



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

March 2018

Executive Summary for March 2018

Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Mar 17	Feb 18	Mar 18
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$12.8	\$16.3	\$21.7
Number of Invoices Paid	382	225	385
Value of Invoices Paid	\$96.0	\$120.2	\$89.4
Number of In-Process Invoices	239	203	140
Value of In-Process Invoices	\$88.8	\$65.6	\$56.2

- ▶ The Authority had 385 paid invoices with a value of \$89.4M for the Mar-18 reporting cycle. This is a 71.1% increase from the 225 paid invoices in the prior month; the value of invoices paid decreased 25.6% or \$30.8M from the \$120.2M reported in Feb-18.
- ▶ There were 140 in-process invoices with a value of \$56.2M for the Mar-18 reporting cycle. This is a 31.0% decrease from the 203 in-process invoices in the prior month; the value decreased by 14.3% or \$9.4M from the \$65.6M reported in Feb-18.
- ▶ Year-over-Year the total number invoices paid and in-process during the reporting period has decreased by 96 invoices or 15.5%. The value of invoices has also decreased by \$39.3M or 21.2% reported in the prior year.

Issue: The Authority currently has 232 disputed invoices with a total value of \$21.7M. This is a 33% or \$5.4M increase from the \$16.3M reported in the prior month.

Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Mar 17	Feb 18	Mar 18
Prop IA Bond Fund Ending Cash Balance	\$82.7	\$1,094.1	\$1,003.3
Cap and Trade Ending Cash Balance	\$647.1	\$1,156.6	\$1,166.3

- ▶ 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 \$181.3M (\$56.3M over the quarterly projection of \$125M) and will be reflected in the report once finalized.

Executive Summary for March 2018

Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	Mar 17	Feb 18	Mar 18
Monthly Expenditures	\$2.7	\$2.8	\$3.1
Percentage of Budget Expended YTD	43.9%	39.4%	45.1%
Percentage of Personal Services Budget Expended YTD	48.6%	45.2%	50.8%
Percentage of Operating Expenses and Equipment Expended YTD	30.2%	23.6%	28.7%
Percentage of Fiscal Year Completed	58.3%	50.0%	58.3%
Total Authorized Positions	226	226	226
Total Filled Positions	195	188	185
Vacancy Rate	13.7%	16.8%	18.1%

- ▶ At 58.3% of FY2017-18 completed, 45.1% or \$20.4M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 43.9% or \$18.9M for YTD Mar-17, an increase in budget utilization of 1.2% Year-over-Year.
- ▶ Monthly expenditures for Mar-18 were \$3.1M, a increase of \$479.0K over prior year's Mar-17 \$2.7M total, and a \$399.0K increase from prior month.
- ▶ The percentage of Personal Services Budget expended YTD for Mar-18 is 50.8%, a 2.2% increase from the 48.6% for the prior year Mar-17.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD is 28.7% for Mar-18, a 1.5% decrease from the 30.2% spent in Mar-17.
- ▶ Authority's vacancy rate of 18.1% (41 vacancies out of 226 authorized positions) is higher than the statewide average of 15.8% (statewide average rate as of January 31, 2018) and increased 1.3% month-over-month from the 16.8% reported in the Feb-18 report.

Issue: The Authority's low Operating Expenses and Equipment spend (28.7% YTD) and vacancy rate (18.1%) are the primary drivers for the underutilization of the Administrative Budget.

Executive Summary for March 2018

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Mar 17	Current Year Feb 18	Current Year Mar 18
Budget (Fiscal Year)	\$1,744	\$1,648	\$1,648
Monthly Expenditures	\$80.2	\$172.2	\$74.8
Percentage of Budget Expended Year to Date	40.5%	37.7%	42.3%
Percentage of Fiscal Year Completed	58.3%	50.0%	58.3%

- ▶ 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 Mar-18 were \$74.8M and were comprised of: \$8.0M Project Development, \$28.6M for Right-of-Way, \$12.7M for Design-Build Contract Work, \$7.3M for Rail Delivery Partner costs, and \$18.1M for other expenses.

Issue: Bookend Projects, CP 1 (DB contract work 35% of budget spent, Madera Extension 21% of budget spent, and Third Party Contract Work 30% of budget spent) and CP 4 (DB contract work 20% of budget spent) are the main drivers of low expenditures. However, CP 2-3 Design-Build and CP 4 Real Property Acquisition are overbudget at 107% and 144%, respectively. The total percent of parcels delivered to the DB has remained at 68% due to the addition of 48 design refinement parcels in CP 2-3 this month.

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	\$ 337,290,776
TOTAL (to date)	\$ 630,379,964

State Match Liability			
Fund Type	Total Obligation	Spend To Date	Remaining Balance
Federal Funds			
ARRA	\$ 2,552,556,231	\$ 2,552,494,728	\$ 61,503
FY10	\$ 928,620,000	\$ -	\$ 928,620,000
Federal Funds Total	\$ 3,481,176,231	\$ 2,552,494,728	\$ 928,681,503
State and Local Funds			
State Match to ARRA Grant	\$ 2,453,671,231	\$ 630,379,964	\$ 1,823,291,267
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	\$ 630,379,964	\$ 2,235,196,267
TOTAL	\$ 6,346,752,462	\$ 3,182,874,692	\$ 3,163,877,770

- ▶ Total Program Expenditures to date since inception are \$4.303B, comprised of \$191.3M for Administration and \$4.112B 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 January 31, 2018. 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 February 13, 2018) is \$962.7M.

Executive Summary for March 2018

Contracts and Expenditures Report

(\$ in millions)	Prior Year	Current Year	Current Year
	Mar 17	Feb 18	Mar 18
Number of Contracts and Purchase Orders	382	409	372
Total Value of Contracts and Purchase Orders	\$5,201.9	\$5,656.5	\$5,655.2
Small Business Utilization Rate	17.5%	20.5%	20.5%

- ▶ As of January 31, 2018, the Authority had 372 active contracts/purchase orders (POs) with a total value of \$5.655B. The total value of net new contracts/POs decreased by \$1.3M 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 had no change from the Feb-18 (20.5%) to Mar-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
		Mar 17	Feb 18	Mar 18
Satisfactory	■	9	11	11
Caution	◆	18	6	6
Escalate	●	11	4	4
On hold	★	3	6	6
Completed	▲▼	6	2	2
n/a – Milestones TBD		5	5	5
Total		52	34	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

- ▶ As reported in Feb-18, two projects have changed to Completed status in the report: (1) PMIS Schedule Management has changed from Escalate to Complete and (2) Advanced Mitigation Planning has changed from Satisfactory to Complete.