



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

August 2020 Report (Data through June 30, 2020)

Executive Summary for August 2020 Report

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

	Prior Year Jun-19 Data	Prior Month May-20 Data	Current Month Jun-20 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$4.6	\$17.0	\$15.5
Number of Invoices Paid	235	253	234
Value of Invoices Paid	\$57.9	\$86.7	\$109.7
Number of In-Process Invoices	130	131	198
Value of In-Process Invoices	\$55.9	\$88.7	\$86.4
Total Number of Invoices Paid and In-Process	365	384	432

- The Authority has not made a penalty payment in 41 months and did not have any aged invoices in the June reporting period.
- The Authority currently has 166 disputed invoices with a total value of \$15.5M. This is a \$1.6M decrease from the \$17M reported last month.
- The Authority's focused efforts to decrease disputes have resulted in a 43.8% or \$12M 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 Jun-19 Data	Prior Month May-20 Data	Current Month Jun-20 Data
Prop IA Bond Fund Ending Cash Balance	\$821.8	\$287.8	\$253.6
Cap and Trade Ending Cash Balance	\$2,218.9	\$2,382.8	\$2,299.4
Rail Property Management Fund Ending Cash Balance	N/A	\$9.1	\$9.1

- 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.
- As expected, the May 2020 Cap and Trade auction was impacted by COVID-19. The auction proceeds for HSR fell from \$153M in February to approximately \$6M in the May auction. 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. Proceeds from the May auction will be reflected in the cash balance in the next reporting period.
- The next Cap and Trade Auction is scheduled for August 18, 2020.

Note: The Authority has access to an additional \$343.7M in Prop IA Bond Funds available through the State's commercial paper program. These funds are available through a monthly process as project needs require.

Executive Summary for August 2020 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Jun-19 Data	Prior Month May-20 Data	Current Month Jun-20 Data
Budget (Fiscal Year)	\$47.2	\$58.3	\$58.3
Monthly Expenditures	\$4.0	\$4.5	\$5.0
YTD Expenditures	\$37.4	\$37.4	\$42.4
Percentage of Budget Expended YTD	79.3%	64.2%	72.8%
Percentage of Personal Services Budget Expended YTD	86.5%	73.8%	81.4%
Percentage of Operating Expenses and Equipment Expended YTD	56.4%	36.7%	48.0%
Percentage of Fiscal Year Completed	100%	91.7%	100%
Total Authorized Positions	226	271	271
Total Filled Positions	185	222	227
Vacancy Rate	18.1%	18.1%	16.2%

- At 100% of the fiscal year completed, \$42.4M or 72.8% of the total Administrative Budget (\$58.3M) has been spent, which is an increase of \$5M or 13.3% when compared to last year. The underutilization of the Administrative Budget is primarily due to vacancies and lower than expected OE&E spending in Consulting and Professional Services and Information Technology.
- As of June 30, 2020, the Authority's vacancy rate is 16.2%, which is a 15.2% reduction from the high of 31.4% reported at the beginning of the fiscal year.
- The Authority has filled 102 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively. When including separations, the Authority has filled a net of 41 vacant positions since July 2019.

Note: The FY2020-21 Administrative Budget totals \$73.6M and includes 85 new state positions as part of a cost-saving workload adjustment that will reduce the reliance on contracted resources, while increasing state oversight of critical functions. Once fully implemented, the transition will result in a net savings of approximately \$18M.

Executive Summary for August 2020 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Jun-19 Data	Prior Month May-20 Data	Current Month Jun-20 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$184.6	\$107.0	\$218.4
YTD Expenditures	\$998.8	\$1,280.1	\$1,498.5
Percentage of Budget Expended Year to Date	55.9%	56.8%	66.5%
Percentage of Fiscal Year Completed	100%	91.7%	100%

- At 100% of the fiscal year completed, YTD Capital Outlay expenditures are \$1.498B or 66.5% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Monthly expenditures by construction package were as follows: CPI: \$24M, CP2-3: \$65M, CP4: \$28.1M, Total: \$117.1M.
- Monthly expenditures for Design-Build contract work, within each construction package, were as follows: CPI: \$13.3M, CP2-3: \$45M, CP4: \$10.7M, Total: \$69M.

Note: Expenditures for June include year-end accruals for outstanding invoices waiting to be received and/or processed for work performed in FY2019-20.

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: 100%						
Construction	\$1,709.0	\$1,279.9	\$136.0	\$1,279.9	75%	100%
Design Build with TIA Payment*	\$1,010.5	\$884.5	\$69.0	\$884.5	88%	100%
Design Build Contracts w/o TIA Payment**	(\$1,010.5)	(\$884.5)	(\$69.0)	(\$650.1)	64%	80%
Time Impact Analysis (TIA) Payments**	n/a	n/a	n/a	(\$234.4)	n/a	n/a
Right-of-Way / Third Party	\$306.4	\$186.8	\$30.7	\$186.8	61%	100%
PCM / RDP / ETO / Legal	\$190.9	\$156.1	\$23.9	\$156.1	82%	100%
Environmental Mitigation / Resource Agency	\$42.9	\$3.6	\$2.2	\$3.6	8%	100%
Other Construction (SR 99, Stations, etc.)	\$90.2	\$48.9	\$10.2	\$48.9	54%	100%
Remaining Fiscal-Year Project Contingency	\$68.0	\$0.0	\$0.0	\$0.0	n/a	n/a
Project Development	\$234.6	\$80.5	\$24.9	\$80.5	34%	100%
Bookend Projects (Local Assistance)	\$311.4	\$138.1	\$57.5	\$138.1	44%	100%
TOTAL	\$2,255.0	\$1,498.5	\$218.4	\$1,498.5	66%	100%

*Time Impact Analysis (TIA) payments include a \$126M settlement for CPI (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 August 2020 Report

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$5,548.2	77%
Project Development	\$1,259.6	17%
Administration	\$226.0	3%
Local Assistance	\$203.5	3%
Total	\$7,237.4	100%

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	\$2,495.7	\$476.7	\$1,064.5	\$1,541.2	\$954.5	61.8%
Local Match to ARRA	\$4.1	\$0.0	\$0.0	\$0.0	\$4.1	0.0%
Total	\$2,499.8	\$476.7	\$1,064.5	\$1,541.2	\$958.6	61.7%

- 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 \$1,064.5M, Total Approved and Submitted to FRA in the amount of \$1,541.2M (62%) as of June 30, 2020.
- In addition, the Authority has \$561.2M in-process at HSRA. Of this amount, \$41.4M is being processed in the Authority's Accounting Branch and the remaining \$519.9M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$476.7M), invoices Pending FRA Approval (\$1,064.5M), and invoices in-process at HSRA (\$561.2M), the Authority has \$2.061B (84%) in total State Match to ARRA as of June 30, 2020.

Executive Summary for August 2020 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Jun-19 Data	Prior Month May-20 Data	Current Month Jun-20 Data
Number of Contracts	199	196	205
Total Value of Contracts	\$6,690.2	\$7,692.1	\$8,060.6
Number of Purchase Orders	72	48	55
Total Value of Purchase Orders	\$1.3	\$1.1	\$1.6
Total Value Contracts and Purchase Orders	\$6,691.5	\$7,693.2	\$8,062.1
Small Business Utilization Rate	21.1%	21.1%	21.3%

- 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 June 30, 2020, the Authority had 205 active contracts and 55 active purchase orders (POs) with a total value of \$8.062B.
- Month-over-Month the value of contracts increased \$368.4M, primarily due to change orders for CP design-build contracts, amendments to existing contracts, and 13 new contracts executed.
- The Aug-20 report (Jun-20 data) 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 May 31, 2020, there are 560 small businesses actively working on the high-speed rail project, including 180 DBEs and 60 Certified DVBEs. (Updates for Small Business totals are provided quarterly).

Executive Summary for August 2020 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through June 30, 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	\$743	\$494	\$1,085	\$568	\$517	\$340	\$156	\$184	\$0	\$0	\$0	\$2,662	\$1,468	\$1,194
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	\$287	\$297	\$10	\$287
Total	\$1,237	\$743	\$494	\$1,085	\$568	\$517	\$340	\$156	\$184	\$931	\$70	\$861	\$3,593	\$1,538	\$2,055

HSR Governance Actions

June 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
Contingency Category: Project Contingency					
Authorizations >25 million					
Authorizations <25 million					
	CP 1, 2-3, 4	Various	A/B	\$18	Monthly Executed Change Orders
Adjustments (+/-)					
Monthly Subtotal				\$18	
Previously Approved Authorizations				\$1,450	
Total Cumulative Authorizations				\$1,468	
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				\$1,538	