



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

April 2020 Report (Data through February 29, 2020)

Executive Summary for April 2020 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Feb-19 Data	Prior Month Jan-20 Data	Current Month Feb-20 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$8.3	\$2.8	\$4.3
Number of Invoices Paid	247	285	254
Value of Invoices Paid	\$45.3	\$95.3	\$61.5
Number of In-Process Invoices	118	172	132
Value of In-Process Invoices	\$36.0	\$62.6	\$96.7
Total Number of Invoices Paid and In-Process	365	457	386

- The Authority has not had an aged invoice in 30 months and has not made a penalty payment in 37 months.
- The Authority currently has 112 disputed invoices with a total value of \$4.3M. This is a 52.3% or \$1.5M increase from the \$2.8M reported last month.
- The Authority's focused efforts to decrease disputes have resulted in a 84.2% or \$23.2M 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 Feb-19 Data	Prior Month Jan-20 Data	Current Month Feb-20 Data
Prop IA Bond Fund Ending Cash Balance	\$516.1	\$500.4	\$447.6
Cap and Trade Ending Cash Balance	\$1,843.0	\$2,240.8	\$2,386.6
Rail Property Management Fund Ending Cash Balance	N/A	\$8.5	\$8.7

- 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.
- In February, the Cap and Trade cash balance increased by \$184.4M with the release of the Nov-19 Cap and Trade auction proceeds 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, \$184.8M).

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. This report will be updated once funds become available through Executive Order.

Executive Summary for April 2020 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Feb-19 Data	Prior Month Jan-20 Data	Current Month Feb-20 Data
Budget (Fiscal Year)	\$47.2	\$58.3	\$58.3
Monthly Expenditures	\$2.9	\$3.4	\$3.7
YTD Expenditures	\$24.1	\$22.1	\$25.7
Percentage of Budget Expended YTD	51.0%	37.9%	44.2%
Percentage of Personal Services Budget Expended YTD	57.7%	45.3%	52.2%
Percentage of Operating Expenses and Equipment Expended YTD	30.1%	16.7%	21.2%
Percentage of Fiscal Year Completed	66.7%	58.3%	66.7%
Total Authorized Positions	226	271	271
Total Filled Positions	179	209	216
Vacancy Rate	20.8%	22.9%	20.3%

- The FY2019-20 Administrative Revised Budget totals \$58.3M, which is an increase of \$2.1M or 4% from the Original Budget, primarily due to current year salaries and benefit adjustments released with the Governor's proposed budget in January 2020.
- The Governor's Proposed Budget for FY2020-21 totals \$60.2M and includes 15 new State IT positions and a reduction of 15 consultant FTEs to reduce reliance on contracted resources and to support the enhancement of the IT Security Program. If approved, the positions would be authorized July 1, 2020. Due to rapidly deteriorating economic conditions resulting from the COVID-19 pandemic, the Dept. of Finance now anticipates potentially significant budget adjustments in the Governor's 2020-21 May Revision.
- At 66.7% of the fiscal year completed, \$25.7M or 44.2% of the total Administrative Budget (\$58.3M) has been spent, which is an increase of \$1.7M or 6.9% when compared to last year. The underutilization of budget is due to vacancies and lower than expected OE&E spending.
- As of February 29, 2020, the Authority's vacancy rate is 20.3%, which is a 11.1% reduction from the high of 31.4% reported at the beginning of the fiscal year.
- The Authority's has filled 67 vacant positions (8 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 30 vacant positions since July 2019.

Executive Summary for April 2020 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Feb-19 Data	Prior Month Jan-20 Data	Current Month Feb-20 Data
Budget (Fiscal Year)	\$1,786.8	\$2,255.0	\$2,255.0
Monthly Expenditures	\$52.0	\$119.6	\$100.3
YTD Expenditures	\$562.2	\$839.5	\$939.8
Percentage of Budget Expended Year to Date	31.5%	37.2%	41.7%
Percentage of Fiscal Year Completed	66.7%	58.3%	66.7%

- At 66.7% of the fiscal year completed, YTD Capital Outlay expenditures are \$939.8M or 41.7% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Monthly expenditures by construction package were as follows: CPI: \$25.7M, CP2-3: \$41.5M, CP4: \$16.7M, Total:\$83.8M.
- Monthly expenditures for Design-Build contract work, within each construction package, were as follows: CPI: \$20.1M, CP2-3: \$30.4M, CP4: \$14M, Total: \$64.5M.

Note: The Authority's fiscal year forecasted expenditures total \$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: 67%						
Construction	\$1,717.6	\$1,362.0	\$91.8	\$858.1	50%	63%
Design Build with TIA Payment*	\$872.5	\$811.3	\$64.5	\$622.2	71%	77%
Design Build Contracts w/o TIA Payment**	(\$872.5)	(\$811.3)	(\$64.5)	(\$387.8)	44%	48%
Time Impact Analysis (TIA) Payments**	n/a	n/a	n/a	(\$234.4)	n/a	n/a
Right-of-Way / Third Party	\$310.0	\$295.7	\$15.2	\$129.5	42%	44%
PCM / RDP / ETO / Legal	\$149.9	\$159.4	\$10.5	\$85.4	57%	54%
Environmental Mitigation / Resource Agency	\$53.0	\$63.5	\$0.0	\$0.6	1%	1%
Other Construction (SR 99, Stations, etc.)	\$90.2	\$31.3	\$1.6	\$20.4	23%	65%
Remaining Fiscal-Year Project Contingency	\$241.9	\$0.8	\$0.0	\$0.0	n/a	n/a
Project Development	\$234.6	\$137.9	\$6.5	\$43.9	19%	32%
Bookend Projects (Local Assistance)	\$302.8	\$83.3	\$1.9	\$37.9	13%	45%
TOTAL	\$2,255.0	\$1,583.2	\$100.3	\$939.8	42%	59%

*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 April 2020 Report

Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$5,114.6	76%
Project Development	\$1,218.7	18%
Administration	\$216.2	3%
Local Assistance	\$144.9	2%
Total	\$6,694.4	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	\$2,495.7	\$476.7	\$2,019.0	19.1%	\$889.6	\$1,366.3
Local Match to ARRA	\$4.1	\$0.0	\$4.1	0.0%	\$0.0	\$0.0
Total	\$2,499.8	\$476.7	\$2,023.1	19.1%	\$889.6	\$1,366.3

- 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 \$889.6M as of February 29, 2020.
- In addition, the Authority has \$728.5M in-process at HSRA. Of this amount, \$118.4M is being processed in the Authority's Accounting Branch, \$416.2M is pending FRA coordination prior to submission, and the remaining \$193.8M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$476.7M), invoices Pending FRA Approval (\$889.6M), and invoices in-process at HSRA (\$728.5M), the Authority has \$2.095B (84%) in total State Match to ARRA as of February 29, 2020.

Executive Summary for April 2020 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Feb-19 Data	Prior Month Jan-20 Data	Current Month Feb-20 Data
Number of Contracts	196	193	191
Total Value of Contracts	\$6,573.5	\$7,388.0	\$7,489.7
Number of Purchase Orders	50	75	71
Total Value of Purchase Orders	\$0.5	\$1.3	\$1.1
Total Value Contracts and Purchase Orders	\$6,574.2	\$7,389.2	\$7,490.8
Small Business Utilization Rate	20.9%	20.9%	21.8%

- 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). The underutilization of budget is detailed below.
- As of February 29, 2020, the Authority had 191 active contracts and 71 active purchase orders (POs) with a total value of \$7.491B.
- Month-over-Month the value of contracts increased \$101.7M, primarily due to Change Orders for CPI and CP4 design-build contracts and an amendment to the BNSF Railways contract.
- The Apr-20 report (Feb-20 data) reflects a Small Business Utilization Rate (SBU) of 21.8%. 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 January 31, 2020, there are 553 small businesses actively working on the high-speed rail project, including 180 DBEs and 58 Certified DVBEs. (Updates for Small Business totals are provided quarterly)

Executive Summary for April 2020 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through February 29, 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	\$414	\$823	\$1,085	\$393	\$692	\$340	\$119	\$221	\$0	\$0	\$0	\$2,662	\$926	\$1,736
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	\$414	\$823	\$1,085	\$393	\$692	\$340	\$119	\$221	\$931	\$70	\$861	\$3,593	\$995	\$2,597

HSR Governance Actions

February 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					
Design-Build	CP1	HSR13-06	A	\$35	MSE Walls
Design-Build	CP1	HSR13-06	A	\$33	North Extension
Authorizations <25 million	CP 1, 2-3, 4	Various	A/B	\$26	Other executed change orders
Adjustments (+/-)					
Monthly Subtotal				\$95	
Previously Approved Authorizations				\$831	
Total Cumulative Authorizations				\$926	
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				\$995	