



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

April 2018

Executive Summary for April 2018

Accounts Payable Aging Report

| (\$ in millions) | Prior Year | Current Year | Current Year |
|-----------------------------------------------|------------|--------------|--------------|
| | Apr 17 | Mar 18 | Apr 18 |
| Total Aged Invoices | \$0 | \$0 | \$0 |
| Dispute Summary | \$12.0 | \$21.7 | \$21.5 |
| Number of Invoices Paid | 400 | 385 | 335 |
| Value of Invoices Paid | \$110.0 | \$89.4 | \$73.9 |
| Number of In-Process Invoices | 287 | 140 | 131 |
| Value of In-Process Invoices | \$79.8 | \$56.2 | \$54.5 |
| Total Number of Invoices Paid and In Progress | 687 | 525 | 466 |

- ▶ The Authority had 335 paid invoices with a value of \$73.9M for the Apr-18 reporting cycle. This is a 13.0% decrease from the 385 paid invoices in the prior month; the value of invoices paid decreased 17.3% or \$15.5M from the \$89.4M reported in Mar-18.
- ▶ There were 131 in-process invoices with a value of \$54.5M for the Apr-18 reporting cycle. This is a 6.4% decrease from the 140 in-process invoices in the prior month; the value decreased by 3.0% or \$1.7M from the \$56.2M reported in Mar-18.
- ▶ Year-over-Year the total number of invoices paid and in-process during the reporting period has decreased from 687 to 466, a reduction of 221 invoices or 32.2%. The value of invoices has also decreased by \$61.4M or 32.3% reported in the prior year.

Issue: The Authority currently has 249 disputed invoices with a total value of \$21.5M. This is a 1.0% or \$200K decrease from the \$21.7M reported in the prior month.

Cash Management Report

| (\$ in millions) | Prior Year | Current Year | Current Year |
|---------------------------------------|------------|--------------|--------------|
| | Apr 17 | Mar 18 | Apr 18 |
| Prop IA Bond Fund Ending Cash Balance | \$78.7 | \$1,003.3 | \$880.3 |
| Cap and Trade Ending Cash Balance | \$602.0 | \$1,166.3 | \$1,183.9 |

- ▶ 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). 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 Feb-18 Cap and Trade auction was conducted on February 21, 2018. The Authority's share of the auction proceeds is estimated to be \$181.7M (\$56.7M over the quarterly projection of \$125M). The final Authority share of proceeds is subject to foreign exchange and state operations adjustments. The final amount will be updated once the funds become available.

The next Prop IA auction is scheduled to occur in Apr-18 and the Authority included \$526.3M in the latest bond survey submitted to the Department of Finance.

Executive Summary for April 2018

Executive Budget Summary

| (\$ in millions) | Prior Year | Current Year | Current Year |
|-------------------------------------------------------------|------------|--------------|--------------|
| | Apr 17 | Mar 18 | Apr 18 |
| Monthly Expenditures | \$2.7 | \$3.1 | \$2.7 |
| Percentage of Budget Expended YTD | 50.3% | 45.1% | 51.1% |
| Percentage of Personal Services Budget Expended YTD | 56.0% | 50.8% | 57.8% |
| Percentage of Operating Expenses and Equipment Expended YTD | 33.7% | 28.7% | 32.0% |
| Percentage of Fiscal Year Completed | 66.7% | 58.3% | 66.7% |
| | | | |
| Total Authorized Positions | 226 | 226 | 226 |
| Total Filled Positions | 193 | 185 | 192 |
| Vacancy Rate | 14.6% | 18.1% | 15.0% |

- ▶ At 66.7% of FY2017-18 completed, 51.1% or \$23.2M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 50.3% or \$21.5M for YTD Apr-17, an increase in budget utilization of 0.8% Year-over-Year.
- ▶ Monthly expenditures for Apr-18 were \$2.7M, which is equal to the monthly expenditures of \$2.7M in Apr-17, and a \$399.0K decrease from the \$3.1M reported in the prior month.
- ▶ The percentage of Personal Services Budget expended YTD for Apr-18 is 57.8%, a 1.8% increase from the 56.0% for the prior year.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD is 32.0% for Apr-18, a 1.7% decrease from the 33.7% spent in Apr-17.
- ▶ The Authority's vacancy rate of 15.0% (34 vacancies out of 226 authorized positions) decreased 3.1% month-over-month from the 18.1% reported last month and is lower than the statewide average of 18.9% (statewide average rate as of February 28, 2018).

Issue: The Authority's vacancy rate (15.0%) and low Operating Expenses and Equipment spend (32.0% YTD) are the primary drivers for the underutilization of the Administrative Budget.

Executive Summary for April 2018

Capital Outlay Budget Summary

(\$ in millions)

| | Prior Year Apr 17 | Current Year Mar 18 | Current Year Apr 18 |
|--------------------------------------------|----------------------|------------------------|------------------------|
| Budget (Fiscal Year) | \$1,744 | \$1,648 | \$1,648 |
| Monthly Expenditures | \$106.9 | \$74.8 | \$79.6 |
| Percentage of Budget Expended Year to Date | 46.6% | 42.3% | 47.1% |
| Percentage of Fiscal Year Completed | 66.7% | 58.3% | 66.7% |

- ▶ The \$1.648B FY2017-18 budget 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 Apr-18 were \$79.6M and were comprised of: \$7.4M Project Development, \$13.9M for Right-of-Way, \$35.0M for Design-Build Contract Work, \$9.8M for Rail Delivery Partner costs, and \$13.5M for other expenses.

Issue: Bookend Corridor Project (0% of budget spent), CPI (DB contract work 42% of budget spent, Madera Extension 27% of budget spent, and Third Party Contract Work 26% of budget spent), CP2-3(Real Property Acquisition 43% of budget spend) and CP4 (DB contract work 25% of budget spent) are the main drivers of low expenditures for FY2017-18. However, CP2-3 Design-Build and CP4 Real Property Acquisition are overbudget at 114% and 150%, respectively. The total percent of parcels delivered to the DB decreased from 68% to 67% due to the addition of 45 design refinement parcels in CP2-3 in February.

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 | \$ 477,577,069 |
| TOTAL (to date) | \$ 770,666,257 |

| State Match Liability | | | |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Fund Type | Total Obligation | Spend To Date | Remaining Balance |
| Federal Funds | | | |
| ARRA | \$ 2,552,556,231 | \$ 2,552,393,303 | \$ 162,928 |
| FY10 | \$ 928,620,000 | \$ - | \$ 928,620,000 |
| Federal Funds Total | \$ 3,481,176,231 | \$ 2,552,393,303 | \$ 928,782,928 |
| State and Local Funds | | | |
| State Match to ARRA Grant | \$ 2,453,671,231 | \$ 770,666,257 | \$ 1,683,004,974 |
| Local Match to ARRA Grant | \$ 52,100,000 | \$ - | \$ 52,100,000 |
| State Match to FY10 Grant | \$ 359,805,000 | \$ - | \$ 359,805,000 |
| State Funds Total | \$ 2,865,576,231 | \$ 770,666,257 | \$ 2,094,909,974 |
| Total | \$ 6,346,752,462 | \$ 3,323,059,560 | \$ 3,023,692,902 |

- ▶ Total Program Expenditures to date since inception are \$4.386B, comprised of \$194.0M for Administration and \$4.192B for Project Development and Construction.
- ▶ The State Match to ARRA and State Match Liability tables reflect ARRA State Match of \$770.7M reported to FRA as of February 28, 2018. However, when including invoices received and in process, and material Work-in-Progress for invoices not yet received by the Authority, the total matched is \$1.022B as of March 6, 2018.
- ▶ ARRA Spend To Date reflects \$162.9K credits primarily attributed to ROW that have been returned to the FRA and will no longer be available for use by the Authority.
- ▶ The FRA and the Authority are currently working to define a process for Local Match to ARRA reporting. Once completed, this report will reflect the total Local Match to ARRA to date. As of February 28, 2018 Local Match to date totals \$354.4K .

Executive Summary for April 2018

Contracts and Expenditures Report

| (\$ in millions) | Prior Year | Current Year | Current Year |
|----------------------------------------------|------------|--------------|--------------|
| | Apr 17 | Mar 18 | Apr 18 |
| Number of Contracts and Purchase Orders | 389 | 372 | 363 |
| Total Value of Contracts and Purchase Orders | \$5,239.1 | \$5,655.2 | \$5,644.5 |
| Small Business Utilization Rate | 18.8% | 20.5% | 19.7% |

- ▶ As of February 28, 2018, the Authority had 363 active contracts/purchase orders (POs) with a total value of \$5.645B. The total net value of contracts/POs decreased from \$5.655B to \$5.645B, a reduction of \$10.7M 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 decreased by .8% from the Mar-18 (20.5%) to Apr-18 (19.7%) 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 |
|----------------------|----|------------|--------------|--------------|
| | | Apr 17 | Mar 18 | Apr 18 |
| Satisfactory | ■ | 9 | 11 | 12 |
| Caution | ◆ | 18 | 6 | 5 |
| Escalate | ● | 14 | 4 | 2 |
| On hold | ☆ | 3 | 6 | 6 |
| Completed | ▲▼ | 1 | 2 | 1 |
| n/a – Milestones TBD | | 5 | 5 | 6 |
| Total | | 50 | 34 | 32 |

Escalated Items

- 1) PMIS – Contract Management System
- 2) PMIS – Cost Management System

- ▶ Two projects have been removed from the Apr-18 Projects and Initiatives Report as they have been shown as complete for two months. These reports are: (1) PMIS Schedule Management; and (2) Advanced Mitigation Planning.
- ▶ Two projects have changed statuses on this report: (1) Administrative Records System (ARS) (kCura) changed from Escalate to Complete; and (2) Right of Way (ROW) Management System – geoAmps changed from Caution to Satisfactory.
- ▶ PMIS – Enterprise Document Management System (EDMS) – Records Management System was also cancelled because current tools have been deemed adequate at this time. This item is counted as N/A in the above table.