



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

**May 2018**

# Executive Summary for May 2018

## Accounts Payable Aging Report

(\$ in millions)	Prior Year	Current Year	Current Year
	May 17	Apr 18	May 18
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$14.4	\$21.5	\$23.1
Number of Invoices Paid	429	335	313
Value of Invoices Paid	\$102.9	\$73.9	\$66.9
Number of In-Process Invoices	182	131	110
Value of In-Process Invoices	\$88.5	\$54.5	\$50.0
Total Number of Invoices Paid and In Progress	611	466	423

- ▶ The Authority has not reported an aged invoice in the past 7 months (Oct-17). Between FY2011-12 and FY2015-16 the Authority paid over \$1.0M in total penalty payments for aged invoices, however, in the past year the Authority has not made a penalty payment. This represents a 100% decrease in penalty payments while annual expenditures have increased 1,154.9% from \$144.9M in FY2011-12 to \$1.818B projected in FY2017-18.
- ▶ Year-over-Year the value and total number of invoices paid and in-process has decreased primarily due to low ROW acquisition progress and prior year emphasis on ARRA fund spending. Activity is expected to increase with the progression of construction.

**Issue:** The Authority currently has 270 disputed invoices with a total value of \$23.1M. This is a 41.7% or \$6.8M increase from the \$16.3M reported in the prior quarter. Year-over-Year disputes have increased 60.4% or \$8.7M from the \$14.4M reported in May-17.

## Cash Management Report

(\$ in millions)	Prior Year	Current Year	Current Year
	May 17	Apr 18	May 18
Prop IA Bond Fund Ending Cash Balance	\$80.8	\$880.3	\$827.1
Cap and Trade Ending Cash Balance	\$607.8	\$1,183.9	\$1,368.4

- ▶ Cap and Trade funds are generally used for program priorities such as financial advisors, federal contracts, and other projects (e.g. San Mateo Grade Separation). Cap and Trade auctions occur four times per year and cash becomes available generally within one month.
- ▶ Prop IA funds are generally used for program priorities including Administration, 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 Feb-18 Cap and Trade auction proceeds was \$181.7M and is reflected on the Cash Management report.

In the April 2018 Prop IA Bond sale the Authority requested \$526.3M. Prop IA utilization will increase as the Authority progresses towards full ARRA Grant State Match. This will cause the cash balance to fluctuate periodically, and will also result in low utilization of Cap and Trade.

# Executive Summary for May 2018

## Executive Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	May 17	Apr 18	May 18
Monthly Expenditures	\$2.7	\$2.7	\$2.9
Percentage of Budget Expended YTD	56.8%	51.1%	57.5%
Percentage of Personal Services Budget Expended YTD	63.4%	57.8%	65.4%
Percentage of Operating Expenses and Equipment Expended YTD	33.7%	32.0%	35.0%
Percentage of Fiscal Year Completed	75.0%	66.7%	75.0%
Total Authorized Positions	226	226	226
Total Filled Positions	193	192	187
Vacancy Rate	14.6%	15.0%	17.3%

- ▶ At 75.0% of FY2017-18 completed, 57.5% or \$26.1M of the total Administrative Budget (Personal Services Budget plus Operating Expenses and Equipment Budget) has been spent, compared to 56.8% or \$24.3M for YTD May-17, an increase in budget utilization of 0.9% Year-over-Year.
- ▶ Monthly expenditures for May-18 were \$2.9M, an increase of 6.7% or \$183K from the prior month, and an increase of 6.4% or \$175K from the prior year.
- ▶ The percentage of Personal Services Budget expended YTD for May-18 is 65.4%, an increase of 2.0% or \$1.8M from the prior year. The rise in budget utilization is largely attributed to salary increases.
- ▶ The percentage of Operating Expenses and Equipment Budget expended YTD for May-18 is 35.0%, a nominal increase of 1.3% or \$58K from the prior year. Low spending in Consulting and Professional Services: Interdepartmental (30.7%) and External (21.5%) are the primary drivers of underutilization.

**Issue:** The Authority's vacancy rate of 17.3% (39 vacancies out of 226 authorized positions) increased 2.3% month-over-month from the 15.0% reported last month and is slightly higher than the statewide average of 16.8% (statewide average rate as of March 30, 2018).

# Executive Summary for May 2018

## Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Current Year	Current Year
	May 17	Apr 18	May 18
Budget (Fiscal Year)	\$1,744	\$1,648	\$1,648
Monthly Expenditures	\$68.4	\$79.6	\$70.7
Percentage of Budget Expended Year to Date	50.6%	47.1%	51.4%
Percentage of Fiscal Year Completed	75.0%	66.7%	75.0%

- ▶ The \$1.648B FY2017-18 budget supports activities reflected within the 2016 Business Plan and is based on a prioritization of executed contracts necessary for Central Valley development and construction, Silicon Valley to Central Valley segment planning, and Bookend Corridor project construction.
- ▶ Authority staff released the draft 2018 Business Plan on March 9, 2018, which begins the 60-day public comment period prior to adoption of the new plan.

**Issue:** Issues within the Capital Outlay report are predominately line item expenditures under and/or over budget. These items are being reviewed and adjustments will be made with the adoption of the 2018 Business Plan.

## Total Project Expenditures with Forecasts

Total Program Expenditures to Date (\$ in millions)	
Construction	\$ 3,078.2
Project Development	\$ 1,184.1
Administration	\$ 196.9
<b>Total Expenditures</b>	<b>\$ 4,459.2</b>

State Match Liability				
Fund Type (\$ in millions)	Total Match	Match to Date	Remaining Match	% Matched to Date
	(A)	(B)	(A - B)	(B / A)
<b>State and Local Funds</b>				
State Match to ARRA Grant	\$ 2,453.7	\$ 876.4	\$ 1,577.3	35.7%
Local Match to ARRA Grant	\$ 52.1	\$ 0.4	\$ 51.7	0.7%
<b>Total</b>	<b>\$ 2,505.8</b>	<b>\$ 876.8</b>	<b>\$ 1,629.0</b>	<b>35.0%</b>

- ▶ The Authority is ahead of the straight-line State Match liability schedule, which predominately started on July 1, 2017 and has a completion date of December 31, 2022. The Authority is currently 14% through the schedule and has matched 35% of the total match requirement; \$876.8M matched out of the \$2.506B requirement.
- ▶ Total Program Expenditures to date since inception are \$4.459B, comprised of \$196.9M for Administration and \$4.262B for Project Development (\$1.184B) and Construction (\$3.078B).

# Executive Summary for May 2018

## Contracts and Expenditures Report

(\$ in millions)

	Prior Year May 17	Current Year Apr 18	Current Year May 18
Number of Contracts	312	250	252
Total Value of Contracts	\$5,333.4	\$5,643.1	\$5,676.3
Number of Purchase Orders	93	113	112
Total Value of Purchase Orders	\$0.4	\$1.2	\$1.4
Total Value Contracts and Purchase Orders	\$5,333.8	\$5,644.3	\$5,677.7
Small Business Utilization Rate	18.8%	19.7%	19.4%

- ▶ As of March 31, 2018, the Authority had 252 active contracts and 112 active purchase orders (POs) with a total value of \$5.677B. The total net value of contracts/POs increase from prior month by \$33.4M, going from \$5.644B to \$5.677B. Purchase orders are generally used to acquire goods, while contracts are predominately issued for services.
- ▶ The May-18 report reflects a Small Business Utilization Rate (SBU) of 19.4%; a .6% increase from the 18.8% reported last year in May-17. The current rate also represents a 3.2% 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 March 21, 2018, there are 437 small businesses are actively working on the high-speed rail project, including 142 DBEs and 52 Certified DVBEs.

**Note:** The table above now splits out the number of contracts and PO's for increased transparency.

## Projects & Initiatives Report

Time Line		Prior Year May 17	Current Year Apr 18	Current Year May 18
Satisfactory	■	9	12	12
Caution	◆	17	5	5
Escalate	●	14	2	2
On hold	★	3	6	5
Completed	▲ ▼	2	1	1
n/a – Milestones TBD		5	6	6
Total		50	32	31

## Projects Removed Since May-17

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

- ▶ The Authority has decreased its number of Escalated Items from 14 in Apr-17, to two reported in Apr-18, showing significant progress in project delivery efficiency.
- ▶ Two projects have been removed from the Apr-18 Projects and Initiatives Report as they have been shown as complete for two months. These items are: (1) PMIS Schedule Management; and (2) Advanced Mitigation Planning.
- ▶ PMIS – Enterprise Document Management System (EDMS) – Records Management System was cancelled because current tools have been deemed adequate at this time. This item is counted as N/A in the above table.