



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

March 2020 Report (Data through January 31, 2020)

Executive Summary for March 2020 Report

Accounts Payable Aging And Disputes Report (\$ in millions)

	Prior Year Jan-19 Data	Prior Month Dec-19 Data	Current Month Jan-20 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$13.0	\$2.1	\$2.8
Number of Invoices Paid	263	229	285
Value of Invoices Paid	\$63.6	\$218.1	\$95.3
Number of In-Process Invoices	148	207	172
Value of In-Process Invoices	\$36.5	\$49.7	\$62.6
Total Number of Invoices Paid and In-Process	411	436	457

- The Authority has not had an aged invoice in 29 months and has not made a penalty payment in 36 months.
- The Authority currently has 105 disputed invoices with a total value of \$2.8M. This is a 32.9% or \$704K increase from the \$2.1M reported last month. The Authority's focused efforts to decrease disputes have resulted in a 89.6% or \$24.7M 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 Jan-19 Data	Prior Month Dec-19 Data	Current Month Jan-20 Data
Prop IA Bond Fund Ending Cash Balance	\$564.5	\$585.3	\$500.4
Cap and Trade Ending Cash Balance	\$1,852.8	\$2,264.5	\$2,240.8
Rail Property Management Fund Ending Cash Balance	N/A	\$8.3	\$8.5

- 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.
- The November Cap and Trade auction resulted in \$184.7M in proceeds for the Authority. 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).

Note: The California Air Resources Board has posted preliminary results from the February Cap and Trade Auction. The Authority is expected to receive approximately \$153.2M from this auction which is within our expected range of \$125M to \$187.5M per auction.

Executive Summary for March 2020 Report

Administrative Budget and Expenditures Report (\$ in millions)	Prior Year Jan-19 Data	Prior Month Dec-19 Data	Current Month Jan-20 Data
Budget (Fiscal Year)	\$47.2	\$56.2	\$58.3
Monthly Expenditures	\$3.2	\$3.2	\$3.4
YTD Expenditures	\$21.2	\$18.7	\$22.1
Percentage of Budget Expended YTD	44.9%	33.3%	37.9%
Percentage of Personal Services Budget Expended YTD	50.8%	40.4%	45.3%
Percentage of Operating Expenses and Equipment Expended YTD	26.8%	14.1%	16.7%
Percentage of Fiscal Year Completed	58.3%	50.0%	58.3%
Total Authorized Positions	226	271	271
Total Filled Positions	180	201	209
Vacancy Rate	20.4%	25.8%	22.9%

- On January 10, 2020, the Governor released the FY2020-21 proposed budget, which includes 15 new IT positions to reduce reliance on contracted resources, transfer or obtain licensing to support existing applications, and to support the enhancement of the IT Security program. If approved, the positions will be authorized on July 1, 2020.
- In addition, 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.
- At 58.3% of the fiscal year completed, \$22.1M or 37.9% of the total Administrative Budget (\$58.3M) has been spent, which is a slight increase of \$852K or 4% when compared to last year. The underutilization of budget is due to vacancies and lower than expected OE&E spending.
- As of January 31, 2020, the Authority's vacancy rate is 22.9%, primarily due to the authorization of 45 additional state positions in July 2019.
- The Authority has filled 54 vacant positions (8 positions per month) since the beginning of the fiscal year (July 2019) when accounting for new hires, internal promotions, and transfers exclusively. When including separations, the Authority has filled a net of 23 vacant positions since the beginning of the fiscal year.

Executive Summary for March 2020 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Jan-19 Data	Prior Month Dec-19 Data	Current Month Jan-20 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$52.5	\$92.5	\$119.6
YTD Expenditures	\$510.2	\$719.9	\$839.5
Percentage of Budget Expended Year to Date	28.6%	31.9%	37.2%
Percentage of Fiscal Year Completed	58.3%	50.0%	58.3%

- At 58.3% of the fiscal year completed, YTD Capital Outlay expenditures are \$839.5M or 37.2% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Monthly expenditures by construction package were as follows: CP1: \$34.5M, CP2-3: \$48.5M, CP4: \$21.4M, Total: \$104.4M.
- Monthly expenditures for Design-Build contract work, within each construction package, were as follows: CP1: \$22.4M, CP2-3: \$29.9M, CP4: \$16.5M, Total: \$68.8M.

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

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: 58%						
Construction	\$1,717.6	\$1,361.9	\$112.2	\$766.2	45%	56%
Design Build with TIA Payment*	\$888.6	\$811.3	\$68.8	\$557.7	63%	69%
Design Build Contracts w/o TIA Payment**	(\$888.6)	(\$811.3)	(\$68.8)	(\$323.3)	36%	40%
Time Impact Analysis (TIA) Payments**	n/a	n/a	n/a	(\$234.4)	n/a	n/a
Right-of-Way / Third Party	\$309.0	\$295.7	\$24.5	\$114.3	37%	39%
PCM / RDP / ETO / Legal	\$149.9	\$159.4	\$12.9	\$74.9	50%	47%
Environmental Mitigation / Resource Agency	\$92.9	\$63.5	\$5.9	\$10.1	11%	16%
Other Construction (SR 99, Stations, etc.)	\$31.3	\$31.3	\$0.2	\$9.2	29%	29%
Remaining Fiscal-Year Project Contingency	\$246.0	\$0.8	\$0.0	\$0.0	n/a	n/a
Project Development	\$234.6	\$137.9	\$3.6	\$37.4	16%	27%
Bookend Projects (Local Assistance)	\$302.8	\$83.3	\$3.7	\$35.9	12%	43%
TOTAL	\$2,255.0	\$1,583.2	\$119.6	\$839.5	37%	53%

*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 March 2020 Report

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$5,023.1	76%
Project Development	\$1,210.5	18%
Administration	\$214.2	3%
Local Assistance	\$142.9	2%
Total	\$6,590.7	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%	\$835.4	\$1,312.1
Local Match to ARRA	\$4.1		\$4.1	0.0%		
Total	\$2,500.5	\$476.7	\$2,023.8	19.1%	\$835.4	\$1,312.1

- 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 \$835.4M, as of January 31, 2020.
- In addition, the Authority has \$727.2M in-process at HSRA. Of this amount, \$89.7M is being processed in the Authority's Accounting Branch, \$415.3M is pending FRA coordination prior to submission, and the remaining \$222.2M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$476.7M), invoices Pending FRA Approval (\$835.4M), and invoices in-process at HSRA (\$727.2M), the Authority has \$2.039B (82%) in total State Match to ARRA as of January 31, 2020.

Executive Summary for March 2020 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Jan-19 Data	Prior Month Dec-19 Data	Current Month Jan-20 Data
Number of Contracts	194	190	193
Total Value of Contracts	\$5,914.1	\$7,298.3	\$7,388.0
Number of Purchase Orders	47	69	75
Total Value of Purchase Orders	\$0.6	\$1.4	\$1.3
Total Value Contracts and Purchase Orders	\$5,914.7	\$7,299.7	\$7,389.2
Small Business Utilization Rate	21.2%	21.2%	20.9%

- Contracts are predominately issued for services, while purchase orders are generally used to acquire goods. The underutilization of budget is detailed below.
- As of January 31, 2020, the Authority had 193 active contracts and 75 active purchase orders (POs) with a total value of \$7.4B.
- Month-over-Month the value of contracts increased \$89.7M, primarily due to new executed contracts for relocation and construction of rail lines.
- The Mar-20 report (Jan-20 data) reflects a Small Business Utilization Rate (SBU) of 20.9%. The current rate represents a 4.7% 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 March 2020 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through January 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 Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$1,237	\$336	\$901	\$1,085	\$388	\$697	\$340	\$107	\$233	\$0	\$0	\$0	\$2,662	\$831	\$1,831
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	\$388	\$697	\$340	\$107	\$233	\$931	\$70	\$861	\$3,593	\$901	\$2,692

HSR Governance Actions

January 2020 Activity

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/amendment has not been executed and all executed change orders/amendments 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/amendment has not been executed and all executed change orders/amendments involving the transfer of contingency.
- 5) All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in the HSR Governance Actions section.
- 6) 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					None
Authorizations <25 million	CP 1, 2-3, 4	Various	A/B	\$8	Other executed change orders
Adjustments (+/-)					
Monthly Subtotal				\$8	
Previously Approved Authorizations				\$823	
Total Cumulative Authorizations				\$831	
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					None
Monthly Subtotal					
Previously Approved Authorizations				\$10	
Total Cumulative Authorizations				\$10	
Grand Total Cumulative Authorizations				\$901	