



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

January 2019

Executive Summary for January 2019

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year	Prior Month	Current Month
	Jan 18	Dec 18	Jan 19
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$16.3	\$14.7	\$13.0
Number of Invoices Paid	302	264	222
Value of Invoices Paid	\$126.1	\$96.9	\$90.7
Number of In-Process Invoices	183	112	124
Value of In-Process Invoices	\$49.0	\$54.7	\$33.9
Total Number of Invoices Paid and In-Process	485	376	346

- ▶ The Authority has not had an aged invoice in 15 months and has not made a penalty payment in 22 months.
- ▶ The Authority currently has 274 disputed invoices with a total value of \$13.0M. This is a 11.6% or \$1.7M decrease from the \$14.7M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 52.7% or \$14.5M reduction from the Sep-18 reported total of \$27.5M.

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
	Jan 18	Dec 18	Jan 19
Prop IA Bond Fund Ending Cash Balance	\$1,207.1	\$805.9	\$734.1
Cap and Trade Ending Cash Balance	\$943.1	\$1,663.2	\$1,651.5

- ▶ Cap and Trade funds are used for various 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 and cash becomes available generally within one month.

Note: The Authority submitted a Prop IA Bond Survey to the Department of Finance (DOF) for the Spring Bond sale. If approved, the cash would become available for the Authority in early June. The request is still under DOF review.

Executive Summary for January 2019

Administrative Budget and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Jan 18	Dec 18	Jan 19
Budget (Fiscal Year)	\$43.9	\$45.4	\$45.4
Monthly Expenditures	\$3.1	\$2.9	\$3.0
YTD Expenditures	\$14.6	\$12.0	\$15.0
Percentage of Budget Expended YTD	33.2%	26.5%	33.0%
Percentage of Personal Services Budget Expended YTD	37.9%	30.8%	38.1%
Percentage of Operating Expenses and Equipment Expended YTD	20.5%	14.0%	18.2%
Percentage of Fiscal Year Completed	41.7%	33.3%	41.7%
Total Authorized Positions	226	226	226
Total Filled Positions	188	190	187
Vacancy Rate	16.8%	15.9%	17.3%

- ▶ At 41.7% of the fiscal year completed, 33.0% or \$15.0M of the total Administrative Budget (\$45.4M) has been spent, which is consistent with prior year expenditures.
- ▶ As of November 30, 2018, the Authority's vacancy rate is 17.3%, which is slightly higher (2.6%) than the statewide vacancy rate average of 14.7%.

Issue: The Authority's vacancy rate increased 1.4% from the prior month (from 15.9% to 17.3%). There are 10 positions out of the total 39 vacant positions that have been vacant for greater than a year.

Executive Summary for January 2019

Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Prior Month	Current Month
	Jan 18	Dec 18	Jan 19
Budget (Fiscal Year)	\$1,647.6	\$1,786.8	\$1,786.8
Monthly Expenditures	\$105.0	\$89.5	\$75.8
YTD Expenditures	\$449.1	\$322.7	\$398.5
Percentage of Budget Expended Year to Date	27.3%	18.0%	22.3%
Percentage of Fiscal Year Completed	41.7%	33.3%	41.7%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and Baseline.
- ▶ Using a straight-lined method, the Authority's monthly expenditures must equal \$149M in order to meet the FY2018-19 budget target of \$1.787B.
- ▶ Expenditures for Jan-19 were \$75.8M, which is 49% or \$73.2M less than the straight-line monthly forecast of \$149M.

Issue: The Authority's YTD expenditures are currently 46.5% or \$346M below the straight-lined expenditure schedule (\$745M) through the reporting period. 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	\$ 3,883.8
Project Development	\$ 1,028.8
Administration	\$ 221.0
Total Expenditures	\$ 5,133.6

State Match Liability				
Fund Type (\$ in millions)	Total Match	Match to Date	Remaining Match	% Matched to Date
	(A)	(B)	(A - B)	(B / A)
State and Local Funds				
State Match to ARRA Grant	\$ 2,496.4	\$ 476.7	\$ 2,019.7	19.1%
Local Match to ARRA Grant	\$ 4.1	\$ -	\$ 4.1	0.0%
Total	\$ 2,500.5	\$ 476.7	\$ 2,023.8	19.1%

- ▶ The Authority is 25.8% 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 19.1% of the total ARRA State and Local Match requirement (\$476.7M matched out of the \$2.500B requirement).
- ▶ Total Program Expenditures to date (\$5.134B) are comprised of the following categories: Construction (76%), Project Development (20%), and Administration (4%).







Executive Summary for January 2019

Contracts and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Jan 18	Dec 18	Jan 19
Number of Contracts	277	204	204
Total Value of Contracts	\$5,566.0	\$5,871.6	\$5,908.2
Number of Purchase Orders	102	53	51
Total Value of Purchase Orders	\$0.8	\$0.7	\$0.7
Total Value Contracts and Purchase Orders	\$5,566.8	\$5,872.4	\$5,909.2
Small Business Utilization Rate	20.4%	21.2%	21.4%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of November 30, 2018, the Authority had 204 active contracts and 51 active purchase orders (POs) with a total value of \$5.909B.
- ▶ Month-over-Month the value of contracts increased \$36.7M, primarily due to contract amendments.
- ▶ The Jan-19 report reflects a Small Business Utilization Rate (SBU) of 21.4%. The current rate represents a 5.2% 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 November 30, 2018 there are 488 small businesses actively working on the high-speed rail project, including 159 DBEs and 53 Certified DVBEs.

Projects & Initiatives Report

Time Line	Prior Year	Prior Month	Current Month
	Jan 18	Dec 18	Jan 19
Satisfactory 	12	9	9
Caution 	6	1	1
Escalate (red) 	5	6	6
On hold 	6	3	3
Completed  	2	3	1
n/a – Milestones TBD	5	6	6
Total	36	28	26

Projects Removed Since Dec-17

- 1) Advanced Mitigation Planning
- 2) Asset Management System – Maximo (AMO)
- 3) PMIS – Enterprise Document Management System (EDMS)
- 4) PMIS – Risk Management System
- 5) PMIS – Schedule Management System
- 6) Administrative Records System (ARS) (kCura)
- 7) Programming Plan
- 8) PMIS – Contract and Document Management System
- 9) RDP Work Plan 2C Ext and Work Plan 3
- 10) Programming Plan

- ▶ In Jan-19, RDP Work Plan 2C Ext and Work Plan 3 and Programming Plan were removed from the report, as they have been shown as complete for two months.

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.