



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

December 2020 Report (Data through October 31, 2020)

# Executive Summary for December 2020 Report

## Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Oct-19 Data	Prior Month Sep-20 Data	Current Month Oct-20 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$2.0	\$2.5	\$2.3
Number of Invoices Paid	310	255	277
Value of Invoices Paid	\$85.1	\$187.3	\$97.3
Number of In-Process Invoices	179	162	145
Value of In-Process Invoices	\$57.2	\$66.7	\$113.6
Total Number of Invoices Paid and In-Process	489	417	422

- The Authority has not made a penalty payment in 45 months and did not have any aged invoices in the October reporting period.
- The Authority currently has 149 disputed invoices with a total value of \$2.3M. This is a \$235K or 9.4% decrease from the \$2.5M reported last month.
- The Authority's focused efforts to decrease disputes have resulted in a 91.7% or \$25.2M 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-19 Data	Prior Month Sep-20 Data	Current Month Oct-20 Data
Prop IA Bond Fund Ending Cash Balance	\$832.4	\$81.8	\$72.8
Cap and Trade Ending Cash Balance	\$2,304.2	\$2,039.0	\$2,055.0
Rail Property Management Fund Ending Cash Balance	\$7.9	\$9.5	\$9.7

- 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 California 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.
- The Cap and Trade Ending Cash Balance now includes proceeds from the May-20 (\$6M) and Aug-20 (\$99M) auctions. Given the state's ambitious 2030 climate reduction goals, we expect the COVID-19 impacts on revenue to primarily be short-term, with unsold allowances likely to sell in the future as the economy recovers.

**Note:** A Cap and Trade auction occurred on November 17, 2020. The preliminary share of proceeds for the Authority are estimated to be \$146.8M. Proceeds will be reflected in the Cash Balance once the Executive Order is issued and the journal entry has been completed by the State Controller's Office.

# Executive Summary for December 2020 Report

## Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Oct-19 Data	Prior Month Sep-20 Data	Current Month Oct-20 Data
Budget (Fiscal Year)	\$56.2	\$73.6	\$73.6
Monthly Expenditures	\$3.3	\$4.0	\$3.4
YTD Expenditures	\$12.1	\$10.2	\$13.5
Percentage of Budget Expended YTD	21.6%	13.8%	18.4%
Percentage of Personal Services Budget Expended YTD	26.3%	15.7%	20.8%
Percentage of Operating Expenses and Equipment Expended YTD	8.9%	6.8%	9.5%
Percentage of Fiscal Year Completed	33.3%	25.0%	33.3%
Total Authorized Positions	271	356	356
Total Filled Positions	200	222	228
Vacant Positions	71	134	128
Vacancy Rate	26.2%	37.6%	36.0%

- At 33.3% of the Fiscal Year completed, 18.4% or \$13.5M of the Administrative Budget has been spent, resulting in a budget underutilization value of 14.9%. The budget underutilization is due to vacancies and low OE&E spending.
- As of October 31, 2020, the Authority's vacancy rate is 36%, primarily due to the addition of 85 new state positions. The Authority is working diligently to fill all its vacant positions.
- The Authority has filled 137 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

# Executive Summary for December 2020 Report

## Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Oct-19 Data	Prior Month Sep-20 Data	Current Month Oct-20 Data
Budget (Fiscal Year)	\$2,255.0	\$2,903.3	\$2,903.3
Monthly Expenditures	\$88.6	\$125.9	\$109.1
YTD Expenditures	\$423.4	\$371.7	\$480.8
Percentage of Budget Expended Year to Date	18.8%	12.8%	16.6%
Percentage of Fiscal Year Completed	33.3%	25.0%	33.3%

- The FY2020-21 Capital Outlay Budget totals \$2.903B, which is an increase of \$648.4M or 28.8% from the prior year (FY2019-20).
- At 33.3% of the fiscal year completed, YTD Capital Outlay expenditures are \$480.8M or 16.6% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$93.5M**, which includes: CPI - \$44.0M, CP2-3 - \$34.0M, and CP4 - \$15.5M.
- Design-Build (DB) Monthly Expenditures totaled **\$42.0M**, which includes: CPI - \$13.2M, CP2-3 - \$20.4M, and CP4 - \$8.3M.
- As of Oct-20, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 60.8%, CP2-3: 60.2%, and CP4: 61.7%.

## Capital Outlay Expenditure Breakout

Expenditure Category (\$ in millions)	FY Budget	FY Forecast	Monthly Expenditures	YTD Expenditures	% Spent (Budget)	% Spent (Forecast)
Percentage of Fiscal Year Complete: 33.3%						
<b>Construction</b>	<b>\$2,408.9</b>	<b>\$2,408.9</b>	<b>\$102.9</b>	<b>\$435.1</b>	<b>18%</b>	<b>18%</b>
Design Build with TIA Payment*	\$1,283.1	\$1,283.1	\$42.0	\$299.6	23%	23%
Design Build Contracts w/o TIA Payment*	(\$1,283.1)	(\$1,283.1)	(\$42.0)	(\$299.6)	23%	23%
Time Impact Analysis (TIA) Payments*	n/a	n/a	n/a	n/a	n/a	n/a
Right-of-Way / Third Party	\$306.1	\$306.1	\$45.5	\$74.3	24%	24%
PCM / RDP / ETO / Legal	\$191.9	\$191.9	\$15.2	\$54.7	29%	29%
Environmental Mitigation / Resource Agency	\$38.9	\$38.9	\$0.2	\$1.9	5%	5%
Other Construction (SR 99, Stations, etc.)	\$74.9	\$74.9	\$0.0	\$4.5	6%	6%
Remaining Fiscal-Year Project Contingency	\$514.0	\$514.0	\$0.0	\$0.0	0%	0%
<b>Project Development</b>	<b>\$145.1</b>	<b>\$145.1</b>	<b>\$5.0</b>	<b>\$19.3</b>	<b>13%</b>	<b>13%</b>
<b>Bookend Projects (Local Assistance)</b>	<b>\$349.4</b>	<b>\$349.4</b>	<b>\$1.2</b>	<b>\$26.5</b>	<b>8%</b>	<b>8%</b>
<b>TOTAL</b>	<b>\$2,903.3</b>	<b>\$2,903.3</b>	<b>\$109.1</b>	<b>\$480.8</b>	<b>17%</b>	<b>17%</b>

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

# Executive Summary for December 2020 Report

## Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$5,848.4	75%
Project Development	\$1,264.9	16%
Local Assistance	\$405.4	5%
Support Funding - Project Development	\$79.1	1%
Support Funding - Construction	\$78.0	1%
Administration	\$127.1	2%
<b>Total</b>	<b>\$7,802.9</b>	<b>100%</b>

## **State Match to ARRA and State Match Liability**

Fund Type (\$ in millions)	Total Match	FRA Approved Match to Date	Pending FRA Approval	Total Approved and Submitted to FRA	Remaining Match	% Approved and Submitted Match to Date
State and Local Funds	(A)	(B)	(C)	(D) = (B + C)	(A - D)	(D / A)
State Match to ARRA	\$2,495.4	\$690.2	\$1,344.1	\$2,034.3	\$461.1	81.5%
Local Match to ARRA	\$4.1	\$0.0	\$0.0	\$0.0	\$4.1	0.0%
<b>Total</b>	<b>\$2,499.5</b>	<b>\$690.2</b>	<b>\$1,344.1</b>	<b>\$2,034.3</b>	<b>\$461.1</b>	<b>81.5%</b>

- The State Match to ARRA and State Match Liability table reflects FRA Approved Match to Date in the amount of \$690.2M and Pending FRA Approval in the amount of \$1,344.1M, Total Approved and Submitted to FRA in the amount of \$2,034.3M (81.5%) as of October 31, 2020.
- In addition, the Authority has \$451M in-process at HSRA. Of this amount, \$91.7M is being processed in the Authority's Accounting Branch and the remaining \$359.3M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$690.2M), invoices Pending FRA Approval (\$1,344.1M), and invoices in-process at HSRA (\$451M), the Authority has \$2.5B (99.4%) in total State Match to ARRA as of October 31, 2020.

# Executive Summary for December 2020 Report

## Contracts and Expenditures Report

(\$ in millions)

	Prior Year Oct-19 Data	Prior Month Sep-20 Data	Current Month Oct-20 Data
Number of Contracts	201	209	205
Total Value of Contracts	\$7,099.3	\$8,315.8	\$8,356.5
Number of Purchase Orders	69	33	46
Total Value of Purchase Orders	\$1.2	\$1.3	\$1.4
Total Value Contracts and Purchase Orders	\$7,100.5	\$8,317.1	\$8,357.9
Small Business Utilization Rate	21.4%	21.0%	21.1%

- Contracts are predominately issued for a variety of services, such as design-build and environmental work, while purchase orders are generally used to acquire goods (i.e. office supplies).
- As of October 31, 2020, the Authority had 205 active contracts and 46 active purchase orders (PO's) with a total value of \$8.4B.
- Month-over-Month the value of contracts increased \$40.7M, primarily due to change orders for CP design-build contracts, three amendments to existing contracts, and three expired contracts removed.
- The Dec-20 report (Oct-20 data) reflects a Small Business Utilization Rate (SBU) of 21.1%. The current rate represents a 4.9% 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 September 30, 2020, there are **570** small businesses actively working on the high-speed rail project, including **184** DBEs and **60** Certified DVBEs. (Updates for Small Business totals are provided quarterly).

# Executive Summary for December 2020 Report

## Contingency Summary (data is cumulative from the May 2019 Project Budget Update through October 31, 2020, \$ 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 Total Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$1,237	\$780	\$457	\$1,085	\$778	\$307	\$340	\$187	\$152	\$0	\$0	\$0	\$2,662	\$1,745	\$917
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	\$16	\$280	\$297	\$16	\$280
<b>Total</b>	<b>\$1,237</b>	<b>\$780</b>	<b>\$457</b>	<b>\$1,085</b>	<b>\$778</b>	<b>\$307</b>	<b>\$340</b>	<b>\$187</b>	<b>\$152</b>	<b>\$931</b>	<b>\$76</b>	<b>\$854</b>	<b>\$3,593</b>	<b>\$1,822</b>	<b>\$1,771</b>

## HSR Governance Actions

### October 2020 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
<b>Contingency Category: Project Contingency</b>					
Authorizations >25 million					None
Authorizations <25 million					
	CP 1, 2-3, 4	Various	A/B	\$29	Various Executed Change Orders
Adjustments (+/-)					
Monthly Subtotal				\$29	
Previously Approved Authorizations				\$1,716	
Total Cumulative Authorizations				\$1,745	
<b>Contingency Category: Unallocated Contingency</b>					
Authorizations					None
Monthly Subtotal					
Previously Approved Authorizations				\$6	
Total Cumulative Authorizations				\$6	
<b>Contingency Category: Interim Use/Project Reserve</b>					
Authorizations					None
Monthly Subtotal					
Previously Approved Authorizations				\$54	
Total Cumulative Authorizations				\$54	
<b>Contingency Category: Other</b>					
Authorizations					None
Monthly Subtotal					
Previously Approved Authorizations				\$16	
Total Cumulative Authorizations				\$16	
Grand Total Cumulative Authorizations				\$1,822	