



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

February 2018

Executive Summary for February 2018

Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Feb 17	Jan 18	Feb 18
Total Aged Invoices	\$0	\$0	\$0
Forecast Balance Pending FRA Approval	\$0	\$0	\$0
Number of Invoices Paid	465	302	225
Value of Invoices Paid	\$164.3	\$126.1	\$120.2
Number of In-Process Invoices	183	183	203
Value of In-Process Invoices	\$54.2	\$49.0	\$65.6
Value of Invoice Disputes	\$13.3	\$16.3	\$16.3

- ▶ The Authority had 225 paid invoices with a value of \$120.2M for the Feb-18 reporting cycle. This is a 25.5% decrease from the 302 paid invoices in the prior month; the value of invoices paid decreased 4.7% or \$5.9M from Jan-18.
- ▶ There were 203 in-process invoices with a value of \$65.6M for the Feb-18 reporting cycle. This is a 10.9% increase from the prior month; the value increased by 33.9% from Jan-18.
- ▶ Year-over-year the total number invoices paid and in-process during the reporting period has decreased by 220 invoices or 34.0%. The value of invoices has also decreased by \$32.7M or 15.0% from the prior year.
- ▶ A table has been added to the Accounts Payable Aging Report to show invoice dispute summary totals by category.

Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Feb 17	Jan 18	Feb 18
Prop IA Bond Fund Ending Cash Balance	\$91.6	\$1,207.1	\$1,094.1
Cap and Trade Ending Cash Balance	\$649.6	\$943.1	\$1,156.6

- ▶ 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). Cap and Trade auctions occur four times per year and cash becomes available generally within one month.
- ▶ 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; cash becomes available generally within one month.

Note: The Nov-17 Cap and Trade auction was conducted on November 14, 2017 and resulted in the highest quarterly proceeds to date. The Authority's Cap and Trade share of auction proceeds was \$215.7M. The next Cap and Trade auction is scheduled to be conducted in February 2018.

Executive Summary for February 2018

Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Feb 17	Jan 18	Feb 18
Monthly Expenditures	\$2.8	\$3.1	\$2.8
Percentage of Budget Expended YTD	38.2%	33.2%	39.4%
Percentage of Personal Services Budget Expended YTD	42.3%	37.9%	45.2%
Percentage of Operating Expenses and Equipment Expended YTD	26.4%	20.5%	23.6%
Percentage of Fiscal Year Completed	50.0%	41.7%	50.0%
Total Authorized Positions	226	226	226
Total Filled Positions	190.5	188	188
Vacancy Rate	15.7%	16.8%	16.8%

- ▶ At 50.0% of FY2017-18 completed, 39.4% or \$17.3M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 38.2% or \$16.1M for YTD Feb-17, an increase in budget utilization of 1.2% Year-over-Year.
- ▶ Monthly expenditures for Feb-18 were \$2.8M, a decrease of \$29.0K over prior year's Feb-17 \$2.8M total, and a \$346.0K decrease from prior month.
- ▶ The percentage of Personal Services Budget expended YTD for Feb-18 is 45.2%, a 2.9% increase from the 42.3% for the prior year Feb-17.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD is 23.6% for Feb-18, a 2.8% decrease from the 26.4% spent in Feb-17.
- ▶ Authority's vacancy rate of 16.8% is higher than the statewide average of 16.1% (statewide average rate as of December 29, 2017) and no change month-over-month from the Jan-18 report.

Note: In January 2018, the Board of Directors announced the appointment of Brian P. Kelly as the new Executive Director/CEO for the Authority. Pam Mizukami and Joe Hedges were appointed to Chief Deputy Director and Chief Operating Officer, respectively. All appointees have effective start dates in February 2018.

Issue: The Authority's low Operating Expenses and Equipment spend (23.6% YTD) and vacancy rate (16.8%) are the primary drivers for the underutilization of the Administrative Budget.

Executive Summary for February 2018

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Feb 17	Current Year Jan 18	Current Year Feb 18
Budget (Fiscal Year)	\$1,768	\$1,648	\$1,648
Monthly Expenditures	\$136.4	\$105.0	\$172.2
Percentage of Budget Expended Year to Date	35.2%	27.3%	37.7%
Percentage of Fiscal Year Completed	50.0%	41.7%	50.0%

- ▶ The FY2017-18 budget of \$1.648B 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 Feb-18 were \$172.2M and were comprised of: \$9.1M Project Development, \$34.6M for Right-of-Way, \$105.3M for Design-Build Contract Work, \$9.7M for Rail Delivery Partner costs, and \$13.5M for other expenses.

Issue: Expenditures for Bookend Projects, CP 1 (DB contract work 26% of budget spent, Madera Extension 18% of budget spent, and Third Party Contract Work 22% of budget spent) and CP 4 (DB contract work 20% of budget spent) are the main drivers of low expenditures. However, CP2-3 Design-Build and CP4 Real Property Acquisition are overbudget at 104% and 169%, respectively.

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
FY2017-FY2018	\$ 269,661,035
TOTAL (to date)	\$ 562,750,223

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	\$ 3,481,176,231	\$ 2,552,556,231	\$ 928,620,000
State and Local Funds			
State Match to ARRA Grant	\$ 2,453,671,231	\$ 562,750,223	\$ 1,890,921,008
State Match to FY10 Grant	\$ 359,805,000	\$ -	\$ 359,805,000
Local	\$ 52,100,000	\$ -	\$ 52,100,000
State Funds Total	\$ 2,865,576,231	\$ 562,750,223	\$ 2,302,826,008
Total	\$ 6,346,752,462	\$ 3,115,306,454	\$ 3,231,446,008

- ▶ Total Program Expenditures to date since inception are \$4.225B, comprised of \$188.2M for Administration and \$4.037B for Project Development and Construction.
- ▶ The State Match to ARRA and State Match Liability tables reflect only ARRA State Match reported to FRA and reflect invoices reported through December 31, 2017. However, when including invoices received and in process, and Work-in-Progress for invoices not yet received by the Authority, the total matched (as of December 31, 2017) is \$899.9M.

Executive Summary for February 2018

Contracts and Expenditures Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Feb 17	Jan 18	Feb 18
Number of Contracts and Purchase Orders	356	379	409
Total Value of Contracts and Purchase Orders	\$5,128.2	\$5,566.8	\$5,656.5
Small Business Utilization Rate	17.1%	20.4%	20.5%

- ▶ As of December 31, 2017, the Authority had 409 active contracts/purchase orders (POs) with a total value of \$5.657B. The total value of net new contracts/POs increased by 1.6% or \$89.7M from last month.
- ▶ The Authority has a small business utilization goal of 30% per the Small and Disadvantaged Business Enterprise Policy from Aug-12. Most 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 Small Business Utilization Rate is calculated by taking the small business portion of the invoice and divided it by the total value of the invoice. 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 by 0.1% from the Jan-18 (20.4%) to Feb-18 (20.5%) reported utilization rates.

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

Projects & Initiatives Report

Time Line		Prior Year	Current Year	Current Year
		Feb 17	Jan 18	Feb 18
Satisfactory	■	4	12	11
Caution	◆	6	6	6
Escalate	●	11	5	4
On hold	☆	2	6	6
Completed	▲▼	5	2	2
n/a – Milestones TBD		5	5	5
Total		33	36	34

Escalated Items

- 1) Administrative Records System (ARS) (kCura)
- 2) PMIS – Contract Management System
- 3) PMIS – Cost Management System
- 4) PMIS – Enterprise Document Management System (EDMS) – Records Center

- ▶ Two projects have changed to Completed status in the report: (1) PMIS Schedule Management has changed from Escalate to Complete (2) Advanced Mitigation Planning has changed from Satisfactory to Complete. Two projects have been removed from the report: (1) Asset Management System – Maximo (2) PMIS Risk Management System. Both projects are complete and satisfied the two month reporting retention period and will no longer be included on the Projects and Initiatives Report.