



Statements of Net Position

March 31, 2019 & June 30, 2018

	<u>March 2019</u>	<u>June 2018</u>																
<u>Assets & Deferred Outflows of Resources</u>																		
Current Assets:																		
Restricted Cash & Cash Equivalents, & Investments	\$ 16,613,258	\$ 110,277,408																
Receivables	9,351,462	11,977,208																
Prepaid Expenses	179,000	1,178,951																
Total Current Assets	<u>26,143,720</u>	<u>123,433,567</u>																
Restricted Investments *	186,906,858	79,752,122																
Assets Held for Transfer	13,347,625	13,347,625																
Net OPEB Asset	231,353	231,353																
Capital Assets, Net	1,561,584,065	1,577,352,702																
Total Assets	<u>1,788,213,621</u>	<u>1,794,117,369</u>																
Deferred Outflows of Resources:																		
Charges on Refunding	17,205,173	18,325,981																
Pension Contributions & Differences in Experience	883,417	883,417																
Total Assets & Deferred Outflows of Resources	<u>\$ 1,806,302,211</u>	<u>\$ 1,813,326,767</u>																
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>																		
Current Liabilities:																		
Accounts Payable	\$ 590,114	\$ 1,993,677																
Unearned Revenue	787,036	1,266,841																
Accrued Interest Payable, Current Portion	31,688,940	22,204,169																
Revenue Bonds Payable, Current Portion	42,611,850	32,995,584																
Other Liabilities	521,927	547,980																
Total Current Liabilities	<u>76,199,867</u>	<u>59,008,251</u>																
Noncurrent Liabilities:																		
Collateral Deposit	-	-																
Shortfall Advances Payable to Ports	12,306,448	12,099,503																
Net Pension Liability	2,105,587	2,105,587																
Accrued Interest Payable, Net of Current Portion	539,991,812	502,457,879																
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,596,748,918	1,646,414,982																
Total Noncurrent Liabilities	<u>2,151,152,765</u>	<u>2,163,077,951</u>																
Total Liabilities	<u>\$ 2,227,352,632</u>	<u>\$ 2,222,086,202</u>																
Deferred Inflows of Resources	<u>88,156</u>	<u>88,156</u>																
<u>Net Position</u>																		
Net Investment in Capital Assets	37,839,794	21,972,470																
Restricted for Debt Service	90,560,601	102,946,436																
Restricted for Capital Projects	-	-																
Restricted by Master Trust Agreement	89,378,420	71,551,248																
Unrestricted	(638,917,392)	(605,317,745)																
Total Net Position	<u>(421,138,577)</u>	<u>(408,847,591)</u>																
Total Liabilities, Deferred Inflows of Resources, & Net Position	<u>\$ 1,806,302,211</u>	<u>\$ 1,813,326,767</u>																
<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> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><u>March 2019</u></th> <th style="text-align: right;"><u>June 2018</u></th> <th style="text-align: right;"><u>FY2019 Increase</u></th> </tr> </thead> <tbody> <tr> <td>Current</td> <td style="text-align: right;">\$ 16,613,258</td> <td style="text-align: right;">\$ 110,277,408</td> <td></td> </tr> <tr> <td>Noncurrent</td> <td style="text-align: right;"><u>186,906,858</u></td> <td style="text-align: right;"><u>79,752,122</u></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ 203,520,116</td> <td style="text-align: right;">\$ 190,029,530</td> <td style="text-align: right;">\$ 13,490,586</td> </tr> </tbody> </table>				<u>March 2019</u>	<u>June 2018</u>	<u>FY2019 Increase</u>	Current	\$ 16,613,258	\$ 110,277,408		Noncurrent	<u>186,906,858</u>	<u>79,752,122</u>			\$ 203,520,116	\$ 190,029,530	\$ 13,490,586
	<u>March 2019</u>	<u>June 2018</u>	<u>FY2019 Increase</u>															
Current	\$ 16,613,258	\$ 110,277,408																
Noncurrent	<u>186,906,858</u>	<u>79,752,122</u>																
	\$ 203,520,116	\$ 190,029,530	\$ 13,490,586															



Statement of Revenues, Expenses, & Changes in Net Position

For nine months ended March 31, 2019 & March 31, 2018

	<u>March 2019</u>	<u>March 2018</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 84,178,430	\$ 82,820,557
Maintenance-of-Way Charges	3,352,414	2,803,612
Total Operating Revenues	<u>87,530,844</u>	<u>85,624,169</u>
Operating Expenses:		
Salaries & Benefits	1,525,847	1,528,936
Administrative Expenses	1,370,376	1,478,128
Professional Services	658,929	748,816
Maintenance-of-Way	4,774,089	3,973,918
Depreciation	15,768,639	15,774,066
Total Operating Expenses	<u>24,097,880</u>	<u>23,503,864</u>
Operating Income (Loss)	63,432,964	62,120,305
Nonoperating Revenues:		
Interest & Investment Revenue, Net	4,305,925	828,995
Public Benefit Income	337,465	680,947
Miscellaneous Revenue	101,044	242,258
Total Nonoperating Revenues	<u>4,744,434</u>	<u>1,752,200</u>
Nonoperating Expenses:		
Interest Expense	79,893,979	79,177,141
Expenses for Public Benefit & Pass Thru Expenses	574,405	1,015,566
Total Nonoperating Expenses, Net	<u>80,468,384</u>	<u>80,192,707</u>
Changes in Net Position	(12,290,986)	(16,320,202)
Net Position:		
Net Positon, Beginning of Year	(408,847,591)	(390,223,232)
Net Position - End of Year	<u>\$ (421,138,577)</u>	<u>\$ (406,543,434)</u>



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

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 84,152,801	\$ 84,178,430	\$ 25,629
Maintenance-of-Way Charges	4,155,652	3,352,414	(803,238)
Total Operating Revenues	88,308,453	87,530,844	(777,609)
Other Revenues			
Projects			
Pier Pass	45,000	45,000	-
EPA Order	171,070	(14,415)	(185,485)
Subtotal Projects	216,070	30,585	(185,485)
Miscellaneous			
Public Benefit Income	4,745,589	337,465	(4,408,124)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	88,949	70,459	(18,490)
Investment Income	1,243,061	4,305,925	3,062,864
Subtotal Miscellaneous	6,077,599	4,713,849	(1,363,750)
Subtotal Other Revenues	6,293,669	4,744,434	(1,549,235)
Total Sources of Funds	94,602,122	92,275,278	(2,326,844)
Expenses			
Salaries	1,148,046	1,054,212	(93,834)
Benefits	521,313	471,635	(49,678)
Office Expenses	326,719	323,111	(3,608)
Other Management Expenses	55,163	23,524	(31,639)
Information Technologies	234,974	191,959	(43,015)
Bank & Investment	113,250	104,856	(8,394)
ACET Administrative & Capital Support	1,063,520	726,926	(336,594)
Audit	118,718	99,553	(19,165)
Legal	637,500	431,063	(206,437)
Governmental Affairs	108,120	48,000	(60,120)
Other Professional Services	248,462	80,313	(168,149)
Pass Thru Expenses & EPA Order	171,070	17,228	(153,842)
Expenses for Public Benefit	4,745,589	557,177	(4,188,412)
Total Administrative Expenses	9,492,444	4,129,557	(5,362,887)
Maintenance-of-Way Expenses-Rail - Contractors	2,577,154	1,834,525	(742,629)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,578,498	1,517,888	(60,610)
Maintenance-of-Way Expenses-Nonrail - Contractors	726,356	585,468	(140,888)
Maintenance-of-Way Expenses-Nonrail - Capital	1,865,196	640,772	(1,224,424)
Maintenance-of-Way Expenses-Nonrail - Other	268,739	64,805	(203,934)
Maintenance-of-Way Expenses - ACTA	141,101	130,631	(10,470)
Total Maintenance-of-Way Expenses	7,157,044	4,774,089	(2,382,955)
Subtotal Administrative and M&O Expenses	16,649,488	8,903,646	(7,745,842)
Financing Expenses			
Debt Service - Interest	48,203,444	42,253,638	(5,949,806)
Debt Service - Accrued CAB Interest	28,816,219	37,640,341	8,824,122
Subtotal Financing Expenses	77,019,663	79,893,979	2,874,316
Depreciation & Amortization Expenses			
Depreciation	15,735,123	15,768,639	33,516
Subtotal Depreciation & Amortization Expenses	15,735,123	15,768,639	33,516
Total Operating Expenses	109,404,274	104,566,264	(4,838,010)
Income (Loss)	\$ (14,802,152)	\$ (12,290,986)	\$ 2,511,166

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



Comparison of Budget By Funds as of March 31, 2019

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 84,152,801	\$ 84,178,430	\$ 25,629
Maintenance-of-Way Charges	4,155,652	3,352,414	(803,238)
Total Operating Revenues	88,308,453	87,530,844	(777,609)
Other Revenues			
Projects			
Pier Pass	45,000	45,000	-
EPA Order	171,070	(14,415)	(185,485)
Subtotal Projects	216,070	30,585	(185,485)
Miscellaneous			
Public Benefit Income	4,745,589	337,465	(4,408,124)
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	88,949	70,459	(18,490)
Investment Income	1,243,061	4,305,925	3,062,864
Subtotal Miscellaneous	6,077,599	4,713,849	(1,363,750)
Subtotal Other Revenues	6,293,669	4,744,434	(1,549,235)
Total Sources of Funds	94,602,122	92,275,278	(2,326,844)
Expenses			
Administrative Costs	4,575,786	3,555,152	(1,020,634)
Railroads-M&O	4,155,652	3,352,413	(803,239)
Reserve-M&O	2,860,290	1,291,045	(1,569,245)
Financing Fees-M&O	141,101	130,631	(10,470)
Revenue Fund-Interest & COI	48,203,444	42,253,638	(5,949,806)
Expenses for Public Benefit	4,745,589	557,177	(4,188,412)
LAIF General Fund-Pass Thru & EPA	171,070	17,228	(153,842)
Total Expenses	64,852,932	51,157,284	(13,695,648)
Non Cash Expenses			
Accrued CAB Debt Service Interest	28,816,219	37,640,341	8,824,122
Depreciation	15,735,123	15,768,639	33,516
Subtotal Interest, Depreciation, & Amortization Expenses	44,551,342	53,408,980	8,857,638
Total Operating Expenses	109,404,274	104,566,264	(4,838,010)
Income (Loss)	\$ (14,802,152)	\$ (12,290,986)	\$ 2,511,166

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



Cash & Investment Summary

as of March 31, 2019

<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	815	815
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,579	4,602
Grant Reimbursement Received this Month \$-0-					
Grant Reimbursement Received FY to Date \$678,987					
US Bank					
	35000	-	Bank of America Collateral	-	-
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,633	8,633
1999, 2004 and 2016 Bond Funds - US Bank-Trustee					
Revenue Funds					
	1170	507	Revenue Fund	59,919	60,171
	1171	508	M & O Fund	1,024	1,024
	1172	509	Reserve Account	13,862	13,898
	1189	518	Administrative Costs	5,984	6,026
Subtotal Revenue Funds				80,789	81,119
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	10,878	11,044
	1201	-	99C Principal Account	14,799	15,024
	9004	515	04A Debt Service Reserve	37,240	36,807
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	23,031	22,925
	59001	-	12 Debt Service Interest Account	1,027	1,042
	59004	-	12 Debt Service Reserve Account	6,372	6,360
	7001	-	13A Debt Service Interest Account	5,894	5,983
	7002	-	13A Debt Service Principal Account	5,560	5,645
	27001	-	16A Interest Account	-	-
	27004	-	16A Debt Service Reserve	3,560	3,521
	108001	-	16B Interest Account	-	-
Subtotal Debt Service Funds				108,361	108,351
Total U.S. Bank				189,150	189,470
Total Cash & Investment Balances				\$ 203,177	203,520



Cash & Investment Summary (cont'd)

as of March 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	\$ 7,166	\$ 7,166	3.52%	20.00%
U.S. Government & Agency Obligations	79,833	80,409	39.51%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	89,965	89,920	44.18%	100.00%
Corporate Bonds	16,765	16,577	8.15%	30.00%
Bank of America	815	815	0.40%	20.00%
Local Agency Investment Fund	8,633	8,633	4.24%	\$40 Million
Total	<u>\$ 203,177</u>	<u>\$ 203,520</u>	<u>100.00%</u>	

Monthly Cash Flow

		<u>March 2019</u>
Total Beginning Cash		\$ 78,499,642
Receipts		
Use Fees & Container Charges	\$ 8,899,764	
M&O, Grants, & Miscellaneous Revenue	744,965	
Total Receipts	<u>9,644,729</u>	
Disbursements		
Debt Service - Transfer to Accounts	6,359,244	
M&O, Administrative, & Financing Expenses	996,199	
Total Disbursements	<u>7,355,443</u>	
Cash Flow for Month		<u>\$ 2,289,285</u>
Total Ending Cash		<u><u>\$ 80,788,928</u></u>



Cash Flow as of March 31, 2019

		<u>March 2019</u>
Beginning Cash		
Master Indenture Revenue Fund 1170		57,324,387
Master Indenture M&O Fund 1171		708,691
Master Indenture Reserve Fund 1172		14,021,800
1999A Admin Fund 1189		6,444,764
2004A Financing Fund 39006		-
Total Beginning Cash		78,499,642
Receipts		
Use Fee & Container Charges		8,899,764
M&O		682,777
Funds Transferred from BOA to Admin Fund		-
Funds Transferred from BOA to Reserve Fund		-
Semi-Annual Accounting - Transfer from Revenue Fund		-
Interest Income / Loss		62,188
Total Receipts		9,644,729
Total Cash		\$ 88,144,371
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		368,883
M&O - Reserve expense payments		160,974
Administrative expense payments		466,342
Financing expense payments		-
Total Disbursements		7,355,443
Net Ending Cash		\$ 80,788,928
Ending Cash		
Master Indenture Revenue Fund 1170		59,918,912
Master Indenture M&O Fund 1171		1,024,115
Master Indenture Reserve Fund 1172		13,862,108
1999A Admin Fund 1189		5,983,793
2004A Financing Fund 39006		-
Total Ending Cash		\$ 80,788,928



Cash Flow – YTD as of March 31, 2019

Cash Flow - Fiscal Year-to-Date

March 2019

Total Beginning Cash as of 7/1/18		\$	62,800,505
Receipts			
Use Fees & Container Charges	\$	85,109,174	
M&O, Grants, & Miscellaneous Revenue		<u>11,344,424</u>	
Total Receipts			<u>96,453,598</u>
Disbursements			
Debt Service - Transfer to Accounts		69,646,600	
M&O, Administrative, & Financing Expenses		<u>8,818,575</u>	
Total Disbursements			<u>78,465,175</u>
Cash Flow for Fiscal Year		\$	<u>17,988,423</u>
Total Ending Cash		\$	<u><u>80,788,928</u></u>



Cash Flow – YTD as of March 31, 2019

		<u>March 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		62,800,505
Receipts		
Use Fee & Container Charges		85,109,174
M&O		3,518,300
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		846,259
Total Receipts		96,453,598
Total Cash		\$ 159,254,103
Disbursements		
Debt Service - transfer to 1999C Principal		14,917,130
Debt Service - transfer to 1999C Interest		17,836,001
Debt Service - transfer to 2012 Interest		6,146,402
Debt Service - transfer to 2013A Interest		7,865,492
Debt Service- transfer to 2013A Principal		1,002,028
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		3,429,249
M&O - Reserve expense payments		1,507,409
Administrative expense payments		3,881,917
Financing expense payments		-
Total Disbursements		78,465,175
Net Ending Cash		\$ 80,788,928
Ending Cash		
Master Indenture Revenue Fund 1170		59,918,912
Master Indenture M&O Fund 1171		1,024,115
Master Indenture Reserve Fund 1172		13,862,108
1999A Admin Fund 1189		5,983,793
2004A Financing Fund 39006		-
Total Ending Cash		\$ 80,788,928