
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 23, 2017

Fortress Transportation and Infrastructure Investors LLC

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37386
(Commission
File Number)

32-0434238
(IRS Employer
Identification No.)

1345 Avenue of the Americas, 45th Floor, New York, New York 10105
(Address of Principal Executive Offices) (Zip Code)

(212) 798-6100
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 23, 2017, the Company issued a press release announcing the Company’s results for its fiscal quarter and year ended December 31, 2016. A copy of the Company’s press release is attached to this Current Report on Form 8-K (the “Current Report”) as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

This Current Report, including the exhibit attached hereto, is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly set forth as being incorporated by reference into such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release, dated February 23, 2017, issued by Fortress Transportation and Infrastructure Investors LLC

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS
LLC

By: /s/ Scott Christopher

Name: Scott Christopher

Title: Interim Chief Financial Officer and Chief Accounting Officer

Date: February 24, 2017

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1

Press release, dated February 23, 2017, issued by Fortress Transportation and Infrastructure Investors LLC

**PRESS RELEASE*****FTAI Reports Fourth Quarter and Full Year 2016 Results, Dividend of \$0.33 per Common Share***

NEW YORK, February 23, 2017 – Fortress Transportation and Infrastructure Investors LLC (NYSE:FTAI) (the “Company”) today reported financial results for the quarter and full year ended December 31, 2016. The Company’s consolidated comparative financial statements and key performance measures are attached as an exhibit to this press release.

Financial Overview

(in thousands, except per share data)

Selected Financial Results⁽¹⁾

	Q4'16	FY16
Net Cash Provided by Operating Activities	\$ 15,241	\$ 30,903
Net Loss Attributable to Shareholders	\$ (1,813)	\$ (20,064)
Basic and Diluted Loss per Share	\$ (0.02)	\$ (0.26)
Funds Available for Distribution (“FAD”)	\$ 20,490	\$ 76,785
Adjusted Net Income (Loss)	\$ 3,182	\$ (8,632)
Adjusted Net Income (Loss) per Share	\$ 0.04	\$ (0.11)
Adjusted EBITDA	\$ 22,439	\$ 69,028

(1) For definitions and reconciliations of Non-GAAP measures, please refer to the exhibit to this press release.

For the fourth quarter of 2016, our total FAD was \$20.5 million. This amount includes \$30.92 million from equipment leasing activities, offset by \$(1.17) million and \$(9.27) million from infrastructure and corporate activities, respectively.

Fourth Quarter 2016 Dividend

On February 23, 2017, the Company’s Board of Directors declared a cash dividend on its common stock of \$0.33 per share for the quarter ended December 31, 2016, payable on March 20, 2017 to the holders of record on March 10, 2017.

Dividend Reinvestment Program

The Company also announced that the Company’s Board of Directors approved a dividend reinvestment program which is targeted to be effective for the dividend payable on March 20, 2017.

Additional Information

For additional information that management believes to be useful for investors, please refer to the presentation posted on the Investor Relations section of the Company’s website, www.ftandi.com, and the Company’s Annual Report on Form 10-K, when available on the Company’s website. Nothing on the Company’s website is included or incorporated by reference herein.

Conference Call

The Company will host a conference call on Friday, February 24, 2017 at 8:00 A.M. Eastern Time. The conference call may be accessed by dialing 1-877-447-5636 (from within the U.S.) or 1-615-247-0080 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference “FTAI Fourth Quarter Earnings Call.” A simultaneous webcast of the conference call will be available to the public on a listen-only basis at www.ftandi.com.

Following the call, a replay of the conference call will be available after 12:00 P.M. on Friday, February 24, 2017 through midnight Friday, March 3, 2017 at 1-855-859-2056 (from within the U.S.) or 1-404-537-3406 (from outside of the U.S.), Passcode: 53203907.

About Fortress Transportation and Infrastructure Investors LLC

Fortress Transportation and Infrastructure Investors LLC owns and acquires high quality infrastructure and equipment that is essential for the transportation of goods and people globally. FTAI targets assets that, on a combined basis, generate strong and stable cash flows with the potential for earnings growth and asset appreciation. FTAI is externally managed by an affiliate of Fortress Investment Group LLC, a leading, diversified global investment firm.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to the Company’s expectations with respect to implementation of a dividend reinvestment program. These statements are based on management’s current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond the Company’s control. The Company can give no assurance that its expectations will be attained and such differences may be material. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available on the Company’s website (www.ftandi.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or change in events, conditions or circumstances on which any statement is based. This release shall not constitute an offer to sell or the solicitation of an offer to buy any securities.

For further information, please contact:

Alan Andreini
Investor Relations
Fortress Transportation and Infrastructure Investors LLC
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aandreini@fortress.com

U.S. FEDERAL INCOME TAX IMPLICATIONS OF DIVIDEND

This announcement is intended to be a qualified notice as provided in the Internal Revenue Code (the “Code”) and the Regulations thereunder. For U.S. federal income tax purposes, the dividend declared in February 2017 will be treated as a partnership distribution. The per share distribution components are as follows:

Distribution Components

U.S. Long Term Capital Gain ⁽¹⁾	\$	—
Non-U.S. Long Term Capital Gain	\$	—
U.S. Portfolio Interest Income ⁽²⁾	\$	0.0880
U.S. Dividend Income ⁽³⁾	\$	—
Income Not from U.S. Sources ⁽⁴⁾ / Return of Capital	\$	0.2420
Distribution Per Share	\$	0.3300

- 1) U.S. Long Term Capital Gain realized on the sale of a United States Real Property Holding Corporation. As a result, the gain from the sale will be treated as income that is effectively connected with a U.S. trade or business.
- 2) Eligible for the U.S. portfolio interest exemption for any holder not considered a 10-Percent shareholder under §871(h)(3)(B) of the Code.
- 3) This income is subject to withholding under §1441 of the Code.
- 4) This income is not subject to withholding under §1441 or §1446 of the Code.

It is possible that a common shareholder’s allocable share of FTAI’s taxable income may differ from the distribution amounts reflected above.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollar amounts in thousands, except share and per share data)

	Unaudited		Year Ended December 31,	
	Three Months Ended December 31,	2015	2016	2015
	2016			
Revenues				
Equipment leasing revenues	\$ 29,969	\$ 22,712	\$ 101,949	\$ 92,743
Infrastructure revenues	12,377	11,086	46,771	43,825
Total revenues	42,346	33,798	148,720	136,568
Expenses				
Operating expenses	17,232	18,595	66,169	68,793
General and administrative	3,160	2,663	12,314	7,568
Acquisition and transaction expenses	1,694	1,511	6,316	5,683
Management fees and incentive allocation to affiliate	4,017	4,513	16,742	15,018
Depreciation and amortization	16,916	12,433	60,210	45,308
Interest expense	3,118	5,071	18,957	19,311
Total expenses	46,137	44,786	180,708	161,681
Other (expense) income				
Equity in (losses) earnings of unconsolidated entities	(4,657)	162	(5,992)	(6,956)
Gain on sale of equipment and finance leases, net	2,634	1,382	5,941	3,419
Loss on extinguishment of debt	—	—	(1,579)	—
Asset impairment	—	—	(7,450)	—
Interest income	49	117	136	579
Other income	19	20	602	26
Total other (expense) income	(1,955)	1,681	(8,342)	(2,932)
Loss before income taxes	(5,746)	(9,307)	(40,330)	(28,045)
Provision (benefit) for income taxes	73	(60)	268	586
Net loss	(5,819)	(9,247)	(40,598)	(28,631)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	(4,006)	(4,548)	(20,534)	(16,805)
Net loss attributable to shareholders	\$ (1,813)	\$ (4,699)	\$ (20,064)	\$ (11,826)
Basic and Diluted Loss per Share:				
	\$ (0.02)	\$ (0.06)	\$ (0.26)	\$ (0.18)
Basic	75,750,943	75,718,183	75,738,698	67,039,439
Diluted	75,750,943	75,718,183	75,738,698	67,039,439

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands, except share and per share data)

	December 31,	
	2016	2015
Assets		
Cash and cash equivalents	\$ 68,055	\$ 381,703
Restricted cash	65,441	21,610
Accounts receivable, net	21,358	14,466
Leasing equipment, net	765,455	636,681
Finance leases, net	9,717	82,521
Property, plant, and equipment, net	352,181	299,678
Investments (includes \$17,630 and \$0 available-for-sale securities at fair value as of December 31, 2016 and 2015, respectively)	39,978	10,675
Intangible assets, net	38,954	44,129
Goodwill	116,584	116,584
Other assets	69,589	36,758
Total assets	\$ 1,547,312	\$ 1,644,805
Liabilities		
Accounts payable and accrued liabilities	\$ 38,239	\$ 34,995
Debt, net	259,512	266,221
Maintenance deposits	45,394	30,494
Security deposits	19,947	15,990
Other liabilities	18,540	6,419
Total liabilities	381,632	354,119
Equity		
Common shares (\$0.01 par value per share; 2,000,000,000 shares authorized; 75,750,943 and 75,718,183 shares issued and outstanding as of December 31, 2016 and December 31, 2015, respectively)	758	757
Additional paid in capital	1,084,757	1,184,198
Accumulated deficit	(38,833)	(18,769)
Accumulated other comprehensive income	7,130	97
Shareholders' equity	1,053,812	1,166,283
Non-controlling interest in equity of consolidated subsidiaries	111,868	124,403
Total equity	1,165,680	1,290,686
Total liabilities and equity	\$ 1,547,312	\$ 1,644,805

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in thousands, unless otherwise noted)

	Year Ended December 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$ (40,598)	\$ (28,631)
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in losses of unconsolidated entities	5,992	6,956
Gain on sale of equipment and finance leases, net	(5,941)	(3,419)
Security deposits and maintenance claims included in earnings	(300)	(439)
Loss on extinguishment of debt	1,579	—
Equity-based compensation	(3,672)	4,662
Depreciation and amortization	60,210	45,308
Asset impairment	7,450	—
Change in current and deferred income taxes	(387)	61
Change in fair value of non-hedge derivative	3	14
Amortization of lease intangibles and incentives	5,447	7,016
Amortization of deferred financing costs	2,576	1,469
Operating distributions from unconsolidated entities	30	209
Bad debt expense	158	676
Other	86	(250)
Change in:		
Accounts receivable	(7,980)	(5,940)
Other assets	(8,584)	(5,057)
Accounts payable and accrued liabilities	7,726	3,180
Management fees payable to affiliate	457	(1,168)
Other liabilities	6,651	(1,119)
Net cash provided by operating activities	30,903	23,528
Cash flows from investing activities:		
Change in restricted cash	(2,349)	(526)
Investment in notes receivable	(3,066)	(14,869)
Investment in unconsolidated entities and available for sale securities	(28,784)	—
Principal collections on finance leases	2,513	20,292
Acquisition of leasing equipment	(200,640)	(165,090)
Acquisition of property plant and equipment	(57,371)	(96,028)
Acquisition of lease intangibles	(4,527)	(2,446)
Purchase deposit for aircraft and aircraft engines	(13,681)	—
Proceeds from sale of finance leases	71,000	—
Proceeds from sale of leasing equipment	22,885	13,625
Proceeds from sale of property, plant and equipment	490	893
Proceeds from deposit on sale of engine	250	500
Return of deposit on sale of engine	(250)	—
Return of capital distributions from unconsolidated entities	432	3,728
Net cash used in investing activities	\$ (213,098)	\$ (239,921)

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in thousands, unless otherwise noted)

	Year Ended December 31,	
	2016	2015
Cash flows from financing activities:		
Proceeds from debt	\$ 110,658	\$ 200
Repayment of debt	(160,166)	(23,761)
Payment of other liabilities to non-controlling interest holder	(1,000)	—
Payment of deferred financing costs	(4,246)	(136)
Receipt of security deposits	3,815	2,060
Return of security deposits	(316)	(960)
Receipt of maintenance deposits	14,804	10,149
Release of maintenance deposits	(6,255)	(14,764)
Proceeds from issuance of common shares, net of underwriter's discount	—	354,057
Common shares issuance costs	—	(2,998)
Capital contributions from shareholders	—	295,879
Capital distributions to shareholders	—	(44,917)
Capital contributions from non-controlling interests	11,480	37,826
Capital distributions to non-controlling interests	—	(321)
Settlement of equity-based compensation	(200)	—
Cash dividends	(100,027)	(36,343)
Net cash (used in) provided by financing activities	\$ (131,453)	\$ 575,971
Net (decrease) increase in cash and cash equivalents	(313,648)	359,578
Cash and cash equivalents, beginning of period	381,703	22,125
Cash and cash equivalents, end of period	\$ 68,055	\$ 381,703
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of capitalized interest	13,150	18,566
Cash paid for taxes	654	507
Supplemental disclosure of non-cash investing and financing activities:		
Restricted cash proceeds from borrowings of debt	\$ 44,342	\$ —
Acquisition of leasing equipment	(7,724)	(5,408)
Acquisition of property, plant and equipment	(12,184)	(203)
Financing of property, plant and equipment	5,321	—
Settled and assumed security deposits	758	2,388
Billed, assumed and settled maintenance deposits	6,350	(1,146)
Deferred financing costs	(2,884)	—
Non-cash contribution of non-controlling interest	641	—
Common share issuance costs	—	(1,908)
Equity compensation to non-controlling interest	(3,872)	4,638
Change in fair value of cash flow hedge	—	(117)

Key Performance Measures

The Chief Operating Decision Maker utilizes Adjusted Net Income and Adjusted EBITDA as performance measures.

Adjusted Net Income is our key performance measure and provides the CODM with the information necessary to assess operational performance, as well as make resource and allocation decisions. Adjusted Net Income is defined as net income attributable to shareholders, adjusted (a) to exclude the impact of provision for income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, and equity in earnings of unconsolidated entities, (b) to include the impact of cash income tax payments, and our pro-rata share of the Adjusted Net Income from unconsolidated entities, and (c) to exclude the impact of the non-controlling share of Adjusted Net Income. We evaluate investment performance for each reportable segment primarily based on Adjusted Net Income. We believe that net income attributable to shareholders, as defined by GAAP, is the most comparable earnings measurement with which to reconcile Adjusted Net Income.

The following table presents our consolidated reconciliation of net loss attributable to shareholders to Adjusted Net Income (Loss) for the three months and year ended December 31, 2016 and December 31, 2015:

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<i>(in thousands)</i>				
Net loss attributable to shareholders	\$ (1,813)	\$ (4,699)	\$ (20,064)	\$ (11,826)
Add: Provision for income taxes	73	(60)	268	586
Add: Equity-based compensation expense (income)	146	968	(3,672)	4,662
Add: Acquisition and transaction expenses	1,694	1,511	6,316	5,683
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	1,579	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	3	14
Add: Asset impairment charges	—	—	7,450	—
Add: Pro-rata share of Adjusted Net (Loss) Income from unconsolidated entities ⁽¹⁾	(1,461)	162	(2,905)	3,552
Add: Incentive allocations	—	—	—	—
Less: Cash payments for income taxes	(60)	—	(654)	(507)
Less: Equity in losses of unconsolidated entities	4,657	(162)	5,992	6,956
Less: Non-controlling share of Adjusted Net Income ⁽²⁾	(54)	(283)	(2,945)	(1,333)
Adjusted Net Income (Loss)	\$ 3,182	\$ (2,563)	\$ (8,632)	\$ 7,787

(1) Pro-rata share of Adjusted Net Income from unconsolidated entities for the three months ended December 31, 2016 and 2015 includes the Company's proportionate share of the unconsolidated entities' net income adjusted for \$3,068 and \$0 of asset impairment charges, respectively. Pro-rata share of Adjusted Net Income from unconsolidated entities for the year ended December 31, 2016 and 2015 includes the Company's proportionate share of the unconsolidated entities' net income adjusted for \$3,068 and \$10,508 of asset impairment charges, respectively.

(2) Non-controlling share of Adjusted Net Income (Loss) is comprised of the following for the three months ended December 31, 2016 and 2015: (i) equity-based compensation of \$47 and \$288 and (ii) provision for income tax of \$7 and \$(5), respectively. Non-controlling share of Adjusted Net Income (Loss) is comprised of the following for the year ended December 31, 2016 and 2015: (i) equity-based compensation of \$(1,561) and \$1,387, (ii) provision for income tax of \$29 and \$16, (iii) loss on extinguishment of debt of \$616 and \$0, (iv) asset impairment charges of \$3,725 and \$0, (v) transaction and acquisition expense of \$156 and \$0, less (vi) cash tax payments of \$20 and \$70, respectively.

We view Adjusted EBITDA as a secondary measurement to Adjusted Net Income, which we believe serves as a useful supplement to investors, analysts and management to measure economic performance of deployed revenue generating assets between periods on a consistent basis, and which we believe measures our financial performance and helps identify operational factors that management can impact in the short-term, namely our cost structure and expenses. Adjusted EBITDA may not be comparable to similarly titled measures of other companies because other entities may not calculate Adjusted EBITDA in the same manner.

Adjusted EBITDA is defined as net income attributable to shareholders, adjusted (a) to exclude the impact of provision for income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

The following table sets forth a reconciliation of net income attributable to shareholders to Adjusted EBITDA for the three months and year ended December 31, 2016 and December 31, 2015:

(in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Net loss attributable to shareholders	\$ (1,813)	\$ (4,699)	\$ (20,064)	\$ (11,826)
Add: Provision for income taxes	73	(60)	268	586
Add: Equity-based compensation expense (income)	146	968	(3,672)	4,662
Add: Acquisition and transaction expenses	1,694	1,511	6,316	5,683
Add: Losses on the modification or extinguishment of debt and capital lease obligations	—	—	1,579	—
Add: Changes in fair value of non-hedge derivative instruments	—	—	3	14
Add: Asset impairment charges	—	—	7,450	—
Add: Incentive allocations	—	—	—	—
Add: Depreciation & amortization expense ⁽³⁾	17,580	14,069	65,656	52,324
Add: Interest expense	3,118	5,071	18,957	19,311
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽⁴⁾	(677)	1,425	1,196	6,987
Less: Equity in losses (earnings) of unconsolidated entities	4,657	(162)	5,992	6,956
Less: Non-controlling share of Adjusted EBITDA ⁽⁵⁾	(2,339)	(3,034)	(14,653)	(12,075)
Adjusted EBITDA (non-GAAP)	<u>\$ 22,439</u>	<u>\$ 15,089</u>	<u>\$ 69,028</u>	<u>\$ 72,622</u>

(3) Depreciation and amortization expense includes \$16,916 and \$12,433 of depreciation and amortization expense, \$422 and \$1,576 of lease intangible amortization, and \$242 and \$60 of amortization for lease incentives in the three months ended December 31, 2016 and 2015, respectively. Depreciation and amortization expense includes \$60,210 and \$45,308 of depreciation and amortization expense, \$4,979 and \$6,774 of lease intangible amortization, and \$467 and \$242 of amortization for lease incentives in the year ended December 31, 2016 and 2015, respectively.

(4) Pro-rata share of Adjusted EBITDA from unconsolidated entities includes the following items for the three months ended December 31, 2016 and 2015: (i) net income (loss) of \$(4,686) and \$113, (ii) interest expense of \$391 and \$356, (iii) depreciation and amortization expense of \$550 and \$956, (iv) asset impairment charges of \$3,068 and \$0, respectively. Pro-rata share of Adjusted EBITDA from unconsolidated entities includes the following items for the year ended December 31, 2016 and 2015: (i) net income (loss) of \$(6,161) and \$(7,165), (ii) interest expense of \$1,323 and \$1,778, (iii) depreciation and amortization expense of \$2,966 and \$1,866, and (iv) asset impairment charges of \$3,068 and \$10,508, respectively.

(5) Non-controlling share of Adjusted EBITDA is comprised of the following items for the three months ended December 31, 2016 and 2015: (i) equity based compensation of \$47 and \$288, (ii) provision for income taxes of \$7 and \$(5), (iii) interest expense of \$630 and \$1,296, and (iv) depreciation and amortization expense of \$1,655 and \$1,455, respectively. Non-controlling share of Adjusted EBITDA is comprised of the following items for the year ended December 31, 2016 and 2015: (i) equity based compensation of \$(1,561) and \$1,387, (ii) provision for income taxes of \$29 and \$16, (iii) interest expense of \$5,124 and \$4,926, (iv) depreciation and amortization expense of \$6,564 and \$5,746, (v) loss on extinguishment of debt of \$616 and \$0, (vi) asset impairment charge of \$3,725 and \$0, and (vii) transaction and acquisition expense of \$156 and \$0, respectively.

We use Funds Available for Distribution (“FAD”) in evaluating our ability to meet our stated dividend policy. FAD is not a financial measure in accordance with GAAP. The GAAP measure most directly comparable to FAD is net cash provided by operating activities. We believe FAD is a useful metric for investors and analysts for similar purposes.

We define FAD as: net cash provided by operating activities plus principal collections on finance leases, proceeds from sale of assets, and return of capital distributions from unconsolidated entities, less required payments on debt obligations and capital distributions to non-controlling interest, and excluding changes in working capital.

The following table sets forth a reconciliation of Cash from Operating Activities to FAD for the year ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
<i>(in thousands)</i>		
Net Cash Provided by Operating Activities	\$ 30,903	\$ 23,528
Add: Principal Collections on Finance Leases	2,513	20,292
Add: Proceeds from sale of assets ⁽¹⁾	94,875	14,518
Add: Return of Capital Distributions from Unconsolidated Entities	432	3,728
Less: Required Payments on Debt Obligations ⁽²⁾	(53,668)	(23,761)
Less: Capital Distributions to Non-Controlling Interest	—	(321)
Exclude: Changes in Working Capital	1,730	10,104
Funds Available for Distribution (FAD)	\$ 76,785	\$ 48,088

(1) Proceeds from sale of assets includes \$500 received in December 2015 for a deposit on the sale of a commercial jet engine, which was completed in the year ended December 31, 2016.

(2) Required payments on debt obligations excludes \$98,750 repayment upon the termination of the Jefferson Terminal Credit Agreement and \$7,748 repayment under the CMQR Credit Agreement in the year ended December 31, 2016, which were voluntary refinancing, as repayment of these amounts were not required at this time.

The following tables set forth a reconciliation of Cash from Operating Activities to FAD for the three months and year ended December 31, 2016:

	Three Months Ended December 31, 2016			
	Equipment Leasing	Infrastructure	Corporate	Total
<i>(in thousands)</i>				
Funds Available for Distribution (FAD)	\$ 30,924	\$ (1,165)	\$ (9,269)	\$ 20,490
Less: Principal Collections on Finance Leases				(107)
Less: Proceeds from sale of assets				(7,345)
Less: Return of Capital Distributions from Unconsolidated Entities				—
Add: Required Payments on Debt Obligations				1,563
Add: Capital Distributions to Non-Controlling Interest				—
Include: Changes in Working Capital				640
Cash from Operating Activities				\$ 15,241

	Year Ended December 31, 2016			
	Equipment Leasing	Infrastructure	Corporate	Total
<i>(in thousands)</i>				
Funds Available for Distribution (FAD)	\$ 132,014	\$ (19,164)	\$ (36,065)	\$ 76,785
Less: Principal Collections on Finance Leases				(2,513)
Less: Proceeds from sale of assets				(94,875)
Less: Return of Capital Distributions from Unconsolidated Entities				(432)
Add: Required Payments on Debt Obligations				53,668
Add: Capital Distributions to Non-Controlling Interest				—
Include: Changes in Working Capital				(1,730)
Cash from Operating Activities				\$ 30,903

FAD is subject to a number of limitations and assumptions and there can be no assurance that the Company will generate FAD sufficient to meet its intended dividends. FAD has material limitations as a liquidity measure of the Company because such measure excludes items that are required elements of the Company's net cash provided by operating activities as described below. FAD should not be considered in isolation nor as a substitute for analysis of the Company's results of operations under GAAP, and it is not the only metric that should be considered in evaluating the Company's ability to meet its stated dividend policy. Specifically:

- FAD does not include equity capital called from the Company's existing limited partners, proceeds from any debt issuance or future equity offering, historical cash and cash equivalents and expected investments in the Company's operations.
- FAD does not give pro forma effect to prior acquisitions, certain of which cannot be quantified.
- While FAD reflects the cash inflows from sale of certain assets, FAD does not reflect the cash outflows to acquire assets as the Company relies on alternative sources of liquidity to fund such purchases.
- FAD does not reflect expenditures related to capital expenditures, acquisitions and other investments as the Company has multiple sources of liquidity and intends to fund these expenditures with future incurrences of indebtedness, additional capital contributions and/or future issuances of equity.
- FAD does not reflect any maintenance capital expenditures necessary to maintain the same level of cash generation from our capital investments.
- FAD does not reflect changes in working capital balances as management believes that changes in working capital are primarily driven by short term timing differences, which are not meaningful to the Company's distribution decisions.
- Management has significant discretion to make distributions, and the Company is not bound by any contractual provision that requires it to use cash for distributions.

If such factors were included in FAD, there can be no assurance that the results would be consistent with the Company's presentation of FAD.