



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

**November 2018**

# Executive Summary for November 2018

## Accounts Payable Aging And Disputes Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Nov 17	Oct 18	Nov 18
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$16.9	\$22.3	\$17.4
Number of Invoices Paid	338	398	267
Value of Invoices Paid	\$63.9	\$98.1	\$60.1
Number of In-Process Invoices	186	109	111
Value of In-Process Invoices	\$81.4	\$41.8	\$56.5
Total Number of Invoices Paid and In Progress	524	507	378

- ▶ The Authority has not had an aged invoice in 13 months and has not made a penalty payment in 20 months.
- ▶ The Authority currently has 273 disputed invoices with a total value of \$17.4M. This is a 22% or \$4.9M decrease from the \$22.3M reported last month.

**Note:** The total number of invoices paid and in-process will fluctuate depending on the progress of the project.

## Cash Management Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Nov 17	Oct 18	Nov 18
Prop IA Bond Fund Ending Cash Balance	\$1,108.0	\$940.8	\$903.9
Cap and Trade Ending Cash Balance	\$949.9	\$1,524.7	\$1,676.4

- ▶ Cap and Trade funds are used for program priorities such as financial advisors, federal contracts, and other high priority projects (e.g. San Mateo Grade Separation). Cap and Trade auctions occur four times per year (Aug, Nov, Feb, May) and cash becomes available generally within one month.
- ▶ Prop IA funds are used for Administration costs, 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 Authority's share of the August 2018 Cap and Trade auction proceeds was estimated to be \$199.7M, but was subsequently reduced by the backfill provisions of the California Global Warming Solutions Act extension (AB398), resulting in a net receipt of \$169.9M (a reduction of \$29.8M). Future reductions to Cap and Trade proceeds are expected to occur during the first auction of each fiscal year.

# Executive Summary for November 2018

## Administrative Budget and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Nov 17	Oct 18	Nov 18
Budget (Fiscal Year)	\$43.9	\$45.4	\$45.4
Monthly Expenditures	\$2.8	\$3.1	\$3.3
YTD Expenditures	\$8.6	\$5.8	\$9.1
Percentage of Budget Expended YTD	19.6%	12.9%	20.1%
Percentage of Personal Services Budget Expended YTD	22.7%	15.2%	23.2%
Percentage of Operating Expenses and Equipment Expended YTD	11.0%	6.1%	11.5%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%
Total Authorized Positions	226	226	226
Total Filled Positions	192.5	196	194
Vacancy Rate	14.8%	13.3%	14.2%

- ▶ At 25.0% of the fiscal year completed, 20.1% or \$9.1M of the total Administrative Budget (\$45.4M) has been spent, which is slightly higher than prior year expenditures.
- ▶ As of September 30, 2018, the Authority's vacancy rate is 14.2%, which is slightly lower than the statewide vacancy rate average of 14.8%.

**Note:** As of Oct-18, the Authority implemented the Program Management Plan (PMP). The organizational changes include: (1) the Risk Management and Project Controls Office merged into the Program Delivery Office, (2) the Government Relations Office was changed to the Legislative Affairs Office, and (3) the External Affairs Office and the Communications Office were merged to create a Strategic Communications Office.

# Executive Summary for November 2018

## Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Prior Month	Current Month
	Nov 17	Oct 18	Nov 18
Budget (Fiscal Year)	\$1,647.4	\$1,786.8	\$1,786.8
Monthly Expenditures	\$93.7	\$68.7	\$75.0
YTD Expenditures	\$262.9	\$158.2	\$233.2
Percentage of Budget Expended Year to Date	16.0%	8.9%	13.1%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and Baseline.
- ▶ Expenditures for Nov-18 were \$75.0M, 49.7% lower than the \$149M projected to be spent for the month.

**Issue:** The underutilization of budget is primarily due to low spending within the construction packages and bookend projects.

## Total Project Expenditures with Forecasts

Total Program Expenditures to Date (\$ in millions)	
Construction	\$ 3,732.3
Project Development	\$ 1,015.3
Administration	\$ 215.1
<b>Total Expenditures</b>	<b>\$ 4,962.8</b>

State Match Liability				
Fund Type (\$ in millions)	Total Match	Match to Date	Remaining Match	% Matched to Date
State and Local Funds	(A)	(B)	(A - B)	(B / A)
State Match to ARRA Grant	\$ 2,496.4	\$ 293.1	\$ 2,203.3	11.7%
Local Match to ARRA Grant	\$ 4.1	\$ -	\$ 4.1	0.0%
<b>Total</b>	<b>\$ 2,500.5</b>	<b>\$ 293.1</b>	<b>\$ 2,207.4</b>	<b>11.7%</b>

- ▶ The Authority is 22.7% through the straight-line State Match liability schedule, which started on July 1, 2017 and has a completion date of December 31, 2022, and has matched 11.7% of the total match requirement (\$293.1M matched out of the \$2.500B requirement).
- ▶ Total Program Expenditures to date (\$4.963B) are comprised of the following categories: Construction (50%), Right of Way (23%), Project Development (21%), Administration (4%), and Local (2%).
- ▶ The Authority submitted \$5.3M in refunds to the FRA reducing the ARRA Federal contribution to \$2.547B. The ARRA State Match requirement was updated to \$2.500B to reflect the updated Federal contribution amount and now accurately reflects Federal/State required percentage contribution as stated in the agreement. In addition, ARRA State Match increased \$48M due to the Authority absorbing costs related to LA Union Station originally allocated as ARRA Local Match.

# Executive Summary for November 2018

## Contracts and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Nov 17	Oct 18	Nov 18
Number of Contracts	280	228	206
Total Value of Contracts	\$5,593.8	\$5,902.2	\$5,917.0
Number of Purchase Orders	131	54	52
Total Value of Purchase Orders	\$0.9	\$0.9	\$0.8
Total Value Contracts and Purchase Orders	\$5,594.8	\$5,903.1	\$5,917.8
Small Business Utilization Rate	21.0%	21.2%	21.2%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of September 30, 2018, the Authority had 206 active contracts and 52 active purchase orders (POs) with a total value of \$5.918B.
- ▶ Month-over-Month the value of contracts increased by \$14.8M, primarily due to existing contract amendments. The value of PO's decreased \$125K.
- ▶ The Nov-18 report reflects a Small Business Utilization Rate (SBU) of 21.2%. The current rate represents a 5% increase from the inception of SBU reporting in Feb-15 of 16.2%.
- ▶ The Authority anticipates SBU to increase as construction activity ramps up moving closer to the SBU goal of 30%, per the Small and Disadvantaged Business Enterprise Policy approved in Aug-12.
- ▶ As of August 31, 2018 there are 474 small businesses actively working on the high-speed rail project, including 157 DBEs and 52 Certified DVBEs.

## Projects & Initiatives Report

Time Line		Prior Year	Prior Month	Current Month
		Nov 17	Oct 18	Nov 18
Satisfactory	■	14	10	9
Caution	◆	6	5	2
Escalate (red)	●	6	4	6
On hold	★	4	3	3
Completed	▲ ▼	1	2	4
n/a – Milestones TBD		5	6	6
Total		36	30	30

### Projects Removed Since May-17

- |  |   |   |
|--|---|---|
| 1) Advanced Mitigation Planning                        | 7) ARRA Expenditures 2017 1st Quarter                 | 15) Integrated Train Planning System                    |
| 2) Asset Management System – Maximo (AMO)              | 8) Compliance Verification Plan                       | Options Assessment Document                             |
| 3) PMIS - Enterprise Document Management System (EDMS) | 9) Master Quality Plan (MQP)                          | 16) Aesthetics Guidelines Configuration Management Plan |
| 4) PMIS - Risk Management System                       | 10) Risk Management Plan                              | 17) Program Interface Management Plan (IMP)             |
| 5) PMIS - Schedule Management System                   | 11) Capital Cost Estimate Plan for 2018 Business Plan | 18) Records Management and Documentation Control Plan   |
| 6) ARRA Expenditures 2016 4 <sup>th</sup> Quarter      | 12) Program Controls Plan                             | 19) Administrative Records System (ARS) (kCura)         |
|  | 13) Resource Management Plan                          |   |
|  | 14) Work Plan Standards Guide                         | 20) Administrative Records System (ARS) (kCura)         |

- ▶ In Oct-18, the status of the Program Management Plan was changed from Caution (yellow) to Completed and the RDP Work Plan 2C Ext and Work Plan 3 status was changed from Satisfactory (green) to Completed.
- ▶ Additionally, status for Central Valley Wye (CVY) and Locally Generated Alternative (F-B) were changed from Caution (yellow) to Escalate (red).

**Issue:** Projects in Escalate status include: Construction Package 1 (CPI), Construction Package 2-3 (CP2-3), Construction Package 4 (CP4), Central Valley Wye (CVY), Locally Generated Alternative (F-B), and Southern CA Region Los Angeles to Anaheim.