



**California High-Speed Rail:
Financial Reports Executive Summary**

October 2017

Executive Summary for October 2017

Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Oct-16	Sep-17	Oct-17
Total Aged Invoices	\$0	\$0	\$0
Forecast Balance Pending FRA Approval	\$0	\$0	\$0
Number of Invoices Paid	**	291	328
Value of Invoices Paid	**	\$70.2	\$65.8
Number of In-Process Invoices	**	321	201
Value of In-Process Invoices	**	\$116.4	\$69.3

- ▶ The Authority had 328 paid invoices with a value of \$65.8M for Oct-17. This a 12.7% increase from the 291 invoices paid in the prior month; however, the value of invoices paid decreased 6.3% or \$4.4M from Sep-17.
- ▶ There were 201 in-process invoices with a value of \$69.3M for Oct-17. The number of in-process invoices decreased by 37.4% from the prior month's 321 in-process invoices, and the value decreased 40.4% from the \$116.4M in Sep-17. The month-over-month change is primarily due to invoices being received past the reporting cut-off date in Sept-17.

Issue: There is one aged invoice, with a value of \$1,339 for Oct-17. Total Aged Invoices in the table above displays zero due to the low value of the invoice. Additionally, the penalty amount for the invoice was below the threshold of \$100, so no penalty payment was required.

Note: ** Information for prior year Oct-16 is in Calstars and unavailable since the Authority transitioned to FISCAL in Sep-16 (Nov-16 reports).

Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Oct-16	Sep-17	Oct-17
Prop IA Bond Fund Ending Cash Balance	\$8.0	\$1,225.2	\$1,205.0
Cap and Trade Ending Cash Balance	\$675.0	\$541.0	\$762.6

- ▶ Cap and Trade funds are generally used for program priorities such as financial advisors, federal contracts, and other projects (e.g. San Mateo Grade Separation and Caltrain project).
- ▶ Prop IA funds are generally used for program priorities including administration, Project Development (environmental studies, planning, and preliminary engineering), Construction activities (civil works and ROW), and Local Assistance (Bookend projects).
- ▶ Bond sales are conducted twice per year by the State Treasurer's Office (STO) in the spring and fall.
- ▶ During FY2016-17, Prop IA Bond proceeds totaled \$1.323B and Cap and Trade auction proceeds totaled \$223M.

Note: The Aug-17 Cap and Trade auction resulted in approximately \$642M in revenue. In Sep-17, AB109 was enacted. This bill appropriated \$80M of Cap and Trade funds to various programs throughout the state, which effectively reduced the available proceeds to \$562M. The Authority will receive 25% or approximately \$141M of the proceeds.

Executive Summary for October 2017

Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Oct-16	Sep-17	Oct-17
Monthly Expenditures	\$2.5	\$2.9	\$2.9
Percentage of Budget Expended YTD	12.1%	6.5%	13.2%
Percentage of Personal Services Budget Expended YTD	14.0%	7.5%	15.3%
Percentage of Operating Expenses and Equipment Expended YTD	6.5%	3.7%	7.3%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%
Total Authorized Positions	226	226	226
Total Filled Positions	189	185.5	189.5
Vacancy Rate	16.4%	18.1%	16.2%

- ▶ At 16.7% of the FY2017-18 completed, 13.2% or \$5.8M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 12.1% or \$5.1M for YTD Oct-16.
- ▶ Monthly expenditures for Oct-17 were \$2.9M, an increase of \$369K over prior year Oct-16 (\$2.5M) and a minimal change from prior month.
- ▶ The percentage of Personal Services Budget expended YTD is 15.3% Oct-17, a 1.3% increase from the 14.0% for the prior year (Oct-16). There was also a 3.2% or \$78.5K increase in spending from the prior month due to filling vacant positions and a lump sum payout of \$143K for accrued leave balance.
- ▶ The Authority's vacancy rate of 16.2% is the primary driver for the underutilization of the Administrative Budget. Comparatively, the Authority's vacancy rate is slightly higher than the statewide average of 14.2% (statewide average rate as of September 18, 2017), but decreased by 1.9% month-over-month from Sep-17.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD is 7.3% for Oct-17, a 0.8% increase from the 6.5% spent in Oct-16.

Issue: Total Filled Positions in prior month's report (Sep-17) should have reflected an additional .5 position, for a total of 185.5 positions.

Executive Summary for October 2017

Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Oct-16	Sep-17	Oct-17
Budget (Fiscal Year)	\$1,718	\$1,639	\$1,639
Monthly Expenditures	\$132.6	\$98.5	\$70.7
Percentage of Budget Expended Year to Date	12.3%	6.0%	10.3%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%

- ▶ The FY2017-18 budget of \$1.639B is based on a prioritization of executed contracts necessary for Central Valley Segment development and construction, Valley-to-Valley planning, and Local Assistance (Bookend) project construction. In addition, the FY2017-18 budget prioritizes work related to Phase I ROD completion and work required to meet ARRA/FY10 grant requirements.
- ▶ Capital Outlay expenditures for Oct-17 were \$70.7M and were comprised of: Project Development (\$15.1M), Right-of-Way (\$12.7M), Design-Build Contract Work (\$23.5M), Rail Delivery Partner costs (\$10.6M), and other expenses (\$8.8M).

Issue: The year-over-year decrease in spending is mostly due to lower expenditures in ROW.

Total Project Expenditures with Forecasts

State Match to ARRA	
FY2010-FY2013	\$ 102,100,000
FY2014-FY2015	\$ 171,286,474
FY2015-FY2016	\$ 6,411,319
FY2016-FY2017	\$ 13,291,394
TOTAL (to date)	\$ 293,089,188

State Match Liability			
Fund Type	Total Obligation	Spend To Date	Remaining Balance
Federal Funds			
ARRA	\$ 2,552,556,231	\$ 2,552,556,231	\$ -
FY10	\$ 928,620,000	\$ -	\$ 928,620,000
Federal Funds Total	\$ 3,481,178,131	\$ 2,552,556,231	\$ 928,620,000
State and Local Funds			
ARRA State Match			
Tapered Federal Funds	\$ 2,453,671,231	\$ 293,089,188	\$ 2,160,582,043
FY10 State Match	\$ 359,805,000	\$ -	\$ 359,805,000
Local	\$ 52,100,000	\$ -	\$ 52,100,000
State Funds Total	\$ 2,865,576,231	\$ 293,089,188	\$ 2,572,487,043
Total	\$ 6,346,752,462	\$ 2,845,645,419	\$ 3,501,107,043

- ▶ Total Program Expenditures to date since inception are \$3.762B, comprised of \$176.6M for Administration and \$3.585B for Project Development and Construction.
- ▶ The State Match to ARRA spend to date reflects FRA accepted match eligible expenditures through August 31, 2017. As of September 5, 2017 State Match to ARRA totals \$468.5M.

Executive Summary for October 2017

Contracts and Expenditures Report

(\$ in billions)	Prior Year	Current Year	Current Year
	Oct-16	Sep-17	Oct-17
Number of Contracts and Purchase Orders	302	393	393
Total Value of Contracts and Purchase Orders	\$4.922	\$5.563	\$5.585
Small Business Utilization Rate	16.5%	20.3%	20.8%

- As of August 31, 2017, the Authority has 393 active contracts/purchase orders (POs) with a total value of over \$5.585B. This is an increase of 91 net new contracts/POs and \$663.4M from last year's total of 302 contracts/POs and \$4.922B. The Authority had no net change in the number of contracts/POs from the prior month; however, the total value of net contracts/POs increased by \$22.2M (from \$5.563B to \$5.585B).
- The Authority has a small business utilization goal of 30% per the Small and Disadvantaged Business Enterprise Policy from Aug-12. All subsequent eligible contracts and amendments include the small business goal. Exempt contracts, such as third party utilities, interagency agreements, and governmental entities are excluded. The percentage represents the total dollar amount that went to small businesses by vendor divided by the total invoices. Small business utilization percentages reflect invoices received and verified to date.
- The Small Business Utilization Rate was 16.2% in Feb-15, which was the start of Small Business Utilization Rate reporting.
- The Small Business Utilization Rate increased 0.5% from the Sep-17 (20.3%) and Oct-17 (20.8%) reports.

Note: Over time, the Small Business Utilization rate is expected to increase as construction activity progresses.

Projects & Initiatives Report

Escalated Items

Time Line		Prior Year	Current Year	Current Year
		Oct-16	Sep-17	Oct-17
Satisfactory	■	10	6	6
Caution	◆	13	7	6
Escalate	●	3	14	14
On hold	★	1	4	4
Completed	▲ ▼	0	9	1
n/a – Milestones TBD		5	5	5
Total		32	45	36

- Northern CA Region San Francisco to San Jose
- Northern CA Region San Jose to Merced
- Central Region Central Valley Wye (CVY)
- Locally Generated Alternative (F-B)
- Southern CA Region Bakersfield to Palmdale
- Southern CA Region Palmdale to Burbank
- Southern CA Region Burbank to Los Angeles
- Southern CA Region Los Angeles to Anaheim
- Administrative Records System (ARS) (kCura)
- PMIS – Contract Management System
- PMIS – Cost Management System
- PMIS – Enterprise Document Management System (EDMS) – Records Center
- PMIS – Risk Management System
- PMIS – Schedule Management System

- Nine projects previously marked Complete have been taken off the report since the closeout reports have been accepted by the Authority. Those include the Compliance Verification Plan, Master Quality Plan, Resource Management Plan, Work Plan Standards Guide, Integrated Train Planning System Options Assessment Document, Aesthetics Guidelines, Configuration Management Plan, Program Interface Management Plan, and Records Management and Documentation Control Plan.
- Asset Management System – Maximo has been changed from Escalate to Completed, Administrative Records System (ARS) has been changed from Caution to Escalate status, RDP Work Plan 3 has been changed from Hold to Satisfactory status, and Organization and Management Plan has been changed from Satisfactory to Hold status, all other items remain unchanged.