



TO: HPTE BOARD OF DIRECTORS
DATE: OCTOBER 19, 2016
FROM: KAY HRUSKA, ENTERPRISE ACCOUNTANT
 PIPER FRODE, ENTERPRISES BUDGET ANALYST
SUBJECT: FISCAL YEAR 2015-16 YEAR END REPORT

Purpose

This memorandum provides a Fiscal Year (FY)2015-16 year-end report for the Colorado High Performance Transportation Enterprise (HPTE) Fund 536 and Fund 537. Information provided includes FY2015-16 unaudited revenue reconciliation information, cost center balances eligible to be rolled into FY2016-17 and a final budget to actual statement for June 2016, period 13.

Action

The purpose of this memo is informational only and is provided for HPTE Board review and comment.

Fiscal Year 2015-16 Year End Details

At the close of each fiscal year, the Office of Financial Management and Budget (OFMB) within the Division of Accounting and Finance (DAF) compares the forecasted revenues to the actual revenues received as well as reviews all remaining cost center balances to determine if they are eligible to roll forward to the next fiscal year. As outlined in the new annual HPTE budget guidelines, staff committed to bringing information regarding the FY2015-16 revenue reconciliation and roll forward balances this month.

FY2015-16 Revenue Reconciliation

A comparison of FY2015-16 estimated revenues for HPTE Fund 536 (Special Revenue Fund) and Fund 537 (Operating Fund) to revenues actually received is shown below in Table 1. Although period 13 has closed, figures are still unaudited and subject to change. Should there be any notable changes following the annual audit, staff will provide an update to the Board at that time.

Table 1: High Performance Transportation Revenue Reconciliation Summary

Revenue Source	FY2015-16 Estimated Revenue	FY2015-16 Actual Revenue*	Difference
Fund 536			
Interest Income	\$ 200,000	\$ 320,170	\$ 120,170
Transponder Revenue	\$ 450,000	\$ 1,237,251	\$ 787,251
Concessionaire Management Fee	\$ 401,413	\$ 401,413	\$ -
Express Lanes Marketing Contribution	\$ 70,000	\$ 70,000	\$ -
CDOT Region Payment for Services	\$ -	\$ 291,091	\$ 291,091
Operations and Maintenance Reserve Reimbursement	\$ 630,000	\$ 647,635	\$ 17,635
I-70 West Mountain Express Lane Tolling & Fine Revenue	\$ 370,000	\$ 359,152	\$ (10,848)
<i>Fund 536 Sub-Total</i>	\$ 2,121,413	\$ 3,326,712	\$ 1,205,299
Fund 537			
Interest Income	\$ 8,800	\$ 17,012	\$ 8,212
Fee for Service Revenue	\$ 2,000,000	\$ 2,000,000	\$ -
<i>Fund 537 Sub-Total</i>	\$ 2,008,800	\$ 2,017,012	\$ 8,212
TOTAL	\$ 4,130,213	\$ 5,343,724	\$ 1,213,511

*Revenues are still unaudited and are subject to change

The HPTE estimated revenues for the FY2015-16 to total \$4.1 million, and received \$5.3 million, creating a surplus of \$1.2 million. This surplus is primarily due to higher than forecasted sales of switchable transponders. For a more detailed breakout of Fund 536 revenues by corridor, please see Attachment A: June 2016 Period 13 Fund 536 budget to actual statement.

FY2015-16 Cost Center Roll Forward

In accordance with Policy Directive PD 703.0 and statute, all HPTE fiscal year end cost center balances are eligible for automatic roll forward from the previous to the current fiscal year. Roll forward numbers for HPTE encompass various cost center that are under Funds 536 and 537. The majority of the total roll forward number corresponds to the balances in cost centers that are set up for the managed lanes corridors. Per statute those funds are restricted to be used for managed lane projects and operations. Table 2 provides a summary of the remaining cost center balances that were rolled forward from FY2015-16 to FY2016-17.

Table 2: HPTE Cost Center Roll Forward Detail

Budget Category	Cost Center	Amount of Available Budget Rolled to FY2016-17
US 36 Managed Lanes*	T8620-536	\$ 196,648
I-25 North, Segment 3	T8630-536	\$ 148,305
Mountain Express Lane (MEXL)	T8640-536	\$ 5,600
Program Operations & Administration	T8700-537	\$ 314,506
	Total	\$ 665,059

****Important to note:*** In order to accelerate the process of implementing High Occupancy Vehicles (HOV) changes that allow HOV only Express Lane users and motorcycles to travel for free in HOV Express Lanes, HPTE initially encumbered \$1,819,736 of its own funds to cover the cost of task orders with tolling partner E-470. Last month, the Transportation Commission (TC) and HPTE Board approved an amendment to the FY2016-17 fee for service Intra-Agency Agreement which will reimburse HPTE for these task orders. Staff is processing this reimbursement and once it is completed, the \$1,819,736 will be returned to the US36 cost center and be made available for use.

Final Budget to Actual Statement for June 2016, Period 13.

Listed below is a summary of key details related to June 2016, period 13 and an overall review of HPTE’s Fiscal Year 2016 financial transactions for funds 536 and 537.

Fund 536-Special Revenue Fund

- Expenses related to U.S. 36 totaled 2,289,786
- Mountain Express Lanes (MEXL) expenses totaled \$1,866,204, excluding construction expenses
- Cash balance as of June 30, 2016 is \$36,810,510, which includes MEXL and Segment III loan proceeds

Fund 537-Operating Fund

- Program Management costs totaled \$183,996
- Attorney General expenses were \$41,095
- Total Board expenses for Fiscal Year 2016 were \$9,922
- HPTE Administrative Expenses for Fiscal Year 2016 totaled \$10,519
- Interest was accrued on Transportation Commission loans was \$115,673
- Cash balance as of June 30, 2016 was \$1,649,758

See Attachment A (HPTE Budget to Actual Fund 537) and Attachment B (HPTE Budget to Actual Fund 536) for final copies of the completed budget to actual statements.

Next Steps:

- Based on the surpluses identified for both Fund 536 and Fund 537 through the revenue reconciliation process for FY2015-16, HPTE staff will work with OFMB to make the necessary adjustments to current fiscal year HPTE pools and cost centers.
- In November, staff will bring draft FY2017-18 budgets for Fund 536 and Fund 537 along with a draft FY2017-18 scope of work for comment.
- Staff is working on developing guidelines for how current and future HPTE roll forward balances can be proactively applied to outstanding CDOT obligations such as the Transportation Commission loan balance and will return to the Board once these concepts are formalized.

Attachment A: HPTE Budget To Actual Fund 537
As of June 30, 2016 Period 13-Preliminary & Unaudited

Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537

ITEM	Estimated Revenues	Estimated Expenditures	Period 13	Year-To-Date Rev/Exp	Year-To-Date % of Budgeted Rev/Exp	Remaining
Estimated Carry Forward Balance from Prior Years	\$ 713,832					
<u>HPTE Administration</u>						
Funds Received						
Interest earnings	\$ 8,800		\$ 791	\$ 17,012	193%	\$ (8,212)
Consulting services fee	\$ 2,000,000		\$ -	\$ 2,000,000	100%	\$ -
HPTE staff time from fund 536	\$ -		\$ -	\$ 36,426	N/A	N/A
Total Funds Received	\$ 2,008,800		\$ 791	\$ 2,017,012	74%	\$ (8,212)
Total Available Funds	\$ 2,722,632					
Operating Expenditures						
HPTE staff		\$ 450,000	\$ (5,118)	\$ 466,949	104%	\$ (16,949)
CDOT staff		\$ 100,000	\$ 10,497	\$ 90,450	90%	\$ 9,550
P3 advisor		\$ 250,000	\$ -	\$ -	0%	\$ 250,000
Legal services		\$ -	\$ 3,200	\$ 15,336	0%	\$ (15,336)
Transparency, outreach and communications support		\$ 154,000	\$ 619	\$ 63,508	41%	\$ 90,492
Community and public affairs support		\$ 60,000	\$ 34,969	\$ 44,969	75%	\$ 15,031
Program management		\$ 226,520	\$ -	\$ 183,996	81%	\$ 42,524
Attorney General fees		\$ 75,000	\$ -	\$ 41,095	55%	\$ 33,905
Annual audit		\$ 5,100	\$ -	\$ 5,198	102%	\$ (98)
Board expenses		\$ 18,400	\$ -	\$ 9,922	54%	\$ 8,478
Conferences, memberships and subscriptions		\$ 8,800	\$ 199	\$ 4,114	47%	\$ 4,686
Administrative expenses		\$ 10,500	\$ 31	\$ 10,519	100%	\$ (19)
Aconex document management system		\$ 225,000	\$ 76,500	\$ 300,500	134%	\$ (75,500)
Accounting services		\$ 50,000	\$ -	\$ 8,497	17%	\$ 41,503
TIFIA consulting for C-470		\$ 400,000	\$ 3,141	\$ 54,421	14%	\$ 345,579
TIFIA Loan processing fees		\$ 100,000	\$ -	\$ 100,000	100%	\$ -
Credit rating services		\$ 255,000	\$ -	\$ 125,000	49%	\$ 130,000
Travel		\$ 15,500	\$ 1,943	\$ 15,453	100%	\$ 47
Staff Training		\$ 30,000	\$ -	\$ 537	2%	\$ 29,463
Miscellaneous		\$ 25,000	\$ -	\$ -	0%	\$ 25,000
Tolling services agreement		\$ -	\$ -	\$ (9,695)	N/A	\$ 9,695
Back office study		\$ -	\$ 891	\$ (5,484)	N/A	\$ 5,484
TC loan interest		\$ -	\$ 115,673	\$ 115,673		
Total Operating Expenditures		\$ 2,458,820	\$ 242,545	\$ 1,640,957	67%	\$ 817,863
Total Unbudgeted Funds		\$ 263,812				
Actual Cash On Hand		\$ 1,649,758				
Transportation Commission Transfer Balance		\$ 6,060,892				

Attachment B: HPTE Budget To Actual Fund 536
As of June 30, 2016 Period 13-Preliminary & Unaudited

Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536						
ITEM	Estimated Revenues	Estimated Expenditures	Period 13	Year-To-Date Rev/Exp	Year-To-Date % of Budgeted Rev/Exp	Remaining
Estimated Carry Forward Balance from Prior Years	\$ 2,844,812					
<u>Funds Received U.S. 36 Managed Lanes</u>						
Transponder sales	\$ 450,000		\$ 66,955	\$ 1,237,251	275%	\$ (787,251)
Advertising reimbursement from Plenary	\$ 70,000		\$ 70,000	\$ 70,000	100%	\$ -
Interest earnings	\$ 200,000		\$ 26,353	\$ 315,628	158%	\$ (115,628)
Concessionaire management fee	\$ 401,413		\$ -	\$ 401,413	100%	\$ -
Operations and maintenance reserve reimbursement	\$ 630,000		\$ -	\$ 647,635	103%	\$ (17,635)
Region 1 T&R Study	\$ -		\$ 17,247	\$ 291,091	N/A	\$ (291,091)
Total U.S. 36 Funds Received	\$ 1,751,413		\$ 3,143,572	\$ 2,671,926	153%	\$ (1,211,604)
Total U.S. 36 Available Funds	\$ 4,596,225					
<u>U.S. 36 Expenditures</u>						
HPTE Staff		\$ 25,000	\$ -	\$ 35,633	143%	\$ (10,633)
CDOT staff		\$ 15,000	\$ 1,474	\$ 16,898	113%	\$ (1,898)
Legal services		\$ 317,300	\$ -	\$ (2,665)	-1%	\$ 319,965
Project oversight		\$ 441,413	\$ 14,866	\$ 396,477	90%	\$ 44,936
Miscellaneous fees		\$ 31,500	\$ 211	\$ 22,017	70%	\$ 9,483
Annual audit		\$ 5,100	\$ -	\$ 5,198	102%	\$ (98)
Attorney General fees		\$ 30,000	\$ -	\$ 14,557	49%	\$ 15,443
TIFIA Fees		\$ 12,500	\$ -	\$ -	0%	\$ 12,500
TIFIA US36 phase I payment		\$ 762,384	\$ -	\$ (1,113,149)	-146%	\$ 1,875,533
Tolling services agreement-general reimbursable costs		\$ 248,000	\$ -	\$ 168,253	68%	\$ 79,747
Transfer of debt service reserve to Plenary		\$ -	\$ -	\$ 1,595,000	N/A	\$ (1,595,000)
I-70 T&R study		\$ -	\$ 17,247	\$ 291,091	N/A	\$ (291,091)
Advertising		\$ -	\$ 1,481	\$ 429,804	N/A	\$ (429,804)
Transponders		\$ -	\$ 72,173	\$ 430,671	N/A	\$ (430,671)
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Total U.S. 36 Expenditures		\$ 1,888,197	\$ 107,453	\$ 2,289,786	121%	\$ (401,589)
Total U.S. 36 Funds Available Funds	\$ 2,708,028					

Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536						
ITEM	Estimated Revenues	Estimated Expenditures	Period 13	Year-To-Date Rev/Exp	Year-To-Date % of Budgeted Rev/Exp	Remaining
Funds Received Mountain Express Lanes (MEXL)						
I-70 Mountain Express Lanes Tolls	\$ 370,000		\$ 132	\$ 358,372	97%	\$ 11,628
I-70 Mountain Express Lanes Fines	\$ -		\$ (1,338)	\$ 780	N/A	N/A
Interest earnings on loan proceeds	\$ -		\$ 114	\$ 1,511	N/A	N/A
MEXL loan proceeds for debt service payment	\$ 697,500		\$ -	\$ 697,500		\$ -
Total Mountain Express Lanes Funds Received	\$ 1,067,500	\$ -	\$ 359,571	\$ 360,664	97%	\$ 11,628
I-70 Mountain Express Lanes Expenditures						
I-70 Mountain Express loan interest payment		\$ 689,750	\$ 376,459	\$ 697,451	101%	\$ (7,701)
Tolling software and equipment		\$ -	\$ 67,931	\$ 877,985	N/A	\$ (877,985)
Registrar Fees		\$ -	\$ -	\$ 1,500	N/A	\$ (1,500)
Toll Processing		\$ 150,000	\$ 18,293	\$ 82,894	55%	\$ 67,106
HPTE/CDOT Staff		\$ -	\$ 244	\$ 8,303	N/A	\$ (8,303)
Attorney General Fees		\$ -	\$ -	\$ 1,244	N/A	\$ (1,244)
Loan amendment fee		\$ -	\$ 5,000	\$ 5,000		N/A
Tolling operations		\$ -	\$ 191,828	\$ 191,828		N/A
Total I-70 Mountain Express Lane Expenditures		\$ 839,750	\$ 659,754	\$ 1,866,204	222%	\$ (829,626)
Total Mountain Express Lanes Available Funds	\$ 227,750					
Funds Received I-25N Segment III						
I-25N Segment III loan proceeds	\$ -		\$ -	\$ 23,630,000	N/A	\$ (23,630,000)
I-25N Segment III loan proceeds interest	\$ -		\$ 603	\$ 3,031	N/A	\$ (3,031)
I-25N Segment III loan proceeds COI Fee	\$ -	\$ -	\$ -	\$ 65,000		N/A
Total I-25N Segment III Funds Received	\$ -		\$ 603	\$ 23,698,031		\$ (23,633,031)
I-25N Segment III Expenditures						
I-25N Segment III loan cost of issuance		\$ -	\$ -	\$ 306,000	N/A	\$ (306,000)
I-25N Segment III loan payment		\$ -	\$ 164,262	\$ -		N/A
Total I-25N Segment III Expenditures		\$ -	\$ 164,262	\$ 306,000	\$ -	\$ (306,000)
Total I-25N Segment III Available Funds	\$ -					
Project Construction Expenses						
US36 Phase I		\$ 165,900,000	\$ -	\$ 9,236,464	6%	\$ 156,663,536
US36 Phase II		\$ 60,957,780	\$ 116,746	\$ 10,695,205	18%	\$ 50,262,575
I-70 Mountain Express Lanes		\$ 19,500,000	\$ 1,084,815	\$ 18,494,582	95%	\$ 1,005,418
Total Project Construction Expenses		\$ 246,357,780	\$ 1,201,560	\$ 38,426,251	16%	\$ 207,931,529
Actual Cash On Hand		\$ 36,810,510				