



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

August 2019 Report (Data through June 30, 2019)

Executive Summary for August 2019 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Jun-18 Data	Prior Month May-19 Data	Current Month Jun-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$23.0	\$5.8	\$4.6
Number of Invoices Paid	295	254	235
Value of Invoices Paid	\$69.4	\$63.5	\$57.9
Number of In-Process Invoices	109	148	130
Value of In-Process Invoices	\$33.4	\$33.5	\$55.9
Total Number of Invoices Paid and In-Process	404	402	365

- ▶ The Authority has not had an aged invoice in 22 months and has not made a penalty payment in 29 months.
- ▶ The Authority currently has 176 disputed invoices with a total value of \$4.6M. This is a 20% or \$1.2M decrease from the \$5.8M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 83.2% or \$22.9M 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 Jun-18 Data	Prior Month May-19 Data	Current Month Jun-19 Data
Prop IA Bond Fund Ending Cash Balance	\$1,113.6	\$867.9	\$821.8
Cap and Trade Ending Cash Balance	\$1,530.5	\$2,039.5	\$2,218.9

- ▶ 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.
- ▶ 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).
- ▶ A Cap and Trade auction occurred on May 14, 2019, and the Authority's share of the proceeds were \$189M, which represents the Executive Order amount (includes \$3M for prior period adjustment). Proceeds are reflected in the current month Cap and Trade 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 August 2019 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Jun-18 Data	Prior Month May-19 Data	Current Month Jun-19 Data
Budget (Fiscal Year)	\$45.4	\$47.2	\$47.2
Monthly Expenditures	\$3.3	\$3.4	\$4.0
YTD Expenditures	\$35.1	\$33.5	\$37.4
Percentage of Budget Expended YTD	77.5%	70.9%	79.3%
Percentage of Personal Services Budget Expended YTD	88.3%	79.9%	86.5%
Percentage of Operating Expenses and Equipment Expended YTD	47.4%	43.3%	56.4%
Percentage of Fiscal Year Completed	100%	91.7%	100%
Total Authorized Positions	226	226	226
Total Filled Positions	192	185	185
Vacancy Rate	15.0%	18.1%	18.1%

- ▶ At 100% of the fiscal year completed, 79.3% or \$37.4M of the total Administrative Budget (\$47.2M) has been spent, which is \$2.3M higher than prior year expenditures. Budget underutilization is due to vacancies and low OE&E spending.
- ▶ Expenditures for June include year-end accruals for outstanding invoices waiting to be received and processed for payment for work performed in FY2018-19.
- ▶ As of June 30, 2019, the Authority's vacancy rate is 18.1%, which remains the same as the vacancy rate reported in the prior month (18.1%).
- ▶ The Authority's vacancy rate is 4.0% higher than the statewide vacancy rate average of 14.1% through the June 28, 2019 reporting period.

Note: The FY2019-20 Enacted Budget totals \$56M, which increased \$8.9M or 19% from the FY2018-19 Administrative Budget due to: (1) two IT BCP's requesting \$4.4M and 10 new IT positions for IT security and IT transition and (2) \$4.5M for 35 new state positions for Contract Management and Financial Resources (Budgets/Accounting).

Executive Summary for August 2019 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year	Prior Month	Current Month
	Jun-18 Data	May-19 Data	Jun-19 Data
Budget (Fiscal Year)	\$1,637.7	\$1,786.8	\$1,786.8
Monthly Expenditures	\$150.7	\$54.5	\$184.6
YTD Expenditures	\$1,144.4	\$814.2	\$998.8
Percentage of Budget Expended Year to Date	69.9%	45.6%	55.9%
Percentage of Fiscal Year Completed	100%	91.7%	100%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and Baseline.
- ▶ YTD Capital Outlay expenditures are \$998.8M or 55.9% of budget, which is a \$145.6M or 12.7% decrease from prior year (August-18 was \$1.144B). The underutilization of budget is primarily due to low spending within Project Development and the Construction Packages.
- ▶ Expenditures for Jun-19 were \$184.6M, which includes \$89.7M in year-end accruals for outstanding invoices waiting to be received and processed for payment for work performed in FY2018-19. Significant year-end accruals include: \$61.2M for Caltrain and \$14.1M for LA County Metro.
- ▶ Expenditures by construction segment were as follows: CP1: \$30.5M, CP2-3: \$26.4M, CP4: \$10.6M, Total: \$67.5M.
- ▶ Design Build contract work within each construction segment were as follows: CP1: \$9.2M, CP2-3: \$22.1M, CP4: \$7.7M, Total: \$39M.

Note: The Total Program Budget is \$15.613B and reflects the Program Baseline Budget approved in the May Board Meeting. The FY2019-20 Capital Outlay Budget is \$2.255B)

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)
Construction	\$ 4,262.5
Project Development	\$ 1,164.8
Administration	\$ 168.1
Local Assistance	\$ 124.1
Total Expenditures	\$ 5,719.5

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 (\$5.720B) are comprised of the following categories: Construction (75%), Project Development (20%), Administration (3%), and Local Assistance (2%).
- ▶ The State Match to ARRA and State Match Liability tables reflect invoices submitted to and approved by FRA as of June 30, 2019 (\$476.7M). An additional \$616M is pending FRA approval, and \$443M is in-process at HSRA, resulting in \$1.536B (60%) approved by the FRA, pending approval by the FRA, and in-process at HSRA as of June 30, 2019.

Executive Summary for August 2019 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Jun-18 Data	Prior Month May-19 Data	Current Month Jun-19 Data
Number of Contracts	229	196	199
Total Value of Contracts	\$5,838.0	\$6,658.0	\$6,690.2
Number of Purchase Orders	81	53	72
Total Value of Purchase Orders	\$1.2	\$0.8	\$1.3
Total Value Contracts and Purchase Orders	\$5,839.2	\$6,658.8	\$6,691.5
Small Business Utilization Rate	20.9%	21.3%	21.1%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of June 30, 2019, the Authority had 199 active contracts and 72 active purchase orders (POs) with a total value of \$6.692B.
- ▶ Month-over-Month the value of contracts increased \$33.5M, primarily due to 4 amendments to increase funding for ROW services.
- ▶ The Aug-19 report reflects a Small Business Utilization Rate (SBU) of **21.1%**. The current rate represents a 4.9% 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 Jun-18 Data	Prior Month May-19 Data	Current Month Jun-19 Data
Satisfactory	12	11	9
Caution	6	3	4
Escalate (red)	1	0	1
On hold	5	2	2
Completed	0	0	0
n/a – Milestones TBD	6	6	6
Total	30	22	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

- ▶ The status for Bakersfield to Palmdale changed from Satisfactory to Escalate, due to additional engagement with local stakeholders for Cesar Chavez National Monument.
- ▶ The status for San Jose to Merced was changed from Satisfactory to Caution, due to federal permit issues.

Executive Summary for August 2019 Report

Contingency Summary

(data is cumulative from the May 2019 Project Budget Update through June 30, 2019, in millions)

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	\$ 34	\$ 1,203	\$ 1,085	\$ 22	\$ 1,063	\$ 340	\$ 41	\$ 299	\$ -	\$ -	\$ -	\$ 2,662	\$ 97	\$ 2,565
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 426	\$ 426	\$ -	\$ 426
Interim Use/Project Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 54	\$ 154	\$ 208	\$ 54	\$ 154
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ 301	\$ 301	\$ -	\$ 301
Total	\$ 1,237	\$ 34	\$ 1,203	\$ 1,085	\$ 22	\$ 1,063	\$ 340	\$ 41	\$ 299	\$ 935	\$ 54	\$ 881	\$ 3,597	\$ 151	\$ 3,446

HSR Governance Actions

June 2019 Activity

Category	Project	Contract #	Code	Authorizations (in millions)	Comments
Contingency Category: Project Contingency					
Authorizations >\$25 million					None
California Rail Builders*	CP4	HSR 14-32	B	\$ 41	
Authorizations <\$25 million				\$ 8	
Adjustments (+/-)				\$ (2)	
Monthly Subtotal				\$ 47	
Previously Approved Authorizations				\$ 50	
Total Cumulative Authorizations				\$ 97	

*Schedule related settlement approved under prior Board delegation, see Board Resolution #HSRA 16-10

Notes:

- 1) Contingency Category "Other" refers to Non-DB CVS Scope and Non CVS Scope.
- 2) Total Alloc.: Total Allocation is the initial contingency allocation set at the 2019 Budget Update.
- 3) 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.
- 4) 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.
- 5) All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in this summary. (no contingency transfers over \$25M occurred in June 2019)

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

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