



Statements of Net Position

March 31, 2017 & June 30, 2016

	<u>March 2017</u>	<u>June 2016</u>	
<u>Assets & Deferred Outflows of Resources</u>			
Current Assets:			
Restricted Cash & Cash Equivalents, & Investments	\$ 63,040,106	\$ 95,372,552	
Receivables	9,608,870	10,969,030	
Prepaid Expenses	136,667	1,268,710	
Total Current Assets	72,785,643	107,610,292	
Restricted Investments *	135,666,169	87,131,382	
Assets Held for Transfer	13,347,625	13,347,625	
Net OPEB Asset	365,719	365,719	
Capital Assets, Net	1,603,650,611	1,619,413,295	
Total Assets	1,825,815,767	1,827,868,313	
Deferred Outflows of Resources:			
Charges on Refunding	20,193,996	21,314,804	
Pension Contributions & Differences in Experience	235,436	235,436	
Total Assets & Deferred Outflows of Resources	\$ 1,846,245,199	\$ 1,849,418,553	
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>			
Current Liabilities:			
Accounts Payable	\$ 656,678	\$ 2,645,749	
Contract Retention Payable	5,000	5,000	
Unearned Revenue	540,001	1,059,468	
Accrued Interest Payable, Current Portion	33,394,865	12,985,235	
Revenue Bonds Payable, Current Portion	29,444,651	23,170,000	
Other Liabilities	450,253	470,040	
Total Current Liabilities	64,491,448	40,335,492	
Noncurrent Liabilities:			
Collateral Deposit	8,306,188	10,106,159	
Shortfall Advances Payable to Ports	11,915,593	11,874,268	
Net Pension Liability	1,445,588	1,445,588	
Accrued Interest Payable, Net of Current Portion	453,425,324	419,488,812	
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,691,160,440	1,727,652,226	
Total Noncurrent Liabilities	2,166,253,133	2,170,567,053	
Total Liabilities	\$ 2,230,744,581	\$ 2,210,902,545	
Deferred Inflows of Resources	228,427	228,427	
<u>Net Position</u>			
Net Investment in Capital Assets	20,467,527	14,319,910	
Restricted for Debt Service	105,803,910	94,423,740	
Restricted for Capital Projects	-	224,541	
Restricted by Master Trust Agreement	57,848,767	57,688,600	
Unrestricted	(568,848,013)	(528,369,210)	
Total Net Position	(384,727,809)	(361,712,419)	
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,846,245,199	\$ 1,849,418,553	
<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>March 2017</u>	<u>June 2016</u>	<u>FY2017 Increase</u>
Current	\$ 63,040,106	\$ 95,372,552	
Noncurrent	135,666,169	87,131,382	
	\$ 198,706,275	\$ 182,503,934	\$ 16,202,341



Statement of Revenues, Expenses, & Changes in Net Position

For nine months ended March 31, 2017 & March 31, 2016

	<u>March 2017</u>	<u>March 2016</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 75,880,890	\$ 78,164,136
Maintenance-of-Way Charges	3,433,430	3,130,782
Total Operating Revenues	<u>79,314,320</u>	<u>81,294,918</u>
Operating Expenses:		
Salaries & Benefits	1,427,091	1,394,274
Administrative Expenses	1,315,194	1,009,729
Professional Services	988,740	899,450
Maintenance-of-Way	4,873,418	4,412,037
Depreciation	15,762,688	16,210,029
Total Operating Expenses	<u>24,367,131</u>	<u>23,925,519</u>
Operating Income (Loss)	54,947,189	57,369,399
Nonoperating Revenues:		
Interest & Investment Revenue, Net	539,153	2,586,436
Public Benefit Income	604,038	1,328,607
Miscellaneous Revenue	337,784	868,091
Total Nonoperating Revenues	<u>1,480,975</u>	<u>4,783,134</u>
Nonoperating Expenses:		
Interest Expense	78,521,730	83,767,082
Expenses for Public Benefit & Pass Thru Expenses	921,824	1,620,809
Total Nonoperating Expenses, Net	<u>79,443,554</u>	<u>85,387,891</u>
Changes in Net Position	(23,015,390)	(23,235,358)
Net Position:		
Net Position, Beginning of Year	(361,712,419)	(192,692,420)
Net Position - End of Year	<u>\$ (384,727,809)</u>	<u>\$ (215,927,778)</u>



Comparison of Budget By Departments as of March 31, 2017

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 82,083,698	\$ 75,880,890	\$ (6,202,808)
Maintenance-of-Way Charges	4,198,691	3,433,430	(765,261)
Total Operating Revenues	86,282,389	79,314,320	(6,968,069)
Other Revenues			
Projects			
Pier Pass	45,000	45,000	-
EPA Order	20,333	112,230	91,897
Subtotal Projects	65,333	157,230	91,897
Miscellaneous			
Public Benefit Income	4,650,000	604,038	(4,045,962)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	84,533	180,554	96,021
Investment Income	1,261,115	539,153	(721,962)
Subtotal Miscellaneous	5,995,648	1,323,745	(4,671,903)
Subtotal Other Revenues	6,060,981	1,480,975	(4,580,006)
Total Sources of Funds	92,343,370	80,795,295	(11,548,075)
Expenses			
Admin Management	299,789	262,272	(37,517)
Revenue Collection	483,243	350,417	(132,826)
Accounting & Audit	649,979	592,042	(57,937)
A/P & Investments	256,007	227,838	(28,169)
Human Resource & Office Staff	108,245	100,944	(7,301)
Legal	705,000	684,537	(20,463)
Public Affairs	345,737	307,622	(38,115)
Office General	626,337	526,562	(99,775)
ACET Administrative & Capital Support	976,443	678,791	(297,652)
Expenses for Public Benefit	4,650,000	783,924	(3,866,076)
Pass Thru & EPA Order	20,333	137,900	117,567
Total Administrative Expenses	9,121,113	4,652,849	(4,468,264)
Maintenance-of-Way Expenses-Rail - Contractors	2,429,066	1,900,950	(528,116)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,769,625	1,618,927	(150,698)
Maintenance-of-Way Expenses-Nonrail - Contractors	646,934	418,958	(227,976)
Maintenance-of-Way Expenses-Nonrail - Capital	1,286,350	651,789	(634,561)
Maintenance-of-Way Expenses-Nonrail - Other	200,250	151,274	(48,976)
Maintenance-of-Way Expenses - ACTA	146,228	131,520	(14,708)
Total Maintenance-of-Way Expenses	6,478,453	4,873,418	(1,605,035)
Subtotal Administrative and M&O Expenses	15,599,566	9,526,267	(6,073,299)
Financing Expenses			
Debt Service - Interest	47,591,591	44,585,218	(3,006,373)
Debt Service - Accrued CAB Interest	30,883,778	33,936,512	3,052,734
Subtotal Financing Expenses	78,475,369	78,521,730	46,361
Depreciation & Amortization Expenses			
Depreciation	16,175,768	15,762,688	(413,080)
Subtotal Depreciation & Amortization Expenses	16,175,768	15,762,688	(413,080)
Total Operating Expenses	110,250,703	103,810,685	(6,440,018)
Income (Loss)	\$ (17,907,333)	\$ (23,015,390)	\$ (5,108,057)

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



Comparison of Budget By Expense Type as of March 31, 2017

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 82,083,698	\$ 75,880,890	\$ (6,202,808)
Maintenance-of-Way Charges	4,198,691	3,433,430	(765,261)
Total Operating Revenues	86,282,389	79,314,320	(6,968,069)
Other Revenues			
Projects			
Pier Pass	45,000	45,000	-
EPA Order	20,333	112,230	91,897
Subtotal Projects	65,333	157,230	91,897
Miscellaneous			
Public Benefit Income	4,650,000	604,038	(4,045,962)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	84,533	180,554	96,021
Investment Income	1,261,115	539,153	(721,962)
Subtotal Miscellaneous	5,995,648	1,323,745	(4,671,903)
Subtotal Other Revenues	6,060,981	1,480,975	(4,580,006)
Total Sources of Funds	92,343,370	80,795,295	(11,548,075)
Expenses			
Salaries	1,065,347	966,087	(99,260)
Benefits	504,410	461,004	(43,406)
Office Expenses	311,580	312,586	1,006
Other Management Expenses	50,588	31,873	(18,715)
Information Technologies	224,465	206,181	(18,284)
Bank & Investment	123,750	85,762	(37,988)
ACET Administrative & Capital Support	976,443	678,792	(297,651)
Audit	139,155	122,933	(16,222)
Legal	705,000	684,537	(20,463)
Governmental Affairs	90,000	80,000	(10,000)
Other Professional Services	260,042	101,270	(158,772)
Pass Thru Expenses & EPA Order	20,333	137,900	117,567
Expenses for Public Benefit	4,650,000	783,924	(3,866,076)
Total Administrative Expenses	9,121,113	4,652,849	(4,468,264)
Maintenance-of-Way Expenses-Rail - Contractors	2,429,066	1,900,950	(528,116)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	1,769,625	1,618,927	(150,698)
Maintenance-of-Way Expenses-Nonrail - Contractors	646,934	418,958	(227,976)
Maintenance-of-Way Expenses-Nonrail - Capital	1,286,350	651,789	(634,561)
Maintenance-of-Way Expenses-Nonrail - Other	200,250	151,274	(48,976)
Maintenance-of-Way Expenses - ACTA	146,228	131,520	(14,708)
Total Maintenance-of-Way Expenses	6,478,453	4,873,418	(1,605,035)
Subtotal Administrative and M&O Expenses	15,599,566	9,526,267	(6,073,299)
Financing Expenses			
Debt Service - Interest	47,591,591	44,585,218	(3,006,373)
Debt Service - Accrued CAB Interest	30,883,778	33,936,512	3,052,734
Subtotal Financing Expenses	78,475,369	78,521,730	46,361
Depreciation & Amortization Expenses			
Depreciation	16,175,768	15,762,688	(413,080)
Subtotal Depreciation & Amortization Expenses	16,175,768	15,762,688	(413,080)
Total Operating Expenses	110,250,703	103,810,685	(6,440,018)
Income (Loss)	\$ (17,907,333)	\$ (23,015,390)	\$ (5,108,057)

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



Comparison of Budget By Funds as of March 31, 2017

(\$ in thousands)	<u>Fiscal Year-to-Date</u>		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 82,083,698	\$ 75,880,890	\$ (6,202,808)
Maintenance-of-Way Charges	4,198,691	3,433,430	(765,261)
Total Operating Revenues	<u>86,282,389</u>	<u>79,314,320</u>	<u>(6,968,069)</u>
Other Revenues			
Projects			
Pier Pass	45,000	45,000	-
EPA Order	20,333	112,230	91,897
Subtotal Projects	<u>65,333</u>	<u>157,230</u>	<u>91,897</u>
Miscellaneous			
Public Benefit Income	4,650,000	604,038	(4,045,962)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Office Rental & Other Income	84,533	180,554	96,021
Investment Income	1,261,115	539,153	(721,962)
Subtotal Miscellaneous	<u>5,995,648</u>	<u>1,323,745</u>	<u>(4,671,903)</u>
Subtotal Other Revenues	<u>6,060,981</u>	<u>1,480,975</u>	<u>(4,580,006)</u>
Total Sources of Funds	<u>92,343,370</u>	<u>80,795,295</u>	<u>(11,548,075)</u>
Expenses			
Financing Fees	483,243	298,029	(185,214)
Administrative Costs	3,967,538	3,432,996	(534,542)
Capital	-	-	-
Railroads-M&O	4,198,691	3,519,877	(678,814)
Reserve-M&O	2,133,533	1,222,021	(911,512)
Financing Fees-M&O	146,228	131,520	(14,708)
Revenue Fund-Interest & COI	47,591,591	44,585,218	(3,006,373)
Expenses for Public Benefit	4,650,000	783,924	(3,866,076)
LAIF General Fund-Pass Thru & EPA	20,333	137,900	117,567
Total Expenses	<u>63,191,157</u>	<u>54,111,485</u>	<u>(9,079,672)</u>
Non Cash Expenses			
Accrued CAB Debt Service Interest	30,883,778	33,936,512	3,052,734
Depreciation	16,175,768	15,762,688	(413,080)
Subtotal Interest, Depreciation, & Amortization Expenses	<u>47,059,546</u>	<u>49,699,200</u>	<u>2,639,654</u>
Total Operating Expenses	<u>110,250,703</u>	<u>103,810,685</u>	<u>(6,440,018)</u>
Income (Loss)	<u>\$ (17,907,333)</u>	<u>\$ (23,015,390)</u>	<u>\$ (5,108,057)</u>

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



Cash & Investment Summary

as of March 31, 2017

<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	492	492
Pre 1999 Bond Sale Accounts-Union Bank					
	5080	512	SR-47	4,438	4,416
Grant Reimbursement Received this Month \$0.00					
Grant Reimbursement Received FY to Date \$692,539.65					
US Bank					
	35000	-	Bank of America Collateral	8,273	8,273
Local Agency Investment Fund (LAIF)					
	40-19-006	570	General Fund	8,343	8,343
1999 and 2004 Bond Funds - US Bank-Trustee					
Construction Funds					
	1186	513	99A Construction Fund	-	-
	1206	503	99C Construction Fund	-	-
			Subtotal Construction Funds	-	-
Revenue Funds					
	1170	507	Revenue Fund	28,616	28,616
	1171	508	M & O Fund	706	706
	1172	509	Reserve Account	14,845	14,796
	9006	519	Financing Fees	-	-
	1189	518	Administrative Costs	5,293	5,279
			Subtotal Revenue Funds	49,460	49,397
Debt Service Funds					
	1180	-	99A Interest Account	-	-
	1181	-	99A Principal Account	-	-
	1183	-	99A Redemption Account	-	-
	1200	-	99C Interest Account	14,284	14,478
	1201	-	99C Principal Account	14,131	14,325
	9004	515	04A Debt Service Reserve	47,940	47,816
	9001	-	04A Debt Service Interest Account	-	-
	8003	516	04B Debt Service Reserve	22,267	22,224
	59001	-	12 Debt Service Interest Account	1,158	1,174
	59004	-	12 Debt Service Reserve Account	4,149	4,123
	7001	-	13A Debt Service Interest Account	6,255	6,346
	27001	-	16A Interest Account	804	804
	27004	-	16A Debt Service Reserve	3,459	3,408
	8006	-	16B- Financing Fee	-	-
	108001	-	16B Interest Account	13,087	13,087
			Subtotal Debt Service Funds	127,534	127,785
			Total U.S. Bank	176,994	177,182
Total Cash & Investment Balances				\$ 198,540	198,706



Cash & Investment Summary (cont'd)

as of March 31, 2017

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	\$ 54,205	\$ 54,205	27.28%	20.00%
U.S. Government & Agency Obligations	84,437	84,820	42.68%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	30,261	30,159	15.18%	100.00%
Corporate Bonds	20,802	20,687	10.41%	30.00%
Bank of America	492	492	0.25%	20.00%
Local Agency Investment Fund	8,343	8,343	4.20%	\$40 Million
Total	\$ 198,540	\$ 198,706	100.00%	

Monthly Cash Flow

		<u>March 2017</u>
Total Beginning Cash		\$ 55,669,910
Receipts		
Use Fees & Container Charges	\$ 14,030,705	
M&O, Grants, & Miscellaneous Revenue	665,150	
Total Receipts	<u>14,695,855</u>	
Disbursements		
Debt Service - Transfer to Accounts	19,239,540	
M&O, Administrative, & Financing Expenses	1,665,587	
Total Disbursements	<u>20,905,127</u>	
Cash Flow for Month		\$ <u>(6,209,272)</u>
Total Ending Cash		<u>\$ 49,460,638</u>



Cash Flow as of March 31, 2017

<u>March 2017</u>	
Beginning Cash	
Master Indenture Revenue Fund 1170	33,701,476
Master Indenture M&O Fund 1171	721,006
Master Indenture Reserve Fund 1172	15,345,922
1999A Admin Fund 1189	5,901,506
2004A Financing Fund 39006	-
1999C Construction Fund 1206	-
Total Beginning Cash	55,669,910
Receipts	
Use Fee & Container Charges	14,030,705
M&O	514,852
Funds Transferred from BOA to Admin Fund	-
Funds Transferred from BOA to Reserve Fund	-
Semi-Annual Accounting - Transfer from Revenue Fund	-
Interest Income / Loss	150,298
Total Receipts	14,695,855
Total Cash	\$ 70,365,765
Disbursements	
Debt Service - transfer to 1999C Principal	2,097,917
Debt Service - transfer to 1999C Interest	2,097,267
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	803,850
Debt service payment - 2016B Interest	13,087,125
1999C Construction expense payments	-
M&O - Railroads expense payments	530,100
M&O - Reserve expense payments	520,890
Administrative expense payments	614,597
Financing expense payments	-
Total Disbursements	20,905,127
Net Ending Cash	\$ 49,460,638
Ending Cash	
Master Indenture Revenue Fund 1170	28,616,306
Master Indenture M&O Fund 1171	705,848
Master Indenture Reserve Fund 1172	14,845,063
1999A Admin Fund 1189	5,293,421
2004A Financing Fund 39006	-
1999C Construction Fund 1206	-
Total Ending Cash	\$ 49,460,638