



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

October 2019 Report (Data through August 31, 2019)

Executive Summary for October 2019 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Aug-18 Data	Prior Month Jul-19 Data	Current Month Aug-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$22.3	\$4.4	\$4.6
Number of Invoices Paid	398	225	278
Value of Invoices Paid	\$98.1	\$72.7	\$199.4
Number of In-Process Invoices	109	179	186
Value of In-Process Invoices	\$41.8	\$33.7	\$47.5
Total Number of Invoices Paid and In-Process	507	404	464

- ▶ The Authority has not had an aged invoice in 24 months and has not made a penalty payment in 31 months.
- ▶ The Authority currently has 132 disputed invoices with a total value of \$4.6M. This is a 4.3% or \$189K increase from the \$4.4M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 79.5% or \$17.4M reduction from the Oct-18 reported total of \$22.3M.

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 Aug-18 Data	Prior Month Jul-19 Data	Current Month Aug-19 Data
Prop IA Bond Fund Ending Cash Balance	\$940.8	\$763.5	\$587.9
Cap and Trade Ending Cash Balance	\$1,524.7	\$2,216.5	\$2,197.8
Rail Property Management Fund Ending Cash Balance	N/A	N/A	\$7.8

- ▶ Prop IA 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.
- ▶ 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 \$786.7M for the Authority (Aug-18, \$169.9M; Nov-18, \$214.4M; Feb-19, \$213.2M; May-19, \$189.1M). The preliminary share of proceeds from the Aug-19 auction are estimated to be \$145M and will be reflected in the cash balance once funds become available through executive order.

Note: Included within this reporting cycle is a new cash report for the Authority's Rail Property Fund. This fund receives revenues from leases/rents collected on property acquired that have not yet been delivered to the design-builders for construction. These funds are annually appropriated through the Budget Act and are used for the development, improvement and maintenance of the HSR system.

Executive Summary for October 2019 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Aug-18 Data	Prior Month Jul-19 Data	Current Month Aug-19 Data
Budget (Fiscal Year)	\$45.4	\$56.2	\$56.2
Monthly Expenditures	\$3.1	\$2.8	\$2.9
YTD Expenditures	\$5.8	\$2.8	\$5.7
Percentage of Budget Expended YTD	12.9%	4.9%	10.1%
Percentage of Personal Services Budget Expended YTD	15.2%	6.4%	12.9%
Percentage of Operating Expenses and Equipment Expended YTD	6.1%	0.9%	2.4%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%
Total Authorized Positions	226	271	271
Total Filled Positions	196	186	191
Vacancy Rate	13.3%	31.4%	29.5%

- ▶ The FY2019-20 Administrative Budget totals \$56.2M, which is an increase of \$8.9M or 19% from the prior year.
- ▶ At 16.7% of the fiscal year completed, 10.1% or \$5.7M of the total Administrative Budget (\$56.2M) has been spent, which is a decrease of 2.8% or \$183K when compared to last year. The underutilization of budget is due to vacancies and low OE&E spending.
- ▶ As of August 31, 2019, the Authority's vacancy rate is 29.5%, primarily due to the authorization of 45 additional state positions in July 2019. The Authority improved its vacancy rate by 2% from the prior reporting month (5 net positions filled) and is working diligently to fill all its vacant positions.

Executive Summary for October 2019 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Aug-18 Data	Prior Month Jul-19 Data	Current Month Aug-19 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$68.7	\$48.8	\$173.6
YTD Expenditures	\$158.2	\$48.8	\$222.5
Percentage of Budget Expended Year to Date	8.9%	2.2%	9.9%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%

- ▶ The FY2019-20 budget supports activities within the Program's Baseline Budget (\$15.613B).
- ▶ YTD Capital Outlay expenditures are \$222.5M or 9.9% of budget, which is a \$64.3M or 40.6% increase from prior year (\$158.2M reported for Aug-18). The underutilization of budget is primarily due to low spending within Project Development and the Construction Packages.
- ▶ Expenditures by construction package were as follows: CPI: \$138.6M, CP2-3: \$13.2M, CP4: \$11.7M, Total: \$163.5M.
- ▶ Design Build contract work, within each construction package, were as follows: CPI: \$133.2M, CP2-3: \$11.0M, CP4: \$10.4M, Total: \$154.6M.

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$4,452.5	75%
Project Development	\$1,175.6	20%
Administration	\$170.8	3%
Local Assistance	\$124.1	2%
Total	\$5,923.0	100%

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%	\$ 656.1	\$ 1,132.8
Local Match to ARRA	\$ 4.1	\$ -	\$ 4.1	0.0%	\$ -	\$ -
Total	\$ 2,500.5	\$ 476.7	\$ 2,023.8	19.1%	\$ 656.1	\$ 1,132.8

- ▶ The State Match to ARRA and State Match Liability tables reflect invoices submitted to and approved by the FRA as of August 31, 2019. An additional \$656M is pending FRA approval, and \$576M is in-process at HSRA, resulting in \$1.709B (68%) approved by the FRA, pending approval by the FRA, and in-process at HSRA as of August 31, 2019.

Executive Summary for October 2019 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Aug-18 Data	Prior Month Jul-19 Data	Current Month Aug-19 Data
Number of Contracts	228	195	196
Total Value of Contracts	\$5,902.2	\$6,802.4	\$6,985.2
Number of Purchase Orders	54	78	83
Total Value of Purchase Orders	\$0.9	\$1.3	\$1.1
Total Value Contracts and Purchase Orders	\$5,903.1	\$6,803.7	\$6,986.3
Small Business Utilization Rate	21.2%	21.3%	21.3%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of August 31, 2019, the Authority had 196 active contracts and 83 active purchase orders (POs) with a total value of \$6.986.3B.
- ▶ Month-over-Month the value of contracts increased \$182.8M, primarily due to a contract amendment and e.
- ▶ The Aug-19 report reflects a Small Business Utilization Rate (SBU) of **21.3%**. The current rate represents a 5.1% 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 June 30, 2019 there are **530** small businesses actively working on the high-speed rail project, including **172** DBEs and **56** Certified DVBEs.

Projects & Initiatives Report

Time Line Status	Prior Year Aug-18 Data	Prior Month Jul-19 Data	Current Month Aug-19 Data
Satisfactory	13	6	6
Caution	3	7	7
Escalate (red)	3	1	1
On hold	3	1	1
Completed	2	0	0
n/a – Milestones TBD	6	6	6
Total	30	21	21

Projects Removed Since Jul-18 Report

- 1) Programming Plan
- 2) PMIS – Contract and Document Management System
- 3) RDP Work Plan 2C Ext and Work Plan 3
- 4) Programming Plan
- 5) PMIS – Business Intelligence
- 6) Right of Way (ROW) Management System – geoAmps
- 7) Environmental Mitigation Management and Assessment Application – EMMA 2.0
- 8) PMIS - Cost Management System
- 9) Financial System (FIMS)

Executive Summary for October 2019 Report

Contingency Summary

(data is cumulative from the May 2019 Project Budget Update through August 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	\$ 193	\$ 1,044	\$ 1,085	\$ 120	\$ 965	\$ 340	\$ 56	\$ 284	\$ -	\$ -	\$ -	\$ 2,662	\$ 369	\$ 2,293
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 426	\$ 426	\$ -	\$ 426
Interim Use/Project Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 54	\$ 154	\$ 208	\$ 54	\$ 154
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ 301	\$ 301	\$ -	\$ 301
Total	\$ 1,237	\$ 193	\$ 1,044	\$ 1,085	\$ 120	\$ 965	\$ 340	\$ 56	\$ 284	\$ 935	\$ 54	\$ 881	\$ 3,597	\$ 423	\$ 3,174

HSR Governance Actions

August 2019 Activity

Category/Contract	Project	Contract #	Code	Authorizations (in millions)	Comments
Contingency Category: Project Contingency					
Authorizations >\$25 million					None
Authorizations <\$25 million				\$ 32	Other executed change orders
Adjustments (+/-)					
Monthly Subtotal					
Previously Approved Authorizations				\$ 337	
Total Cumulative Authorizations				\$ 369	

Category	Project	Contract #	Code	Authorizations (in millions)	Comments
Contingency Category: Unallocated Contingency					
Authorizations				\$ -	None
Monthly Subtotal				\$ -	
Previously Approved Authorizations				\$ -	
Total Cumulative Authorizations				\$ -	
Contingency Category: Interim Use/Project Reserve					
Authorizations				\$ -	None
Monthly Subtotal				\$ -	
Previously Approved Authorizations				\$ 54	
Total Cumulative Authorizations				\$ 54	
Contingency Category: Other					
Authorizations				\$ -	None
Monthly Subtotal				\$ -	
Previously Approved Authorizations				\$ -	
Total Cumulative Authorizations				\$ -	

Notes:

- 1) Contingency Category "Other" refers to Non-DB CVS Scope and Non CVS Scope.
- 2) Total Alloc.: Total Allocation is the initial contingency allocation set at the 2019 Budget Update.
- 3) 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/contract has not been executed and all executed change orders involving the transfer of contingency.
- 4) Balance is the remaining contingency balance after all HSR approved contingency transfers \$25M and over for which a change order has not been executed and all executed change orders involving the transfer of contingency.
- 5) All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in this summary. (no HSR Governance Actions over \$25M occurred in August 2019)

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