



California High-Speed Rail: Financial Reports Executive Summary

July 2019 Report (Data through May 31, 2019)

Executive Summary for July 2019 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year May-18 Data	Prior Month Apr-19 Data	Current Month May-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$23.6	\$8.6	\$5.8
Number of Invoices Paid	268	253	254
Value of Invoices Paid	\$72.9	\$113.7	\$63.5
Number of In-Process Invoices	112	129	148
Value of In-Process Invoices	\$62.0	\$40.9	\$33.5
Total Number of Invoices Paid and In-Process	380	382	402

- ▶ The Authority has not had an aged invoice in 21 months and has not made a penalty payment in 28 months.
- ▶ The Authority currently has 168 disputed invoices with a total value of \$5.8M. This is a 33% or \$2.8M decrease from the \$8.6M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 79% or \$21.7M 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 May-18 Data	Prior Month Apr-19 Data	Current Month May-19 Data
Prop IA Bond Fund Ending Cash Balance	\$1,186.2	\$919.4	\$867.9
Cap and Trade Ending Cash Balance	\$1,355.4	\$2,041.1	\$2,039.5

- ▶ 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 are subject to administrative adjustments by the Department of Finance (e.g. foreign exchange rate and state operation adjustments).
- ▶ 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.
- ▶ A Cap and Trade auction occurred on May 14, 2019, and the Authority's share of the proceeds were \$189M, which is not reflected in cash balance for May-19 data due to timing of authority granted by DOF (June-19). The proceeds will be reflected in next months cash balance.
- ▶ The last 4 auctions have resulted in \$786M for the Authority (Aug-18, \$170M; Nov-18, \$214M; Feb-19, \$213M; May-19 \$189M).

Note: Cap and Trade funding is being reserved for long lead time contracts such as Design Build contracts and others extending beyond 2020. As a result, the Cap and Trade cash balance will continue to accumulate with auction proceeds as Prop IA funds are prioritized for expenditures.

Executive Summary for July 2019 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year May-18 Data	Prior Month Apr-19 Data	Current Month May-19 Data
Budget (Fiscal Year)	\$45.4	\$47.2	\$47.2
Monthly Expenditures	\$2.9	\$3.2	\$3.4
YTD Expenditures	\$31.8	\$30.1	\$33.5
Percentage of Budget Expended YTD	70.1%	63.7%	70.9%
Percentage of Personal Services Budget Expended YTD	80.7%	71.9%	79.9%
Percentage of Operating Expenses and Equipment Expended YTD	40.9%	38.4%	43.3%
Percentage of Fiscal Year Completed	91.7%	83.3%	91.7%
Total Authorized Positions	226	226	226
Total Filled Positions	189	182	185
Vacancy Rate	16.4%	19.5%	18.1%

- ▶ At 91.7% of the fiscal year completed, 70.9% or \$33.5M of the total Administrative Budget (\$47.2M) has been spent, which is slightly higher than prior year expenditures.
- ▶ As of May 31, 2019, the Authority's vacancy rate is 18.1%, which is a 1.4% reduction from the vacancy rate reported in the prior month (19.5%).

Issue: The Authority's vacancy rate is 3.8% higher than the statewide vacancy rate average of 14.3% through the May 31, 2019 reporting period.

Note: The Authority submitted a May Revise BCP for FY2019-20 requesting \$4.5M in Prop IA funding for 35 new state positions and Operational Expenses. The increase in positions and budget will be offset by a reduction in 35 consultant positions and \$5.3M, resulting in a net reduction of \$0.8M. The BCP was included in the FY2019-20 Budget Act (AB 74) and was signed by Governor Gavin Newsom on June 27, 2019.

Executive Summary for July 2019 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year	Prior Month	Current Month
	May-18 Data	Apr-19 Data	May-19 Data
Budget (Fiscal Year)	\$1,637.7	\$1,786.8	\$1,786.8
Monthly Expenditures	\$94.8	\$104.2	\$54.5
YTD Expenditures	\$993.7	\$759.8	\$814.2
Percentage of Budget Expended Year to Date	60.7%	42.5%	45.6%
Percentage of Fiscal Year Completed	91.7%	83.3%	91.7%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and Baseline.
- ▶ Using the straight-line method, the Authority's monthly expenditures would have needed to equal \$149M in order to meet the FY2018-19 budget target of \$1.787B.
- ▶ Expenditures for Jul-19 were \$54.5M, which is 63% or \$94.5M less than the straight-line monthly expenditure goal of \$149M.
- ▶ Expenditures by construction segment were as follows: CP1: \$15.4M, CP2-3: \$9.2M, CP4: \$7.6M.

Issue: The underutilization of budget is primarily due to low spending within Project Development and the construction packages.

Note: The Total Program Budget increased by \$1.954B (from \$13.659B to \$15.613B) to reflect the Program Baseline Budget approved in the May Board Meeting.

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)
Construction	\$ 4,175.5
Project Development	\$ 1,144.9
Administration	\$ 165.6
Local Assistance	\$ 45.0
Total Expenditures	\$ 5,531.0

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%

- ▶ Total Program Expenditures to date (\$5.531B) are comprised of the following categories: Construction (75%), Project Development (21%), Administration (3%), and Local Assistance (1%).
- ▶ The State Match to ARRA and State Match Liability tables reflect invoices submitted to and approved by FRA as of May 31, 2019 (\$476.7M). An additional \$579.4M is pending FRA approval, and \$444M is in-process at HSRA, resulting in \$1.500B (60%) approved by FRA, pending approval by FRA, and in-process at HSRA through May 31, 2019.

Executive Summary for July 2019 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year May-18 Data	Prior Month Apr-19 Data	Current Month May-19 Data
Number of Contracts	238	197	196
Total Value of Contracts	\$5,746.4	\$6,625.0	\$6,658.0
Number of Purchase Orders	103	52	53
Total Value of Purchase Orders	\$1.2	\$0.6	\$0.8
Total Value Contracts and Purchase Orders	\$5,747.6	\$6,625.6	\$6,658.8
Small Business Utilization Rate	20.4%	21.4%	21.3%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of May 31, 2019, the Authority had 196 active contracts and 53 active purchase orders (POs) with a total value of \$6.659B.
- ▶ Month-over-Month the value of contracts increased \$33.2M, primarily due to 5 amendments to increase funding for ROW services.
- ▶ The Jul-19 report reflects a Small Business Utilization Rate (SBU) of **21.3%**. The current rate represents a 5.1% 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 June 3, 2019 there are **512** small businesses actively working on the high-speed rail project, including **167** DBEs and **53** Certified DVBEs.

Projects & Initiatives Report

(Time Line Status)

		Prior Year May-18 Data	Prior Month Apr-19 Data	Current Month May-19 Data
Satisfactory	■	12	7	11
Caution	◆	6	1	3
Escalate (red)	●	1	6	0
On hold	★	5	2	2
Completed	▲▼	0	1	0
n/a – Milestones TBD		6	6	6
Total		30	23	22

Projects Removed Since Jul-18 Report

- 1) Programming Plan
- 2) PMIS – Contract and Document Management System
- 3) RDP Work Plan 2C Ext and Work Plan 3
- 4) Programming Plan
- 5) PMIS – Business Intelligence
- 6) Right of Way (ROW) Management System – geoAmps
- 7) Environmental Mitigation Management and Assessment Application – EMMA 2.0
- 8) PMIS - Cost Management System

- ▶ PMIS – Cost Management System has been removed from the report, as it has reflected Completed status for two months.
- ▶ In the July Report, the status for Construction Package 1, Construction Package 2-3, Construction Package 4, and Southern CA Region Los Angeles to Anaheim were changed from Escalate (red) to Satisfactory (green). In addition, the status for Central Valley Wye (CVY) and Locally Generated Alternative (F-B) were changed from Escalate (red) to Caution (yellow).

Executive Summary for July 2019 Report

Contingency Summary

(\$ in millions) (data through May 31, 2019)

Contingency Category	CP1 Total Alloc.	CP1 Cumul. Authorized	CP1 Balance	CP2-3 Total Alloc.	CP2-3 Cumul. Authorized	CP2-3 Balance	CP4 Total Alloc.	CP4 Cumul. Authorized	CP4 Balance	Other Total Alloc.	Other Cumul. Authorized	Other Balance	Total Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$ 1,237	\$ 28	\$ 1,209	\$ 1,085	\$ 22	\$ 1,062	\$ 340	\$ 0	\$ 340	\$ -	\$ -	\$ -	\$ 2,662	\$ 50	\$ 2,661
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 426	\$ 426	\$ -	\$ 426
Interim Use/Project Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 54	\$ 154	\$ 208	\$ 54	\$ 154
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ 301	\$ 301	\$ -	\$ 301
Total	\$ 1,237	\$ 28	\$ 1,209	\$ 1,085	\$ 22	\$ 1,062	\$ 340	\$ 0	\$ 340	\$ 935	\$ 54	\$ 881	\$ 3,597	\$ 104	\$ 3,492

HSR Governance Actions

May 2019 Activity

Vendor	Project	Contract #	Code	Authorizations (\$ in millions)	Comments
Project Contingency					
Previously Approved Authorizations				\$ -	
TPZP	CPI	HSR 13-06	A/B	\$ 28	
Authorizations <\$25 million				\$ 22	
Adjustments (+/-)				\$ -	
Monthly Subtotal				\$ 50	
Total Authorization				\$ 50	

Vendor	Contract #	Project	Code	Authorizations (\$ in millions)	Comments
Unallocated Contingency					
Previously Approved Authorizations				\$ -	
Current Authorizations				\$ -	None
Monthly Subtotal				\$ -	
Total Authorization				\$ -	
Interim Use/Project Reserve					
Previously Approved Authorizations				\$ 54	
Current Authorizations				\$ -	None
Monthly Subtotal				\$ 54	
Total Authorization				\$ 54	
Other					
Previously Approved Authorizations				\$ -	
Current Authorizations				\$ -	None
Monthly Subtotal				\$ -	
Total Authorization				\$ -	

Notes:

- Contingency Summary is based on the 2019 Budget Update.
- Other refers to Non-DB CVS Scope and Non CVS Scope.
- Total Alloc.: Total Allocation is the initial contingency allocation set at the 2019 Budget Update.
- Cumul. Authorized: Cumulative Authorized is the total amount of individual contingency transfers \$25M and over that have received approval through the HSR governance process for which a change order/contract has not been executed and all executed change orders involving the transfer of contingency.
- Balance is the remaining contingency balance after all HSR approved contingency transfers \$25M and over for which a change order has not been executed and all executed change orders involving the transfer of contingency.
- All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in this summary.

Code	Item
A	Scope Change
B	Cost Change
C	Unallocated
D	Other