



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

December 2018

Executive Summary for December 2018

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year	Prior Month	Current Month
	Dec 17	Nov 18	Dec 18
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$17.4	\$17.4	\$14.7
Number of Invoices Paid	335	267	264
Value of Invoices Paid	\$85.2	\$60.1	\$96.9
Number of In-Process Invoices	191	111	112
Value of In-Process Invoices	\$81.4	\$56.5	\$54.7
Total Number of Invoices Paid and In-Process	526	378	376

- ▶ The Authority has not had an aged invoice in 14 months and has not made a penalty payment in 21 months.
- ▶ The Authority currently has 265 disputed invoices with a total value of \$14.7M. This is a 15.5% or \$2.7M decrease from the \$17.4M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 46.5% or \$12.8M 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
	Dec 17	Nov 18	Dec 18
Prop IA Bond Fund Ending Cash Balance	\$1,347.3	\$903.9	\$805.9
Cap and Trade Ending Cash Balance	\$947.4	\$1,676.4	\$1,663.2

- ▶ 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.

Note: A Cap and Trade auction occurred on November 14, 2018. The preliminary share of the auction proceeds for the Authority is estimated at \$203.3M and is subject to foreign exchange and state operations adjustments. The proceeds are expected within 45 days of the auction date.

Executive Summary for December 2018

Administrative Budget and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Dec 17	Nov 18	Dec 18
Budget (Fiscal Year)	\$43.9	\$45.4	\$45.4
Monthly Expenditures	\$2.9	\$3.3	\$2.9
YTD Expenditures	\$11.5	\$9.1	\$12.0
Percentage of Budget Expended YTD	26.1%	20.1%	26.5%
Percentage of Personal Services Budget Expended YTD	30.3%	23.2%	30.8%
Percentage of Operating Expenses and Equipment Expended YTD	14.8%	11.5%	14.0%
Percentage of Fiscal Year Completed	33.3%	25.0%	33.3%
Total Authorized Positions	226	226	226
Total Filled Positions	191	194	190
Vacancy Rate	15.5%	14.2%	15.9%

- ▶ At 33.3% of the fiscal year completed, 26.5% or \$12.0M of the total Administrative Budget (\$45.4M) has been spent, which is slightly higher than prior year expenditures.
- ▶ As of October 31, 2018, the Authority's vacancy rate is 15.9%, which is slightly higher than the statewide vacancy rate average of 14.6%.

Note: As of Oct-18, the Authority implemented the Program Management Plan (PMP). The organizational changes include: (1) the Risk Management and Project Controls Office merged into the Program Delivery Office, (2) the Government Relations Office was changed to the Legislative Affairs Office, and (3) the External Affairs Office and the Communications Office were merged to create a Strategic Communications Office.

Issue: The Authority's vacancy rate increased 1.7% from the prior month (from 14.2% to 15.9%). There are 12 positions out of the total 36 vacant positions that have been vacant for greater than a year.

Executive Summary for December 2018

Capital Outlay Budget Summary

(\$ in millions)	Prior Year	Prior Month	Current Month
	Dec 17	Nov 18	Dec 18
Budget (Fiscal Year)	\$1,647.8	\$1,786.8	\$1,786.8
Monthly Expenditures	\$81.2	\$75.0	\$89.5
YTD Expenditures	\$344.1	\$233.2	\$322.7
Percentage of Budget Expended Year to Date	21.0%	13.1%	18.0%
Percentage of Fiscal Year Completed	33.3%	25.0%	33.3%

- ▶ The FY2018-19 budget supports activities reflected within the 2018 Business Plan and Baseline.
- ▶ Using a straight-lined method, the Authority's monthly expenditures must equal \$149M in order to meet the FY2018-19 budget of \$1.787B.
- ▶ Expenditures for Dec-18 were \$89.5M, which is 40% or \$59.5M less than the straight-line monthly forecast of \$149M.

Issue: The Authority's YTD expenditures are currently 45.8% or \$272.9M below the straight-lined expenditure schedule (\$596M) through Oct-18. 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	\$ 3,813.7
Project Development	\$ 1,023.3
Administration	\$ 218.0
Total Expenditures	\$ 5,055.0

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 24.2% 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 match requirement (\$476.7M matched out of the \$2.500B requirement).
- ▶ Total Program Expenditures to date (\$5.055B) are comprised of the following categories: Construction (76%), Project Development (20%), and Administration (4%).







Executive Summary for December 2018

Contracts and Expenditures Report

(\$ in millions)	Prior Year	Prior Month	Current Month
	Dec 17	Nov 18	Dec 18
Number of Contracts	276	206	204
Total Value of Contracts	\$5,619.8	\$5,917.0	\$5,871.6
Number of Purchase Orders	145	52	53
Total Value of Purchase Orders	\$1.1	\$0.8	\$0.7
Total Value Contracts and Purchase Orders	\$5,620.9	\$5,917.8	\$5,872.4
Small Business Utilization Rate	20.3%	21.2%	21.2%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of October 31, 2018, the Authority had 204 active contracts and 53 active purchase orders (POs) with a total value of \$5.872B.
- ▶ Month-over-Month the value of contracts decreased \$45.4M, primarily due to expiration and early termination of contracts.
- ▶ The Dec-18 report reflects a Small Business Utilization Rate (SBU) of 21.2%. The current rate represents a 5% 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 August 31, 2018 there are 474 small businesses actively working on the high-speed rail project, including 157 DBEs and 52 Certified DVBEs.

Projects & Initiatives Report

Time Line	Prior Year	Prior Month	Current Month
	Dec 17	Nov 18	Dec 18
Satisfactory 	12	9	9
Caution 	6	2	1
Escalate (red) 	5	6	6
On hold 	6	3	3
Completed  	2	4	3
n/a – Milestones TBD	5	6	6
Total	36	30	28

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

- ▶ In Dec-18, PMIS – Contract and Document Management System and Programming Plan were removed from the report, as they have been shown with Completed status for two months. Additionally, the PMIS – Business Intelligence Center project was cancelled.
- ▶ In Dec-18, the status of Right of Way (ROW) Management System was changed from Caution (yellow) to Completed.

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.