



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

November 2019 Report (Data through September 30, 2019)

Executive Summary for November 2019 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Sep-18 Data	Prior Month Aug-19 Data	Current Month Sep-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$17.4	\$4.6	\$3.2
Number of Invoices Paid	267	278	267
Value of Invoices Paid	\$60.1	\$199.4	\$81.4
Number of In-Process Invoices	111	186	169
Value of In-Process Invoices	\$56.5	\$47.5	\$60.8
Total Number of Invoices Paid and In-Process	378	464	436

- ▶ The Authority has not had an aged invoice in 25 months and has not made a penalty payment in 32 months.
- ▶ The Authority currently has 110 disputed invoices with a total value of \$3.2M. This is a 30.5% or \$1.4M decrease from the \$4.6M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 81.7% or \$14.2M reduction from the Nov-18 reported total of \$17.4M.

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 Sep-18 Data	Prior Month Aug-19 Data	Current Month Sep-19 Data
Prop IA Bond Fund Ending Cash Balance	\$903.9	\$587.9	\$513.9
Cap and Trade Ending Cash Balance	\$1,676.4	\$2,197.8	\$2,177.0
Rail Property Management Fund Ending Cash Balance	N/A	\$7.8	\$7.9

- ▶ 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 last 4 Cap and Trade auctions have resulted in \$761.9M for the Authority (Nov-18, \$214.4M; Feb-19, \$213.2M; May-19, \$189.1M; Aug-19, \$145.2M). The proceeds from the Aug-19 auction (\$145.2M) will be reflected in the cash balance once funds become available through executive order. The November Cap and Trade auction is scheduled to occur on November 19, 2019.
- ▶ 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.

Note: On October 24, 2019, the State Treasurer's Office held a fall bond sale which resulted in \$375M in Prop IA Bonds sold for the Authority with an additional \$9M made available through commercial paper (Total of \$384M). The proceeds will be reflected in the cash balance once funds become available through executive order.

Executive Summary for November 2019 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Sep-18 Data	Prior Month Aug-19 Data	Current Month Sep-19 Data
Budget (Fiscal Year)	\$45.4	\$56.2	\$56.2
Monthly Expenditures	\$3.3	\$2.9	\$3.2
YTD Expenditures	\$9.1	\$5.7	\$8.8
Percentage of Budget Expended YTD	20.1%	10.1%	15.6%
Percentage of Personal Services Budget Expended YTD	23.1%	12.9%	19.4%
Percentage of Operating Expenses and Equipment Expended YTD	11.5%	2.4%	5.4%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%
Total Authorized Positions	226	271	271
Total Filled Positions	194	191	194
Vacancy Rate	14.2%	29.5%	28.4%

- ▶ The FY2019-20 Administrative Budget totals \$56.2M, which is an increase of \$8.9M or 19% from the prior year.
- ▶ At 25.0% of the fiscal year completed, 15.6% or \$8.8M of the total Administrative Budget (\$56.2M) has been spent, which is a decrease of 2.8% or \$370K when compared to last year. The underutilization of budget is due to vacancies and low OE&E spending.
- ▶ As of September 30, 2019, the Authority's vacancy rate is 28.4%, primarily due to the authorization of 45 additional state positions in July 2019.
- ▶ The Authority improved its vacancy rate by 1.1% from the prior reporting month (3 net positions filled) and is working diligently to fill all its vacant positions.

Executive Summary for November 2019 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Sep-18 Data	Prior Month Aug-19 Data	Current Month Sep-19 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$75.0	\$173.6	\$112.4
YTD Expenditures	\$233.2	\$222.5	\$334.8
Percentage of Budget Expended Year to Date	13.1%	9.9%	14.8%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%

- ▶ The FY2019-20 budget supports activities within the Program's Baseline Budget (\$15.613B).
- ▶ At 25.0% of the fiscal year completed, YTD Capital Outlay expenditures are 14.8% or \$334.8M of the budget. The underutilization of budget is primarily due to low spending within Project Development and the Construction Packages.
- ▶ Monthly expenditures by construction package were as follows: CPI: \$20.7M, CP2-3: \$55.3M, CP4: \$12.6M, Total: \$88.6M.
- ▶ Monthly expenditures for Design-Build contract work, within each construction package, were as follows: CPI: \$11.1M, CP2-3: \$16.2M, CP4: \$9.0M, Total: \$36.2M.

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$4,553.0	75%
Project Development	\$1,182.2	20%
Administration	\$172.5	3%
Local Assistance	\$130.4	2%
Total	\$6,038.1	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%	\$ 753.3	\$ 1,230.0
Local Match to ARRA	\$ 4.1	\$ -	\$ 4.1	0.0%	\$ -	\$ -
Total	\$ 2,500.5	\$ 476.7	\$ 2,023.8	19.1%	\$ 753.3	\$ 1,230.0

- ▶ The State Match to ARRA and State Match Liability tables reflect invoices submitted to and approved by the FRA totaling \$476.7M as of September 30, 2019. An additional \$753.3M has been submitted and is pending FRA approval, and \$530M is in-process at HSRA, resulting in \$1.760B (70%) approved by the FRA, pending approval by the FRA, and in-process at HSRA as of September 30, 2019.

Executive Summary for November 2019 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Sep-18 Data	Prior Month Aug-19 Data	Current Month Sep-19 Data
Number of Contracts	206	196	197
Total Value of Contracts	\$5,917.0	\$6,985.2	\$7,014.6
Number of Purchase Orders	52	83	92
Total Value of Purchase Orders	\$0.8	\$1.1	\$1.3
Total Value Contracts and Purchase Orders	\$5,917.8	\$6,986.3	\$7,015.9
Small Business Utilization Rate	21.2%	21.3%	21.6%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of September 30, 2019, the Authority had 197 active contracts and 92 active purchase orders (POs) with a total value of \$7.015B.
- ▶ Month-over-Month the value of contracts increased \$29.4M, primarily due to executed change orders for Design-Builders in CP 2-3 and CP 4.
- ▶ The Nov-19 report (Sep-19 data) reflects a Small Business Utilization Rate (SBU) of **21.6%**. The current rate represents a 5.4% 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 **538** small businesses actively working on the high-speed rail project, including **176** DBEs and **56** Certified DVBEs.

Projects & Initiatives Report

Time Line Status	Prior Year Sep-18 Data	Prior Month Aug-19 Data	Current Month Sep-19 Data
Satisfactory	9	6	3
Caution	2	7	9
Escalate (red)	6	1	2
On hold	3	1	1
Completed	4	0	0
n/a – Milestones TBD	6	6	6
Total	30	21	21

Projects in Escalate or Caution Status:

- 1) Bakersfield to Palmdale - Escalate
- 2) Palmdale to Burbank - Escalate
- 3) San Francisco to San Jose - Caution
- 4) San Jose to Merced - Caution
- 5) Central Valley Wye - Caution
- 6) Locally Generated Alternative - Caution
- 7) Burbank to Los Angeles - Caution
- 8) Los Angeles to Anaheim - Caution
- 9) Hiring and Staffing - Caution
- 10) Construction Package 1 - Caution
- 11) Construction Package 2-3 - Caution

- ▶ During the reporting month, the status for the Palmdale to Burbank project changed from Satisfactory to Escalate due to concerns at Una Lake.
- ▶ In addition, the status for CP 1 and CP 4 changed from Satisfactory to Caution during the reporting month.

Executive Summary for November 2019 Report

Contingency Summary

(data is cumulative from the May 2019 Project Budget Update through September 30, 2019, dollars 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	\$ 270	\$ 967	\$ 1,085	\$ 148	\$ 937	\$ 340	\$ 56	\$ 284	\$ -	\$ -	\$ -	\$ 2,662	\$ 473	\$ 2,189
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 426	\$ 426	\$ -	\$ 426
Interim Use/Project Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 54	\$ 154	\$ 208	\$ 54	\$ 154
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 297	\$ -	\$ 297	\$ 297	\$ -	\$ 297
Total	\$ 1,237	\$ 270	\$ 967	\$ 1,085	\$ 148	\$ 937	\$ 340	\$ 56	\$ 284	\$ 931	\$ 54	\$ 877	\$ 3,593	\$ 527	\$ 3,066

HSR Governance Actions

September 2019 Activity

Category/Contract	Project	Contract #	Code	Authorizations (in millions)	Comments
Contingency Category: Project Contingency					
Authorizations >\$25 million					
Design Build work	CPI	HSR13-06	A/B	\$ 77	Herndon Ave
Authorizations <\$25 million				\$ 28	Other executed change orders
Adjustments (+/-)					
Monthly Subtotal				\$ 104	
Previously Approved Authorizations				\$ 369	
Total Cumulative Authorizations				\$ 473	

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				\$ -	
Grand Total Cumulative Authorizations				\$ 527	

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.

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