



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

February 2020 Report (Data through December 31, 2019)

Executive Summary for February 2020 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Dec-18 Data	Prior Month Nov-19 Data	Current Month Dec-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$13.1	\$2.2	\$2.1
Number of Invoices Paid	242	218	229
Value of Invoices Paid	\$112.9	\$61.8	\$218.1
Number of In-Process Invoices	143	172	207
Value of In-Process Invoices	\$42.8	\$212.7	\$49.7
Total Number of Invoices Paid and In-Process	385	390	436

- The Authority has not had an aged invoice in 28 months and has not made a penalty payment in 35 months.
- The Authority currently has 94 disputed invoices with a total value of \$2.1M. This is a 2.8% or \$62K decrease from the \$2.2M reported last month.
- The Authority's focused efforts to decrease disputes have resulted in a 92% or \$25.4M 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 Dec-18 Data	Prior Month Nov-19 Data	Current Month Dec-19 Data
Prop IA Bond Fund Ending Cash Balance	\$607.5	\$788.1	\$585.3
Cap and Trade Ending Cash Balance	\$1,649.3	\$2,284.0	\$2,264.5
Rail Property Management Fund Ending Cash Balance	N/A	\$8.0	\$8.3

- Prop IA Bond sales are conducted twice per year by the State Treasurer's Office (STO) in the spring and fall.
- 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 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.
- 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. The last 4 Cap and Trade auctions have resulted in \$732.2M for the Authority (Feb-19, \$213.2M; May-19, \$189.1M; Aug-19, \$145.2M; Nov-19, \$184.7M estimated).

Note: Since AB-398 (July-17) the Authority has averaged \$730M in proceeds annually over the past 10 auctions.

Executive Summary for February 2020 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Dec-18 Data	Prior Month Nov-19 Data	Current Month Dec-19 Data
Budget (Fiscal Year)	\$45.4	\$56.2	\$56.2
Monthly Expenditures	\$3.0	\$3.4	\$3.2
YTD Expenditures	\$18.0	\$15.5	\$18.7
Percentage of Budget Expended YTD	39.6%	27.6%	33.3%
Percentage of Personal Services Budget Expended YTD	46.1%	33.3%	40.4%
Percentage of Operating Expenses and Equipment Expended YTD	20.6%	12.0%	14.1%
Percentage of Fiscal Year Completed	50.0%	41.7%	50.0%
Total Authorized Positions	226	271	271
Total Filled Positions	184	199	201
Vacancy Rate	18.6%	26.6%	25.8%

- The FY2019-20 Administrative Budget totals \$56.2M, which is an increase of \$10.8M or 23.8% from the prior year, primarily due to the authorization of new state positions.
- At 50% of the fiscal year completed, \$18.7M or 33.3% of the total Administrative Budget (\$56.2M) has been spent, which is a slight increase of \$704K or 4% when compared to last year. The underutilization of budget is due to vacancies and lower than expected OE&E spending.
- As of December 31, 2019, the Authority's vacancy rate is 25.8%, primarily due to the authorization of 45 additional state positions in July 2019.
- The Authority has filled 39 vacant positions since the beginning of the fiscal year when accounting for new hires, internal promotions, and transfers exclusively. When including separations, the Authority has averaged a net of 3 positions filled per month.

Note: On January 10, 2020, the Governor's proposed budget was released for FY2020-21 and revisions to the current year budget were also included. In the revision, the Authority's current year budget was increased by \$2.1M or 3.7% (from \$56.2M to \$58.3M) to accommodate proposed changes to salaries and benefits. These changes will be reflected in the next month's report (Jan-20 data).

Executive Summary for February 2020 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Dec-18 Data	Prior Month Nov-19 Data	Current Month Dec-19 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$59.2	\$204.0	\$92.5
YTD Expenditures	\$457.7	\$627.4	\$719.9
Percentage of Budget Expended Year to Date	25.6%	27.8%	31.9%
Percentage of Fiscal Year Completed	50.0%	41.7%	50.0%

- At 50% of the fiscal year completed, YTD Capital Outlay expenditures are \$719.9M or 31.9% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Monthly expenditures by construction package were as follows: CP1: \$23.3M, CP2-3: \$37.8M, CP4: \$12.1M, Total:\$73.2M.
- Monthly expenditures for Design-Build contract work, within each construction package, were as follows: CP1: \$19.8M, CP2-3: \$25.2M, CP4: \$10.8M, Total: \$55.7M.

Note: The Authority's fiscal year forecast has been updated to \$1.583B.

Capital Outlay Expenditure Breakout

Expenditure Category (\$ in millions)	FY Budget	Monthly Expenditures	YTD Expenditures	% Spent
Percentage of Fiscal Year Complete: 50%				
Construction	\$1,717.6	\$80.5	\$654.0	38%
Design Build with TIA Payment*	\$888.6	\$55.7	\$489.0	55%
Design Build Contracts w/o TIA Payment**	(\$888.6)	(\$55.7)	(\$254.5)	29%
Time Impact Analysis (TIA) Payments**	<i>n/a</i>	<i>n/a</i>	(\$234.4)	26%
Right-of-Way / Third Party	\$309.0	\$9.9	\$89.8	29%
PCM / RDP / ETO / Legal	\$149.9	\$11.2	\$62.0	41%
Environmental Mitigation / Resource Agency	\$92.9	\$3.6	\$4.3	5%
Other Construction (SR 99, Stations, etc.)	\$31.3	\$0.0	\$9.0	29%
Remaining Fiscal-Year Project Contingency	\$246.0	\$0.0	\$0.0	n/a
Project Development	\$234.6	\$6.1	\$33.8	14%
Bookend Projects (Local Assistance)	\$302.8	\$5.9	\$32.2	11%
TOTAL	\$2,255.0	\$92.5	\$719.9	32%

*Time Impact Analysis (TIA) payments include a \$126M settlement for CP1 (Aug-19) and a \$108.4M settlement for CP2-3 (Nov-19).

**Numbers in parenthesis are non-adds but included to provide additional detail.

Executive Summary for February 2020 Report

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$4,909.0	76%
Project Development	\$1,205.2	19%
Administration	\$177.6	3%
Local Assistance	\$141.0	2%
Total	\$6,432.9	100%

State Match to ARRA and State Match Liability

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%	\$832.2	\$ 1,308.9
Local Match to ARRA	\$4.1		\$4.1	0.0%		
Total	\$2,500.5	\$476.7	\$2,023.8	19.1%	\$832.2	\$1,308.9

- The State Match to ARRA and State Match Liability table reflects FRA Approved Match to Date in the amount of \$476.7M and Pending FRA Approval in the amount of \$832.2M, as of December 31, 2019.
- In addition, the Authority has \$658M in-process at HSRA. Of this amount, \$213.7M is being processed in the Authority's accounting unit, \$273M is pending FRA coordination prior to submission, and \$171.3M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$476.7M), invoices Pending FRA Approval (\$832.2M), and invoices in-process at HSRA (\$658M), the Authority has \$1.967B (79%) in total State Match to ARRA as of December 31, 2019.

Executive Summary for February 2020 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Dec-18 Data	Prior Month Nov-19 Data	Current Month Dec-19 Data
Number of Contracts	199	199	190
Total Value of Contracts	\$5,894.9	\$7,234.8	\$7,298.3
Number of Purchase Orders	58	60	69
Total Value of Purchase Orders	\$0.8	\$1.0	\$1.4
Total Value Contracts and Purchase Orders	\$5,895.7	\$7,235.9	\$7,299.7
Small Business Utilization Rate	20.9%	21.2%	21.2%

- Contracts are predominately issued for services, while purchase orders are generally used to acquire goods. The underutilization of budget is detailed below.
- As of December 31, 2019, the Authority had 190 active contracts and 69 active purchase orders (POs) with a total value of \$7.3B.
- Month-over-Month the value of contracts increased \$63.5M, primarily due to change orders for CPI through CP4 Design-Build Contracts and an amendment for CPI Project Construction Management (PCM).
- The Feb-20 report (Dec-19 data) reflects a Small Business Utilization Rate (SBU) of 21.2%. The current rate represents a 5.0% 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 539 small businesses actively working on the high-speed rail project, including 176 DBEs and 56 Certified DVBEs.

Executive Summary for February 2020 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through December 31, 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	\$336	\$901	\$1,085	\$382	\$703	\$340	\$105	\$235	\$0	\$0	\$0	\$2,662	\$823	\$1,839
Unallocated Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$426	\$6	\$420	\$426	\$6	\$420
Interim Use/Project Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208	\$54	\$154	\$208	\$54	\$154
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$297	\$10	\$288	\$297	\$10	\$288
Total	\$1,237	\$336	\$901	\$1,085	\$382	\$703	\$340	\$105	\$235	\$931	\$70	\$861	\$3,593	\$893	\$2,700

HSR Governance Actions

December 2019 Activity

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.

Table Code Legend

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

Category/Contract	Project	Contract #	Code (See legend)	Authorizations (\$ in millions)	Comments	
Contingency Category: Project Contingency						
Authorizations >25 million						
PCM	CP4	HSR15-01	B	\$26	Contract Extension	
ROW	CP2-3	Capital Cost	A/B	\$94	ROW Re-evaluation	
Authorizations <25 million						
Adjustments (+/-)				\$39	Other executed change orders	
Monthly Subtotal				\$160		
Previously Approved Authorizations				\$663		
Total Cumulative Authorizations				\$823		
Contingency Category: Unallocated Contingency						
Authorizations					None	
Monthly Subtotal						
Previously Approved Authorizations				\$6		
Total Cumulative Authorizations				\$6		
Contingency Category: Interim Use/Project Reserve						
Authorizations					None	
Monthly Subtotal						
Previously Approved Authorizations				\$54		
Total Cumulative Authorizations				\$54		
Contingency Category: Other						
Authorizations		Project Development	HSR14-42 and HSR13-44	B	\$10	Environmental Contract Extension Amendments
Monthly Subtotal				\$10		
Previously Approved Authorizations						
Total Cumulative Authorizations				\$10		
Grand Total Cumulative Authorizations				\$893		