



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

**February 2019**

# Executive Summary for February 2019

## Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year	Prior Month	Current Month
	Feb 18	Jan 19	Feb 19
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$16.3	\$13.0	\$13.1
Number of Invoices Paid	225	222	242
Value of Invoices Paid	\$120.2	\$90.7	\$112.9
Number of In-Process Invoices	203	124	143
Value of In-Process Invoices	\$65.6	\$33.9	\$42.8
Total Number of Invoices Paid and In-Process	428	346	385

- ▶ The Authority has not had an aged invoice in 16 months and has not made a penalty payment in 23 months.
- ▶ The Authority currently has 273 disputed invoices with a total value of \$13.1M. This is a 0.7% or \$88.2K increase from the \$13.0M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 52.4% or \$14.4M 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
	Feb 18	Jan 19	Feb 19
Prop IA Bond Fund Ending Cash Balance	\$1,094.1	\$734.1	\$607.5
Cap and Trade Ending Cash Balance	\$1,156.6	\$1,651.5	\$1,649.3

- ▶ 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.
- ▶ FY2018-19 Cap and Trade funding includes the following auction proceeds: Aug-18, \$169.9M. The preliminary share of auction proceeds for the Authority in the Nov-18 Cap and Trade auction is estimated at \$203.3M and is subject to foreign exchange and state operations adjustments.

**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.

# Executive Summary for February 2019

## Administrative Budget and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Feb 18	Jan 19	Feb 19
Budget (Fiscal Year)	\$43.9	\$45.4	\$45.4
Monthly Expenditures	\$2.8	\$3.0	\$3.0
YTD Expenditures	\$17.3	\$15.0	\$18.0
Percentage of Budget Expended YTD	39.4%	33.0%	39.6%
Percentage of Personal Services Budget Expended YTD	45.2%	38.1%	46.1%
Percentage of Operating Expenses and Equipment Expended YTD	23.6%	18.2%	20.6%
Percentage of Fiscal Year Completed	50.0%	41.7%	50.0%
Total Authorized Positions	226	226	226
Total Filled Positions	188	187	184
Vacancy Rate	16.8%	17.3%	18.6%

- ▶ At 50.0% of the fiscal year completed, 39.6% or \$18.0M of the total Administrative Budget (\$45.4M) has been spent, which is consistent with prior year expenditures.
- ▶ As of December 31, 2018, the Authority's vacancy rate is 18.6%, which is slightly higher (3.4%) than the statewide vacancy rate average of 15.2%.

**Issue:** The Authority's vacancy rate has increased 4.4% over the past four reporting months (from 14.2% reported in Nov-18 to 18.6% reported in Feb-19). There are 11 positions out of the total 42 vacant positions that have been vacant for greater than a year.

**Note:** Included in the Governor's Proposed Budget (January 10<sup>th</sup>) 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 February 2019

## Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Prior Month	Current Month
	Feb 18	Jan 19	Feb 19
Budget (Fiscal Year)	\$1,648	\$1,786.8	\$1,786.8
Monthly Expenditures	\$172.2	\$75.8	\$59.2
YTD Expenditures	\$621.3	\$398.5	\$457.7
Percentage of Budget Expended Year to Date	37.7%	22.3%	25.6%
Percentage of Fiscal Year Completed	50.0%	41.7%	50.0%

- ▶ 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 Feb-19 were \$59.2M, which is 60% or \$89.8M 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	\$ 3,937.1
Project Development	\$ 1,033.7
Administration	\$ 224.0
<b>Total Expenditures</b>	<b>\$ 5,194.9</b>

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%
<b>Total</b>	<b>\$ 2,500.5</b>	<b>\$ 476.7</b>	<b>\$ 2,023.8</b>	<b>19.1%</b>

- ▶ The Authority is 27.3% 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 (\$5.195B) are comprised of the following categories: Construction (76%), Project Development (20%), and Administration (4%).

**Note:** The Authority has an additional \$493M in State Match expenditures pending approval from the FRA. If approved, the total match would increase to \$971M or 38% of the ARRA State and Local Match requirement.







# Executive Summary for February 2019

## Contracts and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Feb 18	Jan 19	Feb 19
Number of Contracts	283	204	199
Total Value of Contracts	\$5,655.0	\$5,908.2	\$5,894.9
Number of Purchase Orders	126	51	58
Total Value of Purchase Orders	\$1.1	\$0.7	\$0.8
Total Value Contracts and Purchase Orders	\$5,656.5	\$5,909.2	\$5,895.7
Small Business Utilization Rate	20.5%	21.4%	20.9%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of December 31, 2018, the Authority had 199 active contracts and 58 active purchase orders (POs) with a total value of \$5.896B.
- ▶ Month-over-Month the value of contracts decreased \$13.4M, primarily due to expired and early terminated contracts.
- ▶ The Feb-19 report reflects a Small Business Utilization Rate (SBU) of 20.9%. The current rate represents a 4.7% 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
	Feb 18	Jan 19	Feb 19
Satisfactory 	11	9	9
Caution 	6	1	1
Escalate (red) 	4	6	6
On hold 	6	3	2
Completed  	2	1	0
n/a – Milestones TBD	5	6	6
Total	34	26	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

- ▶ In Feb-19, Right of Way (ROW) Management System – geoAmps was removed from the report, as it has been shown as complete for two months. Additionally, PMIS – Business Intelligence Center was also removed from the report, as it has been shown as cancelled 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. The project in Caution status is Hiring and Staffing.