



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

October 2015

Executive Summary for October-2015

Accounts Payable Aging Report

(\$ millions)	Prior Year	Current Year	Current Year
	Oct-2014	Sept-2015	Oct-2015
Total Aged Invoices	\$5.1	\$0	\$0
Forecast Balance Pending FRA Approval	\$4.8	\$0	\$0

- ▶ Total Accounts Payable aging for October-2015 was \$0, same as the previous month. Last year, October-2014 total Accounts Payable aging was \$5.1M. For September-2015 and October-2015, the \$0 aging total was due to the use of Cap and Trade funds, which did not have the reimbursement timing issues of FRA funds.

Issue: The Authority has had two consecutive months with zero balance in aging. It is anticipated that the 1-30 day aging category might have invoices in the future due to FRA reimbursement timing.

Cash Management Report

(\$ millions)	Prior Year	Current Year	Current Year
	Oct-2014	Sept-2015	Oct-2015
Prop IA Bond Fund Ending Cash Balance	\$2	\$41	\$38
Cap and Trade Ending Cash Balance	N/A	\$410	\$443

- ▶ Prop IA cash balance was \$38M for October-2015, compared to \$41M for September-2015.

Issue: The Cap and Trade cash balance was \$410M for September-2015 due to starting Cap and Trade (Greenhouse Gas Reduction Fund, GHGRF) funding. The October-2015 cash balance increased to \$443M due to greenhouse gas allowances auction proceeds which exceeded ROW and construction expenditures. The Cap and Trade cash balance does not reflect funds for expenditures to be processed and reimbursed by FRA.

Executive Summary for October-2015

Executive Budget Summary

	Prior Year	Current Year	Current Year
	Oct-2014	Sept-2015	Oct-2015
Monthly Expenditures (\$ thousands)	\$1,763	\$1,881	\$2,163
Percentage of Budget Expended Year to Date	11.0%	4.7%	10.0%
Total Positions Authorized	174	219	219
Vacancy Rate	15.5%	24.4%	22.1%

- ▶ The Authority has created two new divisions, Audit Division (from the Executive Division) and Regional Directors (from the External Affairs Division), for greater transparency and accountability.
- ▶ 10 new positions were authorized for FY 2015-16: one in Administration, five in Legal, four in Program Management. 35 new positions were authorized in March-2015.
- ▶ Expenditures were \$2.2M for October-2015, compared to \$1.9M the prior month.
 - ▶ Personal services increased from \$1.8M in September-15 to \$1.9M in October-15 due to a reduction in the vacancy rate, from 24.4% in September-15 to 22.1% in October-15.
 - ▶ Operating Expenses and Equipment increased from \$70k in September-15 to \$307k in October-15 as the Authority received and paid vendor invoices for activities for the first two months of FY 2015-16.
- ▶ Percentage of Total Budget Expended Year To Date was 10% for October-2015, compared to 11% for prior year October-2014 Year To Date due to position vacancies:
 - ▶ October-2014 vacancy rate was 15.5% (27 vacant positions out of 174 total positions)
 - ▶ September-2015 vacancy rate was 24.4% (53.5 vacant positions out of 219 total positions)
 - ▶ October-2015 vacancy rate was 22.1% (48.5 vacant positions out of 219 total positions)

Issue: The Administrative budget for FY 2015-16 is \$40.3M, a 27.5% increase above the \$31.6M budget for FY 2014-15. 94% of the increase is due to Personal Services.

Executive Summary for October-2015

Capital Outlay Budget Summary

	Prior Year	Current Year	Current Year
	Oct-2014	Sept-2015	Oct-2015
Total Monthly Expenditures (\$ millions)	\$52.1	\$0.0	\$74.1
Percentage of Budget Expended Year to Date	4.9%	0.0%	4.2%

- ▶ October-2015 Construction Expenditure totals are due mostly to Right of Way (ROW) acquisition (\$18M) and Design-Build Contract work (\$52M).
- ▶ No expenditures were available for the September-2015 report since invoices for the month (month one of the new fiscal year) had not yet been received. Vendors did not submit invoices by the cutoff date. As a result, reported expenditures were reported at zero.

Issue: New Capital Outlay budget for FY 2015-16 is \$1.7B , compared to the \$479M budget for FY 2014-15. The increase is due to Right of Way acquisition and construction activities. The \$1.7B budget is a placeholder. The program will rebaseline the budget in the coming months.

Total Project Expenditures with Forecasts

Program Total by Fund Type ¹	2006-2015
State Funds ³	\$705
Federal Funds ⁴	\$647
TOTAL	\$1,352

(\$ millions)

State Match to ARRA ^{1, 2}	
FY2010 - FY2013 ⁵	\$102
FY2014 - FY2015	\$261
TOTAL (to date) ⁶	\$364

(\$ millions)

State Match Liability	
Federal Funds	\$647
State Match to ARRA	\$364
Unmatched Federal Funds	\$284

(\$ millions)

- ▶ ¹ Prop 1A, Public Transportation Account (PTA), and State Highway funds 1996-2009; ² Federal funds since FY 2010-11; ³ State paid amount as of FY 2013-14; ⁴ State-match to ARRA funds

Issue: The Federal Funds total spent is \$647M. The State Match total spent is \$364M. The Unmatched Federal Funds State Match Liability is \$284M.

Executive Summary for October-2015

Contracts and Expenditures Report

	Prior Year	Current Year	Current Year
	Feb-2015	Sept-2015	Oct-2015
Number of Contracts	174	197	228
Total Value of Contracts (\$ millions)	\$2,280.7	\$4,575.0	\$4,613.5
Small Business Utilization Rate	16.19%	20.93%	20.87%

- ▶ Total active contracts were \$4.6B for October-2015, a \$39M increase over the total for September-2015.
- ▶ The small business utilization rate was 20.87% for October-2015, compared to 20.93% for September-2015 the prior month. The utilization rate was 16.19% in February-2015, which was the start of Small Business Utilization rate reporting.

Issue: Over time, the small business utilization rate is expected to increase due to increased construction activity

Projects & Initiatives Report

	Prior Year	Prior Month	Current Month
	Oct-2014	Sept-2015	Oct-2015
■ Satisfactory	8	4	4
◆ Caution	1	1	1
● Escalate	-	-	-
★ On hold	-	1	1
Total	9	6	6

- ▶ One item On Hold – Financial System
- ▶ One Caution Item – Hiring and Staffing for FY 2015-16 Positions

Issue: Hiring and Staffing for FY 2015-16 Positions - The vacancy rate declined from 24.4% in September-15 to 22.1% in October-15 due to department wide emphasis on hiring. As online exams populate, it is expected that the vacancy rate will continue to decline over time.