



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

December 2019 Report (Data through October 31, 2019)

# Executive Summary for December 2019 Report

## Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Oct-18 Data	Prior Month Sep-19 Data	Current Month Oct-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$14.7	\$3.2	\$2.0
Number of Invoices Paid	264	267	310
Value of Invoices Paid	\$96.9	\$81.4	\$85.1
Number of In-Process Invoices	112	169	180
Value of In-Process Invoices	\$54.7	\$60.8	\$57.2
Total Number of Invoices Paid and In-Process	376	436	490

- ▶ The Authority has not had an aged invoice in 26 months and has not made a penalty payment in 33 months.
- ▶ The Authority currently has 101 disputed invoices with a total value of \$2.0M. This is a 36.0% or \$1.1M decrease from the \$3.2M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 93% or \$25.5M reduction from the high of \$27.5M reported in Sep-18.

**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 Oct-18 Data	Prior Month Sep-19 Data	Current Month Oct-19 Data
Prop IA Bond Fund Ending Cash Balance	\$805.9	\$513.9	\$832.4
Cap and Trade Ending Cash Balance	\$1,663.2	\$2,177.0	\$2,304.2
Rail Property Management Fund Ending Cash Balance	N/A	\$7.9	\$7.9

- ▶ Prop IA Bond sales are conducted twice per year by the State Treasurer's Office (STO) in the spring and fall. Proceeds from the fall bond sale (\$375M) are now reflected in the current month Prop IA Cash Balance.
- ▶ Cap and Trade auctions occur four times per year (Aug, Nov, Feb, May) and are subject to administrative adjustments by the Air Resources Board and the Department of Finance (e.g. fire fee, manufacturing tax exemption offsets, and foreign exchange rate adjustments).
- ▶ The last 4 Cap and Trade auctions have resulted in \$761.9M for the Authority (Nov-18, \$214.4M; Feb-19, \$213.2M; May-19, \$189.1M; Aug-19, \$145.2M). Proceeds from the Aug-19 Cap and Trade Auction (\$145.2M) are now reflected in the current month Cap and Trade Cash Balance.
- ▶ The Rail Property Management Fund receives revenues from leases/rents collected on property acquired but not yet delivered to the Design-Builders for construction. These funds are annually appropriated and used for the development, improvement and maintenance of the HSR system.

**Note:** A Cap and Trade auction occurred on November 19, 2019, and the preliminary estimate of proceeds for the Authority is \$184.7M. The proceeds will be reflected in the cash balance once funds become available through executive order.

# Executive Summary for December 2019 Report

## Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Oct-18 Data	Prior Month Sep-19 Data	Current Month Oct-19 Data
Budget (Fiscal Year)	\$45.4	\$56.2	\$56.2
Monthly Expenditures	\$2.9	\$3.2	\$3.3
YTD Expenditures	\$12.0	\$8.8	\$12.1
Percentage of Budget Expended YTD	26.5%	15.6%	21.6%
Percentage of Personal Services Budget Expended YTD	30.8%	19.4%	26.3%
Percentage of Operating Expenses and Equipment Expended YTD	14.0%	5.4%	8.9%
Percentage of Fiscal Year Completed	33.3%	25.0%	33.3%
Total Authorized Positions	226	271	271
Total Filled Positions	190	194	200
Vacancy Rate	15.9%	28.4%	26.2%

- ▶ The FY2019-20 Administrative Budget totals \$56.2M, which is an increase of \$8.9M or 19% from the prior year.
- ▶ At 33.3% of the fiscal year completed, 21.6% or \$12.1M of the total Administrative Budget (\$56.2M) has been spent, which is a slight decrease of 1% or \$113K when compared to last year. The underutilization of budget is due to vacancies and low OE&E spending.
- ▶ As of October 31, 2019, the Authority's vacancy rate is 26.2%, primarily due to the authorization of 45 additional state positions in July 2019.
- ▶ The Authority improved its vacancy rate by 2.2% from the prior reporting month (6 net positions filled) and is working diligently to fill all its vacant positions.

# Executive Summary for December 2019 Report

## Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Oct-18 Data	Prior Month Sep-19 Data	Current Month Oct-19 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$89.5	\$112.4	\$88.6
YTD Expenditures	\$322.7	\$334.8	\$423.4
Percentage of Budget Expended Year to Date	18.0%	14.8%	18.8%
Percentage of Fiscal Year Completed	33.3%	25.0%	33.3%

- ▶ The FY2019-20 budget supports activities within the Program's Baseline Budget (\$15.613B).
- ▶ At 33.3% of the fiscal year completed, YTD Capital Outlay expenditures are 18.8% or \$423.4M of the fiscal year budget. The underutilization of budget is primarily due to low spending within Project Development, Construction Packages, and Local Assistance Projects.
- ▶ Monthly expenditures by construction package were as follows: CPI: \$13.9M, CP2-3: \$29.6M, CP4: \$16.1M, Total: \$59.6M.
- ▶ Monthly expenditures for Design-Build contract work, within each construction package, were as follows: CPI: \$9.3M, CP2-3: \$24.8M, CP4: \$14.2M, Total: \$48.3M.

## Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$4,628.7	76%
Project Development	\$1,190.3	19%
Administration	\$174.2	3%
Local Assistance	\$136.7	2%
<b>Total</b>	<b>\$6,129.9</b>	<b>100%</b>

Fund Type (\$ in millions)	Total Match	FRA Approved Match to Date	Remaining Match	% Approved Match to Date	Pending FRA Approval	Total Submitted to FRA
State and Local Funds	(A)	(B)	(A - B)	(B / A)	(C)	(B + C)
State Match to ARRA	\$ 2,496.4	\$ 476.7	\$ 2,019.7	19.1%	\$ 780.6	\$ 1,257.3
Local Match to ARRA	\$ 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>	<b>\$ 780.6</b>	<b>\$ 1,257.3</b>

- ▶ The State Match to ARRA and State Match Liability tables reflect invoices submitted to and approved by the FRA totaling \$476.7M as of October 31, 2019. An additional \$780.6M is pending FRA approval, and \$442.7M is in process at HSRA, resulting in \$1.700B (68%) approved by the FRA, pending approval by the FRA, and in process at HSRA as of October 31, 2019.

# Executive Summary for December 2019 Report

## Contracts and Expenditures Report

(\$ in millions)

	Prior Year Oct-18 Data	Prior Month Sep-19 Data	Current Month Oct-19 Data
Number of Contracts	204	197	201
Total Value of Contracts	\$5,871.6	\$7,014.6	\$7,099.3
Number of Purchase Orders	53	92	69
Total Value of Purchase Orders	\$0.7	\$1.3	\$1.2
Total Value Contracts and Purchase Orders	\$5,872.4	\$7,015.9	\$7,100.5
Small Business Utilization Rate	21.2%	21.6%	21.4%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of October 31, 2019, the Authority had 201 active contracts and 69 active purchase orders (POs) with a total value of \$7.099B.
- ▶ Month-over-Month the value of contracts increased \$84.7M, primarily due to executed change orders executed for Design-Builder contracts.
- ▶ The Dec-19 report (Oct-19 data) reflects a Small Business Utilization Rate (SBU) of 21.4%. The current rate represents a 5.2% 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 October 4, 2019, there are 538 small businesses actively working on the high-speed rail project, including 176 DBEs and 56 Certified DVBEs.

# Executive Summary for December 2019 Report

## Contingency Summary

(data is cumulative from the May 2019 Project Budget Update through October 31, 2019, dollars in millions)

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
\$ 1,237	\$ 270	\$ 967	\$ 1,085	\$ 282	\$ 803	\$ 340	\$ 58	\$ 282				\$ 2,662	\$ 610	\$ 2,052
									\$ 426	\$ 6	\$ 420	\$ 426	\$ 6	\$ 420
									\$ 208	\$ 54	\$ 154	\$ 208	\$ 54	\$ 154
									\$ 297		\$ 297	\$ 297		\$ 297
\$ 1,237	\$ 270	\$ 967	\$ 1,085	\$ 282	\$ 803	\$ 340	\$ 58	\$ 282	\$ 931	\$ 60	\$ 871	\$ 3,593	\$ 670	\$ 2,923

## HSR Governance Actions

### October 2019 Activity

Category/Contract	Project	Contract #	Code	Authorizations (\$ in millions)	Comments
<b>Contingency Category: Project Contingency</b>					
<b>Authorizations &gt;\$25 million</b>				\$ 134	
Design Build Work	CP2-3	HSR13-57	A/B	\$ 134	TIA
<b>Authorizations &lt;\$25 million</b>				\$ 3	Other executed change orders
Adjustments (+/-)					
<b>Monthly Subtotal</b>				\$ 137	
<b>Previously Approved Authorizations</b>				\$ 473	
<b>Total Cumulative Authorizations</b>				\$ 610	

Category/Contract	Project	Contract #	Code	Authorizations (in millions)	Comments
<b>Contingency Category: Unallocated Contingency</b>					
Authorizations	SystemWide	N/A	D	\$ 6	None
<b>Monthly Subtotal</b>				\$ 6	<b>ROW</b>
<b>Previously Approved Authorizations</b>					
<b>Total Cumulative Authorizations</b>				\$ 6	
<b>Contingency Category: Interim Use/Project Reserve</b>					
Authorizations					None
<b>Monthly Subtotal</b>					
<b>Previously Approved Authorizations</b>				\$ 54	
<b>Total Cumulative Authorizations</b>				\$ 54	
<b>Contingency Category: Other</b>					
Authorizations					None
<b>Monthly Subtotal</b>					
<b>Previously Approved Authorizations</b>					
<b>Total Cumulative Authorizations</b>					
<b>Grand Total Cumulative Authorizations</b>				\$ 670	

Notes:

- Contingency Category "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/amendment has not been executed and all executed change orders/amendments 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/amendment has not been executed and all executed change orders/amendments involving the transfer of contingency.
- All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in the HSR Governance Actions section.
- Authorization totals include rounding adjustments.

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