



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

September 2020 Report (Data through July 31, 2020)

# Executive Summary for September 2020 Report

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

	Prior Year Jul-19 Data	Prior Month Jun-20 Data	Current Month Jul-20 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$4.4	\$15.5	\$14.8
Number of Invoices Paid	225	234	290
Value of Invoices Paid	\$72.7	\$109.7	\$114.9
Number of In-Process Invoices	179	198	129
Value of In-Process Invoices	\$33.7	\$86.4	\$104.7
Total Number of Invoices Paid and In-Process	404	432	419

- The Authority has not made a penalty payment in 42 months in the July reporting period.
- In July 2020, the Authority recorded an aged invoice in the amount of \$2,216. The Authority was not obligated to pay a late payment penalty since the late payment was less than \$100 (per GC section 927.2).
- The Authority currently has 182 disputed invoices with a total value of \$14.8M. This is a \$665K decrease from the \$15.5M reported last month.
- The Authority's focused efforts to decrease disputes have resulted in a 46.2% or \$12.7M reduction from the high of \$27.5M reported in Sep-18.

## Cash Management Report (\$ in millions)

	Prior Year Jul-19 Data	Prior Month Jun-20 Data	Current Month Jul-20 Data
Prop IA Bond Fund Ending Cash Balance	\$763.5	\$253.6	\$198.5
Cap and Trade Ending Cash Balance	\$2,216.5	\$2,299.4	\$2,237.6
Rail Property Management Fund Ending Cash Balance	N/A	\$9.1	\$9.3

- 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 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 are not yet included in the Cash Balance as the journal entry has not been completed by the State Controller's Office.

**Note:** A Cap and Trade auction occurred on Aug 18, 2020. The preliminary share of proceeds for the Authority are estimated to be \$99M after the backfill provisions of the California Global Warming Solutions Act extension (AB398 of 2017). Proceeds will be reflected in the Cash Balance once the Executive Order is issued.

# Executive Summary for September 2020 Report

<b>Administrative Budget and Expenditures Report</b> (\$ in millions)	Prior Year Jul-19 Data	Prior Month Jun-20 Data	Current Month Jul-20 Data
Budget (Fiscal Year)	\$56.2	\$58.3	\$73.6
Monthly Expenditures	\$2.8	\$5.0	\$3.0
YTD Expenditures	\$2.8	\$42.4	\$3.0
Percentage of Budget Expended YTD	4.9%	72.8%	4.1%
Percentage of Personal Services Budget Expended YTD	6.4%	81.4%	4.9%
Percentage of Operating Expenses and Equipment Expended YTD	0.9%	48.0%	1.0%
Percentage of Fiscal Year Completed	8.3%	100%	8.3%
Total Authorized Positions	271	271	356
Total Filled Positions	186	227	224
Vacancy Rate	31.4%	16.2%	37.1%

- The FY2020-21 Administrative Budget totals \$73.6M, which is an increase of \$15.4M or 26.4% from the prior year (FY2019-20). The budget includes 85 new state positions as part of a cost-savings 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 in capital costs.
- At 8.3% of the Fiscal Year completed, 4.1% or \$3M of the Administrative Budget has been spent, resulting in a budget underutilization value of 4.2%. Budget underutilization is due to vacancies and low OE&E spending.
- As of July 31, 2020, the Authority's vacancy rate is 37.1%, 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 110 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 38 vacant positions since July 2019.

# Executive Summary for September 2020 Report

## Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Jul-19 Data	Prior Month Jun-20 Data	Current Month Jul-20 Data
Budget (Fiscal Year)	\$2,255.0	\$2,255.0	\$2,903.3
Monthly Expenditures	\$48.8	\$218.4	\$113.1
YTD Expenditures	\$48.8	\$1,498.5	\$113.1
Percentage of Budget Expended Year to Date	2.2%	66.5%	3.9%
Percentage of Fiscal Year Completed	8.3%	100%	8.3%

- The FY2020-21 Capital Outlay Budget totals \$2,903M, which is an increase of \$648.4M or 28.8% from the prior year (FY2019-20).
- At 8.3% of the fiscal year completed, YTD Capital Outlay expenditures are \$113.1M or 3.9% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Monthly expenditures by Construction Package were as follows: CPI: \$20.5M, CP2-3: \$50.9M, CP4: \$15M, Total: \$86.5M.
- Monthly expenditures for Design-Build (DB) contract work, within each Construction Package, were as follows: CPI: \$17.2M, CP2-3: \$45M, CP4: \$12.4M, Total: \$74.6M.

**Note:** As of Jul-20, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 57%, CP2-3: 60.9%, and CP4: 59.5%.

## 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: 8%						
<b>Construction</b>	<b>\$2,408.9</b>	<b>\$2,408.9</b>	<b>\$92.8</b>	<b>\$92.8</b>	<b>4%</b>	<b>4%</b>
Design Build with TIA Payment*	\$1,283.1	\$1,283.1	\$74.6	\$74.6	6%	6%
Design Build Contracts w/o TIA Payment*	(\$1,283.1)	(\$1,283.1)	(\$74.6)	(\$74.6)	6%	6%
Time Impact Analysis (TIA) Payments*	n/a	n/a	n/a	n/a	n/a	n/a
Right-of-Way / Third Party	\$306.7	\$306.7	\$5.4	\$5.4	2%	2%
PCM / RDP / ETO / Legal	\$191.9	\$191.9	\$12.8	\$12.8	7%	7%
Environmental Mitigation / Resource Agency	\$38.4	\$38.4	\$0.0	\$0.0	0%	0%
Other Construction (SR 99, Stations, etc.)	\$74.9	\$74.9	\$0.0	\$0.0	0%	0%
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>\$5.7</b>	<b>\$5.7</b>	<b>4%</b>	<b>4%</b>
<b>Bookend Projects (Local Assistance)</b>	<b>\$349.4</b>	<b>\$349.4</b>	<b>\$14.5</b>	<b>\$14.5</b>	<b>4%</b>	<b>4%</b>
<b>TOTAL</b>	<b>\$2,903.3</b>	<b>\$2,903.3</b>	<b>\$113.1</b>	<b>\$113.1</b>	<b>4%</b>	<b>4%</b>

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

# Executive Summary for September 2020 Report

## Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$5,511.6	74%
Project Development	\$1,349.1	18%
Administration	\$227.5	3%
Local Assistance	\$393.4	5%
<b>Total</b>	<b>\$7,481.7</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
<b>State and Local Funds</b>	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D) = (B + C)</b>	<b>(A - D)</b>	<b>(D / A)</b>
State Match to ARRA	\$2,495.7	\$476.7	\$1,136.2	\$1,612.9	\$882.8	64.6%
Local Match to ARRA	\$4.1	\$0.0	\$0.0	\$0.0	\$4.1	0.0%
<b>Total</b>	<b>\$2,499.8</b>	<b>\$476.7</b>	<b>\$1,136.2</b>	<b>\$1,612.9</b>	<b>\$886.9</b>	<b>64.5%</b>

- 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 \$1,136.2M as of 7/31/2020.
- In addition, the Authority has \$564.6M in-process at HSRA. Of this amount, \$34.6M is being processed in the Authority's Accounting Branch, and the remaining \$529.9M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$476.7M), invoices Pending FRA Approval (\$1,136.2M), and invoices in-process at HSRA (\$564.6M), the Authority has \$2.2B (87%) in total State Match to ARRA as of 7/31/2020.

# Executive Summary for September 2020 Report

## Contracts and Expenditures Report

(\$ in millions)

	Prior Year Jul-19 Data	Prior Month Jun-20 Data	Current Month Jul-20 Data
Number of Contracts	195	205	202
Total Value of Contracts	\$6,802.4	\$8,060.6	\$8,098.9
Number of Purchase Orders	78	55	46
Total Value of Purchase Orders	\$1.2	\$1.6	\$1.5
Total Value Contracts and Purchase Orders	\$6,803.7	\$8,062.1	\$8,100.4
Small Business Utilization Rate	21.3%	21.3%	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 July 31, 2020, the Authority had 202 active contracts and 46 active purchase orders (POs) with a total value of \$8.1B.
- Month-over-Month the value of contracts increased \$38.4M, primarily due to change orders for CP design-build contracts and two new contracts executed.
- The Sep-20 report (Jul-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 September 2020 Report

**Contingency Summary** (data is cumulative from the May 2019 Project Budget Update through July 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	\$755	\$482	\$1,085	\$740	\$345	\$340	\$167	\$172	\$0	\$0	\$0	\$2,662	\$1,663	\$999
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
<b>Total</b>	<b>\$1,237</b>	<b>\$755</b>	<b>\$482</b>	<b>\$1,085</b>	<b>\$740</b>	<b>\$345</b>	<b>\$340</b>	<b>\$167</b>	<b>\$172</b>	<b>\$931</b>	<b>\$70</b>	<b>\$861</b>	<b>\$3,593</b>	<b>\$1,732</b>	<b>\$1,860</b>

## HSR Governance Actions

### July 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					
	CP2-3	HSR13-57	A/B	\$90	PG&E Relocate Facilities
	CP2-3	HSR13-57	A/B	\$61	Subsidence and Constrained ROW
Authorizations <25 million					
	CP 1, 2-3, 4	Various	A/B	\$44	Monthly Executed Change Orders
Adjustments (+/-)					
Monthly Subtotal				\$195	
Previously Approved Authorizations				\$1,468	
Total Cumulative Authorizations				\$1,663	
<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				\$10	
Total Cumulative Authorizations				\$10	
Grand Total Cumulative Authorizations				\$1,732	

# Preliminary Numbers for October F&A Report

## Look Ahead at Next Month's F&A Report with Preliminary Data (through August 31, 2020)

### Capital Outlay Expenditure Summary Update

(\$ in millions)	Current Month Jul-20 Data	Preliminary Aug-20 Data
Monthly Expenditures	\$113.1	\$130.4
Construction Package 1 - DB	\$17.2	\$41.8
Construction Package 1 - Total	\$20.5	\$54.0
Construction Package 2-3 - DB	\$45.0	\$39.2
Construction Package 2-3 – Total	\$50.9	\$51.1
Construction Package 4 – DB	\$12.4	\$9.2
Construction Package 4 – Total	\$15.0	\$10.5
All Construction Packages - DB	\$74.6	\$90.2
All Construction Packages - Total	\$86.5	\$115.6

### Administrative Position Summary Update

	Current Month Jul-20 Data	Preliminary Aug-20 Data
Authorized Positions	356	356
Filled Positions	224	227
Vacant Positions	132	129
Vacancy Rate	37.1%	36.2%

### State Match to ARRA and State Match Liability Update

(\$ in millions)	Total Approved and Submitted to FRA (as of July 31 <sup>st</sup> )	Total Approved and Submitted to FRA (as of August 31 <sup>st</sup> )
State Match to ARRA	\$1,612.9	\$1,928.7
Local Match to ARRA	\$0.0	\$0.0
Total	\$1,612.9	\$1,928.7
% Approved/Submitted	64.5%	77.2%