



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

January 2018

Executive Summary for January 2018

Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Jan-17	Dec-17	Jan-18
Total Aged Invoices	\$0	\$0	\$0
Forecast Balance Pending FRA Approval	\$0	\$0	\$0
Number of Invoices Paid	439	335	302
Value of Invoices Paid	\$162.6	\$85.2	\$126.1
Number of In-Process Invoices	201	191	183
Value of In-Process Invoices	\$34.0	\$81.4	\$49.0

- ▶ The Authority had 302 paid invoices with a value of \$126.1M for the Jan-18 reporting cycle. This is a 9.9% decrease from the 335 paid invoices in the prior month; however, the value of invoices paid increased 48% or \$40.9M from Dec-17.
- ▶ There were 183 in-process invoices with a value of \$49M for the Jan-18 reporting cycle. This is a 4.2% decrease from the prior month; the value decreased by 39.8% from Dec-17.
- ▶ Year-over-year the total number invoices paid and in-process during the reporting period has decreased by 155 invoices or 24.2%. The value of invoices has also decreased by \$21.5M or 10.9% from the prior year.

Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Jan-17	Dec-17	Jan-18
Prop IA Bond Fund Ending Cash Balance	\$98.5	\$1,347.3	\$1,207.1
Cap and Trade Ending Cash Balance	\$604.2	\$947.4	\$943.1

- ▶ 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). 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.
- ▶ During FY2016-17, Prop IA Bond proceeds totaled \$1.323B and Cap and Trade auction proceeds totaled \$223M.

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 is \$215.6M, \$90.6M over our quarterly projection of \$125M (pending resolution of currency exchange).

Executive Summary for January 2018

Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Jan-17	Dec-17	Jan-18
Monthly Expenditures	\$3.0	\$2.9	\$3.1
Percentage of Budget Expended YTD	31.6%	26.1%	33.2%
Percentage of Personal Services Budget Expended YTD	35.0%	30.3%	37.9%
Percentage of Operating Expenses and Equipment Expended YTD	21.8%	14.8%	20.5%
Percentage of Fiscal Year Completed	41.7%	33.3%	41.7%
Total Authorized Positions	226	226	226
Total Filled Positions	189.5	191	188
Vacancy Rate	16.2%	15.5%	16.8%

- ▶ At 41.7% of FY2017-18 completed, 33.2% or \$14.6M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 31.6% or \$13.3M for YTD Jan-17.
- ▶ Monthly expenditures for Jan-18 were \$3.1M, an increase of \$103K over prior year's Jan-17 \$3.0M total, and a \$245K increase from prior month.
- ▶ The percentage of Personal Services Budget expended YTD for Jan-18 is 37.9%, a 2.9% increase from the 35.0% for the prior year Jan-17.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD is 20.5% for Jan-18, a 1.3% decrease from the 21.8% spent in Jan-17.
- ▶ Authority's vacancy rate of 16.8% is higher than the statewide average of 13.8% (statewide average rate as of October 31, 2017) and increased by 1.3% month-over-month from the Dec-17 report.

Issue: The Authority's low Operating Expenses and Equipment spend (20.5% YTD) and vacancy rate (16.8%) are the primary drivers for the underutilization of the Administrative Budget.

Executive Summary for January 2018

Capital Outlay Budget Summary

(\$ in billions)

	Prior Year Jan-17	Current Year Dec-17	Current Year Jan-18
Budget (Fiscal Year)	\$1.718	\$1.648	\$1.648
Monthly Expenditures	\$78.8	\$81.2	\$105.0
Percentage of Budget Expended Year to Date	28%	21%	27%
Percentage of Fiscal Year Completed	41.7%	33.3%	41.7%

- ▶ The FY2017-18 budget of \$1.648B (including Board Resolution 17-17 from Nov-17 which increased the budget by \$8.3M) 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 Jan-18 were \$105.0M and were comprised of: \$11.4M Project Development, \$48.0M for Right-of-Way, \$27.7M for Design-Build Contract Work, \$8.2M for Rail Delivery Partner costs, and \$9.7M for other expenses. Jan-17 expenditures were \$78.8M, which is \$26.2M less than the current year. The year-over-year increase is mostly attributed to higher ROW acquisition expenditures.
- Issue:** At 41.7% of the fiscal year completed, the Authority has expended 27% of the Capital Outlay budget for the year. Expenditures for CP 1 (DB contract work 18% of budget spent, Madera Extension 15% of budget spent, and Third Party Contract Work 17% of budget spent) and CP 4 (DB contract work 13% of budget spent) are the main drivers of low expenditures. Design-Build CPI expenditures are behind plan pending additional ROW required due to design updates and utility relocations.

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	\$ 158,316,206
TOTAL (to date)	\$ 451,405,394

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	\$ 451,405,394	\$ 2,002,265,837
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	\$ 451,405,394	\$ 2,572,487,043
Total	\$ 6,346,752,462	\$ 3,003,961,625	\$ 3,342,790,837

- ▶ Total Program Expenditures to date since inception are \$4.050B, comprised of \$185.4M for Administration and \$3.865B 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 November 30, 2017. Total ARRA State Match, including expenditures reported to the FRA, invoices received and in process, and Work-in-Progress for invoices not yet received by the Authority totaled \$733.2M, as of November 30, 2017.

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Contracts and Expenditures Report

(\$ in billions)	Prior Year	Current Year	Current Year
	Jan-17	Dec-17	Jan-18
Number of Contracts and Purchase Orders	349	421	379
Total Value of Contracts and Purchase Orders	\$5.071	\$5.621	\$5.567
Small Business Utilization Rate	16.8%	20.3%	20.4%

- As of November 30, 2017, the Authority has 379 active contracts/purchase orders (POs) with a total value of \$5.567B. This is an increase of 30 net new contracts/POs and \$495.7M from last year's total of 349 contracts/POs and \$5.071B. The Authority also had a decrease of 42 contracts/POs compared to the 421 reported in the prior month (Dec-17). The total value of net contracts/POs decrease by \$54.1M (from \$5.621B to \$5.567B).
- 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 Dec-17 (20.3%) to Jan-18 (20.4%) 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
		Jan-17	Dec-17	Jan-18
Satisfactory	■	11	12	12
Caution	◆	10	6	6
Escalate	●	4	5	5
On hold	★	2	6	6
Completed	▲▼	0	2	2
n/a – Milestones TBD		5	5	5
Total		32	36	36

Escalated Items

- Administrative Records System (ARS) (kCura)
- PMIS – Contract Management System
- PMIS – Cost Management System
- PMIS – Enterprise Document Management System (EDMS) – Records Center
- PMIS – Schedule Management System

- As reported in Dec-17, PMIS – Risk Management System changed status from Escalate to Complete, with Final Closeout approval on October 25, 2017. Small Business Disadvantaged Business Program Management Plan, and Title VI Program Management Plan statuses have changed from Satisfactory to On Hold due to change orders being processed to extend project end dates. Project end dates will be determined upon execution of the change orders.