



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

March 2019

Executive Summary for March 2019

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year	Prior Month	Current Month
	Mar 18	Feb 19	Mar 19
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$21.7	\$13.1	\$13.0
Number of Invoices Paid	385	242	263
Value of Invoices Paid	\$89.4	\$112.9	\$63.6
Number of In-Process Invoices	140	143	148
Value of In-Process Invoices	\$56.2	\$42.8	\$36.5
Total Number of Invoices Paid and In-Process	525	385	411

- ▶ The Authority has not had an aged invoice in 17 months and has not made a penalty payment in 24 months.
- ▶ The Authority currently has 261 disputed invoices with a total value of \$13.0M. This is a 1.0% or \$130.9K decrease from the \$13.1M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 52.8% 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
	Mar 18	Feb 19	Mar 19
Prop IA Bond Fund Ending Cash Balance	\$1,003.3	\$607.5	\$564.5
Cap and Trade Ending Cash Balance	\$1,166.3	\$1,649.3	\$1,852.8

- ▶ 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 are subject to Administrative adjustments by the Department of Finance (e.g. Foreign exchange rate at state operations).
- ▶ Prop IA funds are used for Administrative 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.
- ▶ The last four Cap and Trade auctions have resulted in a total of \$736M for the Authority (Feb-18, \$182M; May-18, \$170M; Aug-18, \$170M; Nov-18, \$214M).

Note: The Authority's 2019 Spring Bond sale request totals \$646M and will become available in late spring to support operations from July 2019 to December 2019.

Executive Summary for March 2019

Administrative Budget and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Mar 18	Feb 19	Mar 19
Budget (Fiscal Year)	\$45.4	\$45.4	\$47.2
Monthly Expenditures	\$3.1	\$3.0	\$3.2
YTD Expenditures	\$20.4	\$18.0	\$21.2
Percentage of Budget Expended YTD	45.1%	39.6%	44.9%
Percentage of Personal Services Budget Expended YTD	50.8%	46.1%	50.8%
Percentage of Operating Expenses and Equipment Expended YTD	28.7%	20.6%	26.8%
Percentage of Fiscal Year Completed	58.3%	50.0%	58.3%
Total Authorized Positions	226	226	226
Total Filled Positions	185	184	180
Vacancy Rate	18.1%	18.6%	20.4%

- ▶ At 58.3% of the fiscal year completed, 44.9% or \$21.2M of the total Administrative Budget (\$47.2M) has been spent, which is consistent with prior year expenditures.
- ▶ On January 10, 2019, the Governor's Proposed Budget was released for FY2019-20 and revisions to the current year budget were also included. In the revision, the Authority's current year budget was increased by \$1.8M (from \$45.4M to \$47.2M) to accommodate changes in salaries and benefits.
- ▶ As of January 31, 2019, the Authority's vacancy rate is 20.4%, which is slightly higher (5.4%) than the statewide vacancy rate average of 15.0%.

Issue: The Authority's vacancy rate has increased 6.2% over the past five reporting months (from 14.2% reported in Nov-18 to 20.4% reported in Mar-19). There are 12 positions out of the total 46 vacant positions that have been vacant for greater than a year.

Note: Included in the Governor's Proposed Budget for FY2019-20 were two IT BCP's requesting \$4.4M in Prop IA funding and 10 new IT positions for IT security and IT transition.

Executive Summary for March 2019

Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Prior Month	Current Month
	Mar 18	Feb 19	Mar 19
Budget (Fiscal Year)	\$1,648	\$1,786.8	\$1,786.8
Monthly Expenditures	\$74.8	\$59.2	\$52.5
YTD Expenditures	\$696.1	\$457.7	\$510.2
Percentage of Budget Expended Year to Date	42.3%	25.6%	28.6%
Percentage of Fiscal Year Completed	58.3%	50.0%	58.3%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and Baseline.
- ▶ Using the straight-line method, the Authority's monthly expenditures must equal \$149M in order to meet the FY2018-19 budget target of \$1.787B.
- ▶ Expenditures for Mar-19 were \$52.5M, which is 65% or \$96.5M less than the straight-line monthly expenditure goal of \$149M.

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	\$ 3,983.9
Project Development	\$ 1,039.5
Administration	\$ 227.2
Total Expenditures	\$ 5,250.6

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	\$ 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 28.8% 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 (\$5.251B) are comprised of the following categories: Construction (76%), Project Development (20%), and Administration (4%).

Note: The State Match Liability table reflects invoices submitted to and approved by the FRA as of January 31, 2019. An additional \$493M is pending FRA approval, resulting in \$970M (38% of the ARRA State and Local Match requirement) approved or pending approval by the FRA as of January 31, 2019.







Executive Summary for March 2019

Contracts and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Mar 18	Feb 19	Mar 19
Number of Contracts	256	199	194
Total Value of Contracts	\$5,654.0	\$5,894.9	\$5,914.1
Number of Purchase Orders	116	58	47
Total Value of Purchase Orders	\$1.2	\$0.8	\$0.6
Total Value Contracts and Purchase Orders	\$5,655.2	\$5,895.7	\$5,914.7
Small Business Utilization Rate	20.5%	20.9%	21.2%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of January 31, 2019, the Authority had 194 active contracts and 47 active purchase orders (POs) with a total value of \$5.914B.
- ▶ Month-over-Month the value of contracts increased \$19.0M, primarily due to approved contract amendments.
- ▶ The Mar-19 report reflects a Small Business Utilization Rate (SBU) of 21.2%. The current rate represents a 5.0% 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 December 31, 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
	Mar 18	Feb 19	Mar 19
Satisfactory 	11	9	9
Caution 	6	1	1
Escalate (red) 	4	6	6
On hold 	6	2	2
Completed  	2	0	0
n/a – Milestones TBD	5	6	6
Total	34	24	24

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
- 11) PMIS – Business Intelligence
- 12) Right of Way (ROW) Management System - geoAmps

- ▶ 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. The project in Caution status is Hiring and Staffing.