cash Equivalents, & Investments	\$ 18,916,391	\$ 110,277,408
Receivables	10,521,431	11,977,208
Prepaid Expenses	645,932	1,178,951
Total Current Assets	30,083,754	123,433,567
Restricted Investments *	146,956,634	79,752,122
Assets Held for Transfer	13,347,625	13,347,625
Net OPEB Asset	231,353	231,353
Capital Assets, Net	1,568,592,346	1,577,352,702
Total Assets	1,759,211,712	1,794,117,369
Deferred Outflows of Resources:		
Charges on Refunding	17,703,310	18,325,981
Pension Contributions & Differences in Experience	883,417	883,417
Total Assets & Deferred Outflows of Resources	\$ 1,777,798,439	\$ 1,813,326,767
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>		
Current Liabilities:		
Accounts Payable	\$ 1,241,121	\$ 1,993,677
Unearned Revenue	1,447,301	1,266,841
Accrued Interest Payable, Current Portion	10,562,980	22,204,169
Revenue Bonds Payable, Current Portion	42,611,850	32,995,584
Other Liabilities	521,166	547,980
Total Current Liabilities	56,384,418	59,008,251
Noncurrent Liabilities:		
Collateral Deposit	-	-
Shortfall Advances Payable to Ports	12,207,776	12,099,503
Net Pension Liability	2,105,587	2,105,587
Accrued Interest Payable, Net of Current Portion	523,310,064	502,457,879
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,599,884,124	1,646,414,982
Total Noncurrent Liabilities	2,137,507,551	2,163,077,951
Total Liabilities	\$ 2,193,891,969	\$ 2,222,086,202
Deferred Inflows of Resources	88,156	88,156
<u>Net Position</u>		
Net Investment in Capital Assets	45,346,215	21,972,470
Restricted for Debt Service	76,638,963	102,946,436
Restricted for Capital Projects	-	-
Restricted by Master Trust Agreement	79,785,984	71,551,248
Unrestricted	(617,952,849)	(605,317,745)
Total Net Position	(416,181,686)	(408,847,591)
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,777,798,439	\$ 1,813,326,767

* 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.

	<u>November 2018</u>	<u>June 2018</u>	<u>FY2019 Decrease</u>
Current	\$ 18,916,391	\$ 110,277,408	
Noncurrent	146,956,634	79,752,122	
	\$ 165,873,025	\$ 190,029,530	\$ (24,156,505)



Statement of Revenues, Expenses, & Changes in Net Position

For five months ended November 30, 2018 & November 30, 2017

	<u>November 2018</u>	<u>November 2017</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 46,910,663	\$ 45,841,465
Maintenance-of-Way Charges	1,594,214	1,237,351
Total Operating Revenues	<u>48,504,877</u>	<u>47,078,816</u>
Operating Expenses:		
Salaries & Benefits	842,406	857,317
Administrative Expenses	776,490	707,916
Professional Services	375,394	469,005
Maintenance-of-Way	2,254,738	1,718,767
Depreciation	8,760,355	8,763,371
Total Operating Expenses	<u>13,009,383</u>	<u>12,516,376</u>
Operating Income (Loss)	35,495,494	34,562,440
Nonoperating Revenues:		
Interest & Investment Revenue, Net	1,873,940	731,427
Public Benefit Income	242,175	58,351
Miscellaneous Revenue	49,527	74,416
Total Nonoperating Revenues	<u>2,165,642</u>	<u>864,194</u>
Nonoperating Expenses:		
Interest Expense	44,624,668	44,162,248
Expenses for Public Benefit & Pass Thru Expenses	370,563	519,356
Total Nonoperating Expenses, Net	<u>44,995,231</u>	<u>44,681,604</u>
Changes in Net Position	(7,334,095)	(9,254,970)
Net Position:		
Net Positon, Beginning of Year	(408,847,591)	(390,223,232)
Net Position - End of Year	<u>\$ (416,181,686)</u>	<u>\$ (399,478,202)</u>



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

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 46,751,556	\$ 46,910,663	\$ 159,107
Maintenance-of-Way Charges	2,308,695	1,594,214	(714,481)
Total Operating Revenues	<u>49,060,251</u>	<u>48,504,877</u>	<u>(555,374)</u>
Other Revenues			
Projects			
Pier Pass	25,000	25,000	-
EPA Order	95,039	(4,237)	(99,276)
Subtotal Projects	<u>120,039</u>	<u>20,763</u>	<u>(99,276)</u>
Miscellaneous			
Public Benefit Income	2,636,438	242,175	(2,394,263)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	49,416	28,764	(20,652)
Investment Income	690,590	1,873,940	1,183,350
Subtotal Miscellaneous	<u>3,376,444</u>	<u>2,144,879</u>	<u>(1,231,565)</u>
Subtotal Other Revenues	<u>3,496,483</u>	<u>2,165,642</u>	<u>(1,330,841)</u>
Total Sources of Funds	<u>52,556,734</u>	<u>50,670,519</u>	<u>(1,886,215)</u>
Expenses			
Salaries	637,803	602,879	(34,924)
Benefits	289,618	239,527	(50,091)
Office Expenses	181,507	185,211	3,704
Other Management Expenses	30,646	11,052	(19,594)
Information Technologies	130,541	117,276	(13,265)
Bank & Investment	62,917	62,024	(893)
ACET Administrative & Capital Support	590,844	400,927	(189,917)
Audit	65,954	82,555	16,601
Legal	354,167	235,311	(118,856)
Governmental Affairs	60,067	30,000	(30,067)
Other Professional Services	138,035	27,528	(110,507)
Pass Thru Expenses & EPA Order	95,039	1,773	(93,266)
Expenses for Public Benefit	2,636,438	368,790	(2,267,648)
Total Administrative Expenses	<u>5,273,576</u>	<u>2,364,853</u>	<u>(2,908,723)</u>
Maintenance-of-Way Expenses-Rail - Contractors	1,431,752	812,502	(619,250)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	876,943	802,591	(74,352)
Maintenance-of-Way Expenses-Nonrail - Contractors	403,531	248,872	(154,659)
Maintenance-of-Way Expenses-Nonrail - Capital	1,036,220	276,251	(759,969)
Maintenance-of-Way Expenses-Nonrail - Other	149,299	35,204	(114,095)
Maintenance-of-Way Expenses - ACTA	78,390	79,318	928
Total Maintenance-of-Way Expenses	<u>3,976,135</u>	<u>2,254,738</u>	<u>(1,721,397)</u>
Subtotal Administrative and M&O Expenses	<u>9,249,711</u>	<u>4,619,591</u>	<u>(4,630,120)</u>
Financing Expenses			
Debt Service - Interest	26,779,691	23,666,076	(3,113,615)
Debt Service - Accrued CAB Interest	16,009,010	20,958,592	4,949,582
Subtotal Financing Expenses	<u>42,788,701</u>	<u>44,624,668</u>	<u>1,835,967</u>
Depreciation & Amortization Expenses			
Depreciation	8,741,735	8,760,355	18,620
Subtotal Depreciation & Amortization Expenses	<u>8,741,735</u>	<u>8,760,355</u>	<u>18,620</u>
Total Operating Expenses	<u>60,780,147</u>	<u>58,004,614</u>	<u>(2,775,533)</u>
Income (Loss)	<u>\$ (8,223,413)</u>	<u>\$ (7,334,095)</u>	<u>\$ 889,318</u>
* Y-T-D Budget calculated on a straight line basis.			



Comparison of Budget By Funds as of November 30, 2018

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 46,751,556	\$ 46,910,663	\$ 159,107
Maintenance-of-Way Charges	2,308,695	1,594,214	(714,481)
Total Operating Revenues	49,060,251	48,504,877	(555,374)
Other Revenues			
Projects			
Pier Pass	25,000	25,000	-
EPA Order	95,039	(4,237)	(99,276)
Subtotal Projects	120,039	20,763	(99,276)
Miscellaneous			
Public Benefit Income	2,636,438	242,175	(2,394,263)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	49,416	28,764	(20,652)
Investment Income	690,590	1,873,940	1,183,350
Subtotal Miscellaneous	3,376,444	2,144,879	(1,231,565)
Subtotal Other Revenues	3,496,483	2,165,642	(1,330,841)
Total Sources of Funds	52,556,734	50,670,519	(1,886,215)
Expenses			
Administrative Costs	2,542,098	1,994,290	(547,808)
Railroads-M&O	2,308,696	1,615,093	(693,603)
Reserve-M&O	1,589,050	560,327	(1,028,723)
Financing Fees-M&O	78,390	79,318	928
Revenue Fund-Interest & COI	26,779,691	23,666,076	(3,113,615)
Expenses for Public Benefit	2,636,438	368,790	(2,267,648)
LAIF General Fund-Pass Thru & EPA	95,039	1,773	(93,266)
Total Expenses	36,029,402	28,285,667	(7,743,735)
Non Cash Expenses			
Accrued CAB Debt Service Interest	16,009,010	20,958,592	4,949,582
Depreciation	8,741,735	8,760,355	18,620
Subtotal Interest, Depreciation, & Amortization Expenses	24,750,745	29,718,947	4,968,202
Total Operating Expenses	60,780,147	58,004,614	(2,775,533)
Income (Loss)	\$ (8,223,413)	\$ (7,334,095)	\$ 889,318

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



Cash & Investment Summary as of November 30, 2018

<u>Cash and Investment Balances (\$ in thousands)</u>					
<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	911	911
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,422	4,430
Grant Reimbursement Received this Month \$229,945 Grant Reimbursement Received FY to Date \$372,018					
US Bank					
	35000	-	Bank of America Collateral	-	-
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,517	8,517
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	47,396	47,499
	1171	508	M & O Fund	1,201	1,201
	1172	509	Reserve Account	14,673	14,584
	1189	518	Administrative Costs	7,553	7,566
			Subtotal Revenue Funds	70,823	70,850
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	3,626	3,692
	1201	-	99C Principal Account	4,933	5,023
	9004	515	04A Debt Service Reserve	37,075	36,116
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,899	22,439
	59001	-	12 Debt Service Interest Account	342	348
	59004	-	12 Debt Service Reserve Account	6,335	6,213
	7001	-	13A Debt Service Interest Account	1,965	2,000
	7002	-	13A Debt Service Principal Account	1,853	1,887
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,543	3,447
	108001	-	16B Interest Account	-	-
			Subtotal Debt Service Funds	82,571	81,165
			Total U.S. Bank	153,394	152,015
Total Cash & Investment Balances				\$ 167,244	165,873



Cash & Investment Summary (cont'd)

as of November 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	\$ 9,489	\$ 9,489	5.72%	20.00%
U.S. Government & Agency Obligations	57,653	57,237	34.51%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	74,159	73,535	44.33%	100.00%
Corporate Bonds	16,515	16,184	9.76%	30.00%
Bank of America	911	911	0.55%	20.00%
Local Agency Investment Fund	8,517	8,517	5.13%	\$40 Million
Total	<u>\$ 167,244</u>	<u>\$ 165,873</u>	<u>100.00%</u>	

Monthly Cash Flow

November 2018

Total Beginning Cash	\$ 68,421,807
Receipts	
Use Fees & Container Charges	\$ 9,616,667
M&O, Grants, & Miscellaneous Revenue	407,730
Total Receipts	<u>10,024,397</u>
Disbursements	
Debt Service - Transfer to Accounts	6,359,244
M&O, Administrative, & Financing Expenses	1,263,347
Total Disbursements	<u>7,622,591</u>
Cash Flow for Month	<u>\$ 2,401,806</u>
Total Ending Cash	<u><u>\$ 70,823,613</u></u>



Cash Flow as of November 30, 2018

		<u>November 2018</u>
Beginning Cash		
Master Indenture Revenue Fund 1170		44,127,379
Master Indenture M&O Fund 1171		1,341,972
Master Indenture Reserve Fund 1172		14,788,976
1999A Admin Fund 1189		8,163,480
2004A Financing Fund 39006		-
Total Beginning Cash		<u>68,421,807</u>
Receipts		
Use Fee & Container Charges		9,616,667
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		52,795
Total Receipts		<u>10,024,397</u>
Total Cash		<u><u>\$ 78,446,203</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		497,846
M&O - Reserve expense payments		142,672
Administrative expense payments		622,829
Financing expense payments		-
Total Disbursements		<u>7,622,591</u>
Net Ending Cash		<u><u>\$ 70,823,613</u></u>
Ending Cash		
Master Indenture Revenue Fund 1170		47,395,799
Master Indenture M&O Fund 1171		1,200,997
Master Indenture Reserve Fund 1172		14,673,455
1999A Admin Fund 1189		7,553,362
2004A Financing Fund 39006		-
Total Ending Cash		<u><u>\$ 70,823,613</u></u>



Cash Flow – YTD as of November 30, 2018

<u>Cash Flow - Fiscal Year-to-Date</u>		
		<u>November 2018</u>
Total Beginning Cash as of 7/1/18		\$ 62,800,505
Receipts		
Use Fees & Container Charges	\$ 47,340,082	
M&O, Grants, & Miscellaneous Revenue	9,477,908	
	<u>56,817,990</u>	
Total Receipts	56,817,990	
Disbursements		
Debt Service - Transfer to Accounts	44,209,623	
M&O, Administrative, & Financing Expenses	4,585,259	
	<u>48,794,882</u>	
Total Disbursements	48,794,882	
Cash Flow for Fiscal Year		<u>\$ 8,023,108</u>
	Total Ending Cash	<u><u>\$ 70,823,613</u></u>



Cash Flow – YTD as of November 30, 2018

		<u>November 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		47,340,082
M&O		1,968,584
Funds Transferred from BOA to Admin Fund		5,750,000
Funds Transferred from BOA to Reserve Fund		1,200,000
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		559,324
	Total Receipts	<u>56,817,990</u>
	Total Cash	<u><u>\$ 119,618,495</u></u>
Disbursements		
Debt Service - transfer to 1999C Principal		7,665,345
Debt Service - transfer to 1999C Interest		7,971,001
Debt Service - transfer to 2012 Interest		2,217,419
Debt Service - transfer to 2013A Interest		4,158,825
Debt Service- transfer to 2013A Principal		317,486
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		1,690,967
M&O - Reserve expense payments		640,218
Administrative expense payments		2,254,074
Financing expense payments		-
	Total Disbursements	<u>48,794,882</u>
	Net Ending Cash	<u><u>\$ 70,823,613</u></u>
Ending Cash		
Master Indenture Revenue Fund 1170		47,395,799
Master Indenture M&O Fund 1171		1,200,997
Master Indenture Reserve Fund 1172		14,673,455
1999A Admin Fund 1189		7,553,362
2004A Financing Fund 39006		-
	Total Ending Cash	<u><u>\$ 70,823,613</u></u>