



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

November 2017

Executive Summary for November 2017

Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Nov-16	Oct-17	Nov-17
Total Aged Invoices	\$0	\$0	\$0
Forecast Balance Pending FRA Approval	\$0	\$0	\$0
Number of Invoices Paid	149	328	338
Value of Invoices Paid	\$83.6	\$65.8	\$63.9
Number of In-Process Invoices	176	201	186
Value of In-Process Invoices	\$57.9	\$69.3	\$81.4

- ▶ The Authority had 338 paid invoices with a value of \$63.9M for Nov-17. This is a 3% increase from the 328 invoices paid in the prior month; however, the value of invoices paid decreased 2.9% or \$1.9M from Oct-17.
- ▶ There were 186 in-process invoices with a value of \$81.4M for Nov-17. The number of in-process invoices decreased by 7.5% from the prior month's 201 in-process invoices, but the value increased 17.5% from the \$69.3M in Oct-17.
- ▶ Year-over-year the total number invoices paid and in-process during the reporting period has increased by 199 or 61%. The value of invoices has also increased by \$3.8M or 2.6% of the prior year.

Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Nov-16	Oct-17	Nov-17
Prop IA Bond Fund Ending Cash Balance	\$15.0	\$1,205.0	\$1,108.0
Cap and Trade Ending Cash Balance	\$629.0	\$762.6	\$949.9

- ▶ 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 State Treasurer completed the General Obligation bond sale for the Fall. Proceeds are expected to be received within 30 days. The sale resulted in \$300M for the Authority which consists of: \$9.6M for Administration, \$216M for Construction and \$74M for Local Projects.

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Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Nov-16	Oct-17	Nov-17
Monthly Expenditures	\$2.6	\$2.9	\$2.8
Percentage of Budget Expended YTD	18.1%	13.2%	19.6%
Percentage of Personal Services Budget Expended YTD	20.8%	15.3%	22.7%
Percentage of Operating Expenses and Equipment Expended YTD	10.1%	7.3%	11.0%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%
Total Authorized Positions	226	226	226
Total Filled Positions	189	189.5	192.5
Vacancy Rate	16.4%	16.2%	14.8%

- ▶ At 25.0% of the FY2017-18 completed, 19.6% or \$8.6M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 18.1% or \$7.6M for YTD Oct-16.
- ▶ Monthly expenditures for Nov-17 were \$2.8M, an increase of \$263K over prior year Oct-16 (\$2.6M) and a minimal change from prior month.
- ▶ The percentage of Personal Services Budget expended YTD for Nov-17 is 22.7%, a 1.9% increase from the 18.1% for the prior year (Nov-16). Month-over-Month Personal Services Expenditures decreased 4.5% or \$113K, primarily due to a lump sum payout issued in the prior month.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD is 11.0% for Nov-17, a 0.9% increase from the 10.1% spent in Nov-16.

Issue: The Authority's vacancy rate of 14.8% 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 1.2% month-over-month from Oct-17.

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Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Nov-16	Current Year Oct-17	Current Year Nov-17
Budget (Fiscal Year)	\$1,718	\$1,639	\$1,647
Monthly Expenditures	\$107.4	\$70.7	\$93.7
Percentage of Budget Expended Year to Date	18.5%	10.3%	16%
Percentage of Fiscal Year Completed	25%	16.7%	25%

- ▶ As a result of Board Resolution 17-17, the FY2017-18 Prop IA budget was increased by \$8.3M, bringing the total FY2017-18 budget from \$1.639B to \$1.647B.
- ▶ The FY2017-18 budget of \$1.647B supports activities reflected within the 2016 Business Plan and is based on a prioritization of executed contracts necessary for Central Valley development and construction, Silicon Valley to Central Valley segment planning, and Bookend Corridor project construction. In addition, the FY2017-18 Budget prioritizes work related to completing Phase I Record of Decision and activities within the scope of the ARRA and FY10 grants.
- ▶ Capital Outlay expenditures for Nov-17 were \$93.7M and were comprised of: Project Development (\$10M), Right-of-Way (\$11.9M), Design-Build Contract Work (\$43M), Rail Delivery Partner costs (\$6.3M), and other expenses (\$22.5M).

Note: The Total Program Budget reflects a \$322K increase to the San Francisco - San Jose section, a \$9.7M increase to the San Jose - Merced section, and an offsetting decrease of \$10M to Resource Agency in accordance with Board Resolution 17-17.

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 \$3.858B, comprised of \$179.4M for Administration and \$3.679B for Project Development and Construction.
- ▶ The State match to ARRA spend to date includes invoices submitted through Sep-2017 (Draw package 17-018). Once the Authority and FRA finalize the new process for State match submittals, the State match to ARRA spend to date will reflect the most current expenditure amount. As of October 3, 2017, State match to ARRA has increased to \$557.5M (including invoices in-process and Work-In-Progress).

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Contracts and Expenditures Report

(\$ in billions)







	Prior Year Nov-16	Current Year Oct-17	Current Year Nov-17
Number of Contracts and Purchase Orders	288	393	411
Total Value of Contracts and Purchase Orders	\$4.937	\$5.585	\$5.595
Small Business Utilization Rate	17.2%	20.8%	21%

- As of September 30, 2017, the Authority has 410 active contracts/purchase orders (POs) with a total value of over \$5.595B. This is an increase of 122 net new contracts/POs and \$658M from last year's total of 288 contracts/POs and \$4.937B. The Authority also had an increase of 17 contracts/POs compared to the 393 reported in the prior month (Oct-17). The total value of net contracts/POs increased by \$9.4M (from \$5.585B to \$5.595B).
- 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 0.2% from the Oct-17 (20.8%) and Nov-17 (21.0%) 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 Nov-16	Current Year Oct-17	Current Year Nov-17
Satisfactory 	10	6	14
Caution 	13	6	6
Escalate 	3	14	6
On hold 	1	4	4
Completed  	0	1	1
n/a – Milestones TBD	5	5	5
Total	32	36	36

- 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

- Project Development schedule dates to ROD have been rebaselined. As a result of the change, eight Projects have been moved from Escalate to Satisfactory. The eight projects include: 1) Northern CA Region San Francisco to San Jose, 2) Northern CA Region San Jose to Merced, 3) Central region Central Valley Wye (CVY), 4) Locally Generated Alternative (F-B), 5) Southern CA Region Bakersfield to Palmdale, 6) Southern CA Region Palmdale to Burbank, 7) Southern CA Region Burbank to Los Angeles, and 8) Southern CA Region Los Angeles to Anaheim.