



Statements of Net Position

February 28, 2018 & June 30, 2017

	<u>February 2018</u>	<u>June 2017</u>	
<u>Assets & Deferred Outflows of Resources</u>			
Current Assets:			
Restricted Cash & Cash Equivalents, & Investments	\$ 22,815,069	\$ 112,986,027	
Receivables	10,024,384	11,370,587	
Prepaid Expenses	267,706	1,127,821	
Total Current Assets	33,107,159	125,484,435	
Restricted Investments *	163,224,676	77,919,769	
Assets Held for Transfer	13,347,625	13,347,625	
Net OPEB Asset	379,895	379,895	
Capital Assets, Net	1,584,363,398	1,598,384,791	
Total Assets	1,794,422,753	1,815,516,515	
Deferred Outflows of Resources:			
Charges on Refunding	18,824,118	19,820,392	
Pension Contributions & Differences in Experience	644,604	644,604	
Total Assets & Deferred Outflows of Resources	\$ 1,813,891,475	\$ 1,835,981,511	
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>			
Current Liabilities:			
Accounts Payable	\$ 1,307,863	\$ 2,631,015	
Unearned Revenue	1,372,265	1,329,353	
Accrued Interest Payable, Current Portion	27,147,232	20,685,602	
Revenue Bonds Payable, Current Portion	32,995,584	29,444,651	
Other Liabilities	501,814	528,538	
Total Current Liabilities	63,324,758	54,619,159	
Noncurrent Liabilities:			
Collateral Deposit	-	8,136,078	
Shortfall Advances Payable to Ports	12,034,786	11,934,966	
Net Pension Liability	1,842,521	1,842,521	
Accrued Interest Payable, Net of Current Portion	492,497,974	460,752,146	
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,649,548,592	1,688,811,395	
Total Noncurrent Liabilities	2,155,923,873	2,171,477,106	
Total Liabilities	\$ 2,219,248,631	\$ 2,226,096,265	
Deferred Inflows of Resources	108,478	108,478	
<u>Net Position</u>			
Net Investment in Capital Assets	29,242,491	14,815,507	
Restricted for Debt Service	93,394,009	98,757,783	
Restricted for Capital Projects	-	-	
Restricted by Master Trust Agreement	71,033,927	66,146,811	
Unrestricted	(599,136,060)	(569,943,333)	
Total Net Position	(405,465,634)	(390,223,232)	
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,813,891,475	\$ 1,835,981,511	
<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>			
	<u>February 2018</u>	<u>June 2017</u>	<u>FY2018 Decrease</u>
Current	\$ 22,815,069	\$ 112,986,027	
Noncurrent	163,224,676	77,919,769	
	\$ 186,039,745	\$ 190,905,796	\$ (4,866,051)



Statement of Revenues, Expenses, & Changes in Net Position

For eight months ended February 28, 2018 & February 28, 2017

	<u>February 2018</u>	<u>February 2017</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 73,713,440	\$ 67,339,097
Maintenance-of-Way Charges	<u>2,633,104</u>	<u>3,042,086</u>
Total Operating Revenues	<u>76,346,544</u>	<u>70,381,183</u>
Operating Expenses:		
Salaries & Benefits	1,362,269	1,273,024
Administrative Expenses	1,301,621	1,254,359
Professional Services	624,408	883,919
Maintenance-of-Way	3,796,141	4,346,769
Depreciation	<u>14,021,392</u>	<u>14,011,278</u>
Total Operating Expenses	<u>21,105,831</u>	<u>21,769,349</u>
Operating Income (Loss)	55,240,713	48,611,834
Nonoperating Revenues:		
Interest & Investment Revenue, Net	628,636	308,107
Public Benefit Income	60,583	604,038
Miscellaneous Revenue	<u>213,626</u>	<u>323,132</u>
Total Nonoperating Revenues	<u>902,845</u>	<u>1,235,277</u>
Nonoperating Expenses:		
Interest Expense	70,422,187	69,837,226
Expenses for Public Benefit & Pass Thru Expenses	<u>963,773</u>	<u>865,395</u>
Total Nonoperating Expenses, Net	<u>71,385,960</u>	<u>70,702,621</u>
Changes in Net Position	(15,242,402)	(20,855,510)
Net Position:		
Net Position, Beginning of Year	<u>(390,223,232)</u>	<u>(361,712,419)</u>
Net Position - End of Year	<u>\$ (405,465,634)</u>	<u>\$ (382,567,929)</u>



Comparison of Budget By Expense Type as of February 28, 2018

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 70,444,363	\$ 73,713,440	\$ 3,269,077
Maintenance-of-Way Charges	3,555,717	2,633,104	(922,613)
Total Operating Revenues	<u>74,000,080</u>	<u>76,346,544</u>	<u>2,346,464</u>
Other Revenues			
Projects			
Pier Pass	40,000	40,000	-
EPA Order	151,465	94,560	(56,905)
Subtotal Projects	<u>191,465</u>	<u>134,560</u>	<u>(56,905)</u>
Miscellaneous			
Public Benefit Income	4,074,413	60,583	(4,013,830)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	77,214	79,066	1,852
Investment Income	1,099,641	628,636	(471,005)
Subtotal Miscellaneous	<u>5,251,268</u>	<u>768,285</u>	<u>(4,482,983)</u>
Subtotal Other Revenues	<u>5,442,733</u>	<u>902,845</u>	<u>(4,539,888)</u>
Total Sources of Funds	<u>79,442,813</u>	<u>77,249,389</u>	<u>(2,193,424)</u>
Expenses			
Salaries	1,009,531	917,997	(91,534)
Benefits	466,449	444,272	(22,177)
Office Expenses	277,359	233,133	(44,226)
Other Management Expenses	47,300	24,662	(22,638)
Information Technologies	204,150	201,681	(2,469)
Bank & Investment	100,000	89,480	(10,520)
ACET Administrative & Capital Support	915,145	752,665	(162,480)
Audit	111,307	105,773	(5,534)
Legal	626,667	320,181	(306,486)
Governmental Affairs	88,000	83,000	(5,000)
Other Professional Services	342,355	115,454	(226,901)
Pass Thru Expenses & EPA Order	151,465	212,298	60,833
Expenses for Public Benefit	4,074,413	751,475	(3,322,938)
Total Administrative Expenses	<u>8,414,141</u>	<u>4,252,071</u>	<u>(4,162,070)</u>
Maintenance-of-Way Expenses-Rail - Contractors	2,135,595	1,415,917	(719,678)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,420,122	1,217,187	(202,935)
Maintenance-of-Way Expenses-Nonrail - Contractors	604,635	246,809	(357,826)
Maintenance-of-Way Expenses-Nonrail - Capital	1,350,603	506,721	(843,882)
Maintenance-of-Way Expenses-Nonrail - Other	80,613	316,039	235,426
Maintenance-of-Way Expenses - ACTA	119,388	93,468	(25,920)
Total Maintenance-of-Way Expenses	<u>5,710,956</u>	<u>3,796,141</u>	<u>(1,914,815)</u>
Subtotal Administrative and M&O Expenses	<u>14,125,097</u>	<u>8,048,212</u>	<u>(6,076,885)</u>
Financing Expenses			
Debt Service - Interest	46,641,689	38,676,359	(7,965,330)
Debt Service - Accrued CAB Interest	24,377,608	31,745,828	7,368,220
Subtotal Financing Expenses	<u>71,019,297</u>	<u>70,422,187</u>	<u>(597,110)</u>
Depreciation & Amortization Expenses			
Depreciation	13,986,776	14,021,392	34,616
Subtotal Depreciation & Amortization Expenses	<u>13,986,776</u>	<u>14,021,392</u>	<u>34,616</u>
Total Operating Expenses	<u>99,131,170</u>	<u>92,491,791</u>	<u>(6,639,379)</u>
Income (Loss)	<u>\$ (19,688,357)</u>	<u>\$ (15,242,402)</u>	<u>\$ 4,445,955</u>

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



Comparison of Budget By Funds as of February 28, 2018

(\$ in thousands)	<u>Fiscal Year-to-Date</u>		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 70,444,363	\$ 73,713,440	\$ 3,269,077
Maintenance-of-Way Charges	3,555,717	2,633,104	(922,613)
Total Operating Revenues	<u>74,000,080</u>	<u>76,346,544</u>	<u>2,346,464</u>
Other Revenues			
Projects			
Pier Pass	40,000	40,000	-
EPA Order	151,465	94,560	(56,905)
Subtotal Projects	<u>191,465</u>	<u>134,560</u>	<u>(56,905)</u>
Miscellaneous			
Public Benefit Income	4,074,413	60,583	(4,013,830)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	77,214	79,066	1,852
Investment Income	1,099,641	628,636	(471,005)
Subtotal Miscellaneous	<u>5,251,268</u>	<u>768,285</u>	<u>(4,482,983)</u>
Subtotal Other Revenues	5,442,733	902,845	(4,539,888)
Total Sources of Funds	<u>79,442,813</u>	<u>77,249,389</u>	<u>(2,193,424)</u>
Expenses			
Financing Fees	-	-	-
Administrative Costs	4,188,263	3,288,298	(899,965)
Capital	-	-	-
Railroads-M&O	3,555,717	2,633,104	(922,613)
Reserve-M&O	2,035,851	1,069,569	(966,282)
Financing Fees-M&O	119,388	93,468	(25,920)
Revenue Fund-Interest & COI	46,641,689	38,676,359	(7,965,330)
Expenses for Public Benefit	4,074,413	751,475	(3,322,938)
LAIF General Fund-Pass Thru & EPA	151,465	212,298	60,833
Total Expenses	<u>60,766,786</u>	<u>46,724,571</u>	<u>(14,042,215)</u>
Non Cash Expenses			
Accrued CAB Debt Service Interest	24,377,608	31,745,828	7,368,220
Depreciation	13,986,776	14,021,392	34,616
Subtotal Interest, Depreciation, & Amortization Expenses	<u>38,364,384</u>	<u>45,767,220</u>	<u>7,402,836</u>
Total Operating Expenses	99,131,170	92,491,791	(6,639,379)
Income (Loss)	<u>\$ (19,688,357)</u>	<u>\$ (15,242,402)</u>	<u>\$ 4,445,955</u>

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



Cash & Investment Summary

as of February 28, 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	472	472
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,517	4,511
Grant Reimbursement Received this Month \$0					
Grant Reimbursement Received FY to Date \$873,044					
US Bank					
	35000	-	Bank of America Collateral	-	-
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,369	8,369
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	40,699	40,745
	1171	508	M & O Fund	1,316	1,316
	1172	509	Reserve Account	14,491	14,344
	1189	518	Administrative Costs	5,768	5,755
			Subtotal Revenue Funds	62,274	62,160
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	11,900	12,063
	1201	-	99C Principal Account	13,785	13,939
	9004	515	04A Debt Service Reserve	48,239	47,240
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,634	22,191
	59001	-	12 Debt Service Interest Account	1,019	1,034
	59004	-	12 Debt Service Reserve Account	5,237	5,123
	7001	-	13A Debt Service Interest Account	5,457	5,540
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,498	3,398
	108001	-	16B Interest Account	-	-
			Subtotal Debt Service Funds	111,769	110,528
			Total U.S. Bank	174,043	172,688
Total Cash & Investment Balances				\$ 187,401	186,040



Cash & Investment Summary (cont'd)

as of February 28, 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	\$ 13,974	\$ 13,974	7.51%	20.00%
U.S. Government & Agency Obligations	73,870	73,638	39.59%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	67,840	67,076	36.05%	100.00%
Corporate Bonds	22,876	22,511	12.10%	30.00%
Bank of America	472	472	0.25%	20.00%
Local Agency Investment Fund	8,369	8,369	4.50%	\$40 Million
Total	\$ 187,401	\$ 186,040	100.00%	

Monthly Cash Flow

		<u>February 2018</u>
Total Beginning Cash		\$ 58,679,460
Receipts		
Use Fees & Container Charges	\$ 9,541,293	
M&O, Grants, & Miscellaneous Revenue	202,003	
Total Receipts	<u>9,743,296</u>	
Disbursements		
Debt Service - Transfer to Accounts	5,390,534	
M&O, Administrative, & Financing Expenses	758,450	
Total Disbursements	<u>6,148,984</u>	
Cash Flow for Month		<u>\$ 3,594,312</u>
Total Ending Cash		<u><u>\$ 62,273,772</u></u>



Cash Flow as of February 28, 2018

<u>February 2018</u>	
Beginning Cash	
Master Indenture Revenue Fund 1170	36,533,640
Master Indenture M&O Fund 1171	1,396,988
Master Indenture Reserve Fund 1172	14,559,171
1999A Admin Fund 1189	6,189,661
2004A Financing Fund 39006	-
Total Beginning Cash	58,679,460
Receipts	
Use Fee & Container Charges	9,541,293
M&O	162,587
Funds Transferred from BOA to Admin Fund	-
Funds Transferred from BOA to Reserve Fund	-
Semi-Annual Accounting - Transfer from Revenue Fund	-
Interest Income / Loss	39,416
Total Receipts	9,743,296
Total Cash	\$ 68,422,756
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	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	-
M&O - Railroads expense payments	244,843
M&O - Reserve expense payments	85,676
Administrative expense payments	427,931
Financing expense payments	-
Total Disbursements	6,148,984
Net Ending Cash	\$ 62,273,772
Ending Cash	
Master Indenture Revenue Fund 1170	40,699,196
Master Indenture M&O Fund 1171	1,315,862
Master Indenture Reserve Fund 1172	14,490,504
1999A Admin Fund 1189	5,768,210
2004A Financing Fund 39006	-
Total Ending Cash	\$ 62,273,772



Cash Flow – YTD as of February 28, 2018

<u>Cash Flow - FTD</u>		
		<u>February 2018</u>
Total Beginning Cash as of 7/1/17		\$ 58,395,496
Receipts		
Use Fees & Container Charges	\$ 73,832,208	
M&O, Grants, & Miscellaneous Revenue	9,418,290	
	<u>83,250,498</u>	
Total Receipts	83,250,498	
Disbursements		
Debt Service - Transfer to Accounts	72,175,731	
M&O, Administrative, & Financing Expenses	7,196,491	
	<u>79,372,222</u>	
Total Disbursements	79,372,222	
Cash Flow for Month		\$ <u>3,878,276</u>
Total Ending Cash		<u>\$ 62,273,772</u>



Cash Flow – YTD as of February 28, 2018

		<u>February 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		73,832,208
M&O		2,464,116
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		335,303
Total Receipts		<u>83,250,498</u>
Total Cash		<u>\$ 141,645,994</u>
Disbursements		
Debt Service - transfer to 1999C Principal		17,255,317
Debt Service - transfer to 1999C Interest		16,515,997
Debt Service - transfer to 2012 Interest		1,371,902
Debt Service - transfer to 2013A Interest		7,857,968
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		803,850
Debt service payment - 2016B Interest		13,087,125
Debt service payment - 2004		7,755,000
M&O - Railroads expense payments		2,012,340
M&O - Reserve expense payments		1,241,850
Administrative expense payments		3,942,301
Financing expense payments		-
Total Disbursements		<u>79,372,222</u>
Net Ending Cash		<u>\$ 62,273,772</u>
Ending Cash		
Master Indenture Revenue Fund 1170		40,699,196
Master Indenture M&O Fund 1171		1,315,862
Master Indenture Reserve Fund 1172		14,490,504
1999A Admin Fund 1189		5,768,210
2004A Financing Fund 39006		-
Total Ending Cash		<u>\$ 62,273,772</u>