



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

August 2017

# Executive Summary for August 2017

## Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Aug-16	Jul-17	Aug-17
Total Aged Invoices	\$0	\$0	\$0
Forecast Balance Pending FRA Approval	\$0	\$0	\$0
Number of Invoices Paid	**	453	322
Value of Invoices Paid	**	\$161.5	\$84.6
Number of In-Process Invoices	**	177	138
Value of In-Process Invoices	**	\$104.4	\$59.5

- ▶ There were no aged invoices for Aug-17. There have been no aged invoices since the Jan-17 report.
- ▶ Overall expenditures have increased significantly (32.3%) from the previous year; last year's expenditures for Year-To-Date (YTD) Aug-16 were \$968.2M (\$32.1M for Administrative Expenditures and \$936.1M for Capital Outlay Expenditures). Expenditures for current YTD Aug-17 are \$1.281B (\$34.4M for Administrative Expenditures and \$1.246B for Capital Outlay Expenditures).

Note: \*\* Information for prior year Aug-16 is in Calstars and unavailable since the Authority transitioned to FISCAL in Sep-16.

## Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Aug-16	Jul-17	Aug-17
Prop IA Bond Fund Ending Cash Balance	\$15.8	\$1,310.2	\$1,250.7
Cap and Trade Ending Cash Balance	\$771.6	\$574.4	\$604.2

- ▶ Cap and Trade funds are generally used for program priorities such as financial advisors, federal contracts, and other projects (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).

**Note:** Proceeds from the Cap and Trade auctions are as follows: Aug-15 \$161.3M, Nov-15 \$164.2M, Feb-16 \$129.2M, May-16 \$2.5M, Aug-16 \$2.1M, Nov-16 \$91.1M, Feb-17 \$2M, and May-17 \$127.8M (total \$680.3M).

# Executive Summary for August 2017

## Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Aug-16	Jul-17	Aug-17
Monthly Expenditures	\$4.7	\$2.9	\$4.7
Percentage of Budget Expended YTD	77.6%	69.8%	80.5%
Percentage of Personal Services Budget Expended YTD	82.1%	78.2%	85.9%
Percentage of Operating Expenses and Equipment Expended	66.4%	45.0%	64.6%
Percentage of Fiscal Year Completed	100%	91.7%	100%
Total Authorized Positions	200	226	226
Total Filled Positions	191	193	193
Vacancy Rate	13.2%	14.6%	14.6%

- ▶ At 100% of the Fiscal Year (FY) completed, 80.5% (\$34.4M) of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, a 2.9% increase above the 77.6% (\$32.1M) spent for the prior FY.
- ▶ Monthly expenditures for Aug-17 were \$4.7M, constant from the prior year Aug-16, but an increase of \$1.8M or 62% over the prior month due to year end accruals.
- ▶ The percentage of Personal Services Budget expended is 85.9% for the FY, a 3.8% increase from the 82.1% for the prior FY. The Authority's vacancy rate of 14.6% is the primary driver for the underutilization. Comparatively, the Authority's vacancy rate is slightly higher than the statewide average of 12.7% (statewide average rate as of June 31, 2017).
- ▶ The percentage of Operating Expenses and Equipment Budget expended is 64.6% for the FY, a 1.8% decrease from the 66.4% for the prior FY.

**Issue:** Operating expenditures with low utilization for the year include: Board Costs (24.9%), Travel, Out-of-State (29.9%), Training (22.3%), and External Contract (9.5%).

# Executive Summary for August 2017

## Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Aug-16	Current Year Jul-17	Current Year Aug-17
Budget (Fiscal Year)	\$1,875.1	\$2,211.5	\$2,211.5
Monthly Expenditures	\$175.3	\$190.1	\$78.9
Percentage of Budget Expended Year to Date	49.9%	52.8%	56.3%
Percentage of Fiscal Year Completed	100%	91.7%	100%

- ▶ At 100% of the FY completed, the Authority spent \$1.246B (56.3%) of the \$2.212B Capital Outlay budget, compared to \$936M (49.9%) of the \$1.875B FY15-16 budget, a 6.4% increase year over year. Budget spend was negatively impacted by ROW delivery and weather delays.
- ▶ Capital Outlay monthly expenditures for Aug-17 were \$78.9M and were comprised of: Project Development (\$3.2M), Right-of-Way (\$28.3M), Design-Build Contract Work (\$25.5M), Rail Delivery Partner costs (\$7.5M), and other expenses (\$14.4M).

**Issue:** Four construction line items were over budget: (1) ROW was 28% over its FY budget due to greater than anticipated acquisition and relocation costs, (2) CPI Program Construction Management was 56% over budget because of accelerated work on CPI, (3) SR99 was 22% over budget due to executed change orders, and (4) DB was slightly over budget at 2% due to unforeseen conditions for third party utility work.

## 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
<b>TOTAL (to date)</b>	<b>\$ 293,089,188</b>

State Match Liability			
Fund Type	Spend to Date	Total Obligation	Remaining Balance
<b>Federal Funds</b>			
ARRA	\$ 2,552,556,231	\$ 2,552,556,231	\$ -
FY10	\$ -	\$ 928,620,000	\$ 928,620,000
<b>Federal Funds Total</b>	<b>\$ 2,552,556,231</b>	<b>\$ 3,481,176,231</b>	<b>\$ 928,620,000</b>
<b>State and Local Funds</b>			
ARRA State Match			
Tapered Federal Funds	\$ 293,089,0188	\$ 2,453,671,231	\$ 2,160,582,043
FY10 State Match	\$ -	\$ 359,805,000	\$ 359,805,000
Local	\$ -	\$ 52,100,000	\$ 52,100,000
<b>State Funds Total</b>	<b>\$ 293,089,0188</b>	<b>\$ 2,865,576,231</b>	<b>\$ 2,572,487,043</b>
<b>Total</b>	<b>\$ 2,845,645,419</b>	<b>\$ 6,346,752,462</b>	<b>\$ 3,501,107,043</b>

- ▶ Total Program Expenditures to date since inception are \$3.587B, comprised of \$170.8M for Administration and \$3.416B for Project Development and Construction.
- ▶ Total State Match to date is equal to \$293.1M, this number will increase as the Authority begins to use state funds now that ARRA is completed.

# Executive Summary for August 2017







## Contracts and Expenditures Report

(\$ in billions)	Prior Year	Current Year	Current Year
	Aug-16	Jul-17	Aug-17
Number of Contracts and Purchase Orders	279	400	414
Total Value of Contracts and Purchase Orders	\$4.633	\$5.373	\$5.468
Small Business Utilization Rate	15.7%	19%	19.7%

- ▶ As of June 30, 2017, the Authority has 414 active contracts/purchase orders (PO's) with a total value of over \$5.468B. This is an increase of 135 new contracts/PO's and \$834.7M from last year's total of 279 contracts/PO's and \$4.633B. Between Jul-17 and Aug-17, the Authority had a net increase of 14 contracts/PO's (from 400 to 414), and a total value of net contracts/PO's increased by \$95.3M (from \$5.373B to \$5.468B).
- ▶ 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 February-2015, which was the start of Small Business Utilization Rate reporting.
- ▶ The Small Business Utilization Rate increased 0.7% from the Jul-17 (19%) and the Aug-17 (19.7%) reports.

**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
	Aug-16	Jul-17	Jul-17
Satisfactory 	14	6	5
Caution 	17	15	8
Escalate 	0	14	14
On hold 	1	3	4
Completed  	0	6	9
n/a – Milestones TBD	0	5	5
Total	32	49	45

- ▶ Four projects previously marked Complete (ARRA Expenditures Reporting 2017 1<sup>st</sup> Quarter, Risk Management Plan, Capital Cost Estimate Plan for 2018 Business Plan, and Programs Control Plan) have been taken off the report since the closeout reports have been accepted by the Authority.
- ▶ Seven new projects have been marked Complete, with closeout reports under review. Those include the Compliance Verification Plan, Master Quality Plan, Resource Management Plan, Work Plan Standards Guide, Aesthetics Guidelines, Configuration Management Plan, and Program Interface Management Plan.

**Issue:** 1) Ten IT projects are currently under review for scope, functional and technical requirements, software/solution fit, and timeline.  
2) Fourteen projects (8 Project Development Sections and 6 IT projects) continue as status Escalate.