



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

November 2020 Report (Data through September 30, 2020)

Executive Summary for November 2020 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Sep-19 Data	Prior Month Aug-20 Data	Current Month Sep-20 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$3.2	\$14.5	\$2.5
Number of Invoices Paid	267	226	255
Value of Invoices Paid	\$81.4	\$135.0	\$187.3
Number of In-Process Invoices	169	164	162
Value of In-Process Invoices	\$60.8	\$116.5	\$66.7
Total Number of Invoices Paid and In-Process	436	390	417

- The Authority has not made a penalty payment in 44 months and did not have any aged invoices in the September reporting period.
- The Authority currently has 150 disputed invoices with a total value of \$2.5M. This is a \$12M or 82.7% decrease from the \$14.5M reported last month.
- The Authority's focused efforts to decrease disputes have resulted in a 90.9% or \$25M reduction from the high of \$27.5M reported in Sep-18.

Note: The significant decrease in total disputes from the prior month is primarily due to an \$11.5M dispute resolution.

Cash Management Report

(\$ in millions)

	Prior Year Sep-19 Data	Prior Month Aug-20 Data	Current Month Sep-20 Data
Prop IA Bond Fund Ending Cash Balance	\$513.9	\$175.7	\$81.8
Cap and Trade Ending Cash Balance	\$2,177.0	\$2,122.9	\$2,039.0
Rail Property Management Fund Ending Cash Balance	\$7.9	\$9.4	\$9.5

- 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 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 Cap and Trade auctions in May-20 (\$6M) and Aug-20 (\$99M) were impacted by COVID-19. However, 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-20 and Aug-20 auctions are not yet included in the Cash Balance as the journal entries have not been completed by the State Controller's Office.

Note: A Cap and Trade auction is scheduled to occur on November 17, 2020. Preliminary results for the auction will be reported in December.

Executive Summary for November 2020 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Sep-19 Data	Prior Month Aug-20 Data	Current Month Sep-20 Data
Budget (Fiscal Year)	\$56.2	\$73.6	\$73.6
Monthly Expenditures	3.2	\$3.2	\$4.0
YTD Expenditures	\$8.8	\$6.2	\$10.2
Percentage of Budget Expended YTD	15.6%	8.4%	13.8%
Percentage of Personal Services Budget Expended YTD	19.4%	10.1%	15.7%
Percentage of Operating Expenses and Equipment Expended YTD	5.4%	2.2%	6.8%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%
Total Authorized Positions	271	356	356
Total Filled Positions	194	223	222
Vacant Positions	77	133	134
Vacancy Rate	28.4%	37.4%	37.6%

- At 25.0% of the Fiscal Year completed, 13.8% or \$10.2M of the Administrative Budget has been spent, resulting in a budget underutilization value of 11.2%. The budget underutilization is due to vacancies and low OE&E spending.
- As of September 30, 2020, the Authority's vacancy rate is 37.6%, 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 122 vacant positions (8 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

Executive Summary for November 2020 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Sep-19 Data	Prior Month Aug-20 Data	Current Month Sep-20 Data
Budget (Fiscal Year)	\$2,255.0	\$2,903.3	\$2,903.3
Monthly Expenditures	\$112.4	\$132.7	\$125.9
YTD Expenditures	\$334.8	\$245.8	\$371.7
Percentage of Budget Expended Year to Date	14.8%	8.5%	12.8%
Percentage of Fiscal Year Completed	25.0%	16.7%	25.0%

- The FY2020-21 Capital Outlay Budget totals \$2.903B, which is an increase of \$648.4M or 28.8% from the prior year (FY2019-20).
- At 25.0% of the fiscal year completed, YTD Capital Outlay expenditures are \$371.7M or 12.8% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$106.7M**, which includes: CPI - \$51.6M, CP2-3 - \$41.0M, and CP4 - \$14.1M.
- Design-Build (DB) Monthly Expenditures totaled **\$90.6M**, which includes: CPI - \$45.4M, CP2-3 - \$34.6M, and CP4 - \$10.5M.
- As of Sep-20, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 60.3%, CP2-3: 60.0%, and CP4: 60.5%.

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: 25.0%						
Construction	\$2,408.9	\$2,408.9	\$114.6	\$332.2	14%	14%
Design Build with TIA Payment*	\$1,283.1	\$1,283.1	\$90.6	\$257.7	20%	20%
Design Build Contracts w/o TIA Payment*	(\$1,283.1)	(\$1,283.1)	(\$90.6)	(\$257.7)	20%	20%
Time Impact Analysis (TIA) Payments*	n/a	n/a	n/a	n/a	n/a	n/a
Right-of-Way / Third Party	\$306.1	\$306.1	\$7.7	\$28.9	9%	9%
PCM / RDP / ETO / Legal	\$191.9	\$191.9	\$14.7	\$39.5	21%	21%
Environmental Mitigation / Resource Agency	\$38.9	\$38.9	\$1.7	\$1.7	4%	4%
Other Construction (SR 99, Stations, etc.)	\$74.9	\$74.9	\$0.0	\$4.5	6%	6%
Remaining Fiscal-Year Project Contingency	\$514.0	\$514.0	\$0.0	\$0.0	0%	0%
Project Development	\$145.1	\$145.1	\$4.1	\$14.3	10%	10%
Bookend Projects (Local Assistance)	\$349.4	\$349.4	\$7.2	\$25.3	7%	7%
TOTAL	\$2,903.3	\$2,903.3	\$125.9	\$371.7	13%	13%

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

Executive Summary for November 2020 Report

Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$5,749.5	74%
Project Development	\$1,260.0	17%
Local Assistance	\$404.2	5%
Support Funding – Project Development	\$78.3	1%
Support Funding - Construction	\$77.0	1%
Administration	\$125.6	2%
Total	\$7,694.5	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	\$2,495.4	\$476.7	\$1,485.6	\$1,962.3	\$537.2	78.5%
Local Match to ARRA	\$4.1	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Total	\$2,499.5	\$476.7	\$1,485.6	\$1,962.3	\$537.2	78.5%

- The State Match to ARRA and State Match Liability table reflects FRA Approved Match to Date (\$476.7M) and Pending FRA Approval (\$1,485.6M) equal to Total Approved and Submitted to FRA (\$1,962.3M, 78.5% of \$2,495.4M total) as of 9/30/2020.
- In addition, the Authority has \$408.5M in-process at HSRA. Of this amount, \$33.9M is being processed in the Authority's Accounting Branch and the remaining \$374.6M is expected to be submitted within the next 90 days.
- When including FRA Approved Match to Date (\$476.7M), invoices Pending FRA Approval (\$1,485.6M), and invoices in-process at HSRA (\$408.5M), the Authority has \$2.4B (94.8%) in total State Match to ARRA as of 9/30/2020.

Executive Summary for November 2020 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Sep-19 Data	Prior Month Aug-20 Data	Current Month Sep-20 Data
Number of Contracts	197	205	209
Total Value of Contracts	\$7,014.6	\$8,200.3	\$8,315.8
Number of Purchase Orders	92	35	33
Total Value of Purchase Orders	\$1.3	\$1.2	\$1.3
Total Value Contracts and Purchase Orders	\$7,015.9	\$8,201.5	\$8,317.1
Small Business Utilization Rate	21.6%	21.4%	21.0%

- 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 September 30, 2020, the Authority had 209 active contracts and 33 active purchase orders (PO's) with a total value of \$8.3B.
- Month-over-Month the value of contracts increased \$115.5M, primarily due to change orders for CP design-build contracts (\$104.8M), one amendment to an existing contract (\$3.5M) and five new contracts executed (\$7.3M).
- The Nov-20 report (Sep-20 data) reflects a Small Business Utilization Rate (SBU) of 21.0%. The current rate represents a 4.8% 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 August 31, 2020, there are **570** small businesses actively working on the high-speed rail project, including **181** DBEs and **60** Certified DVBEs. (Updates for Small Business totals are provided quarterly).

Executive Summary for November 2020 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through September 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	\$778	\$459	\$1,085	\$752	\$333	\$340	\$186	\$154	\$0	\$0	\$0	\$2,662	\$1,716	\$946
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	\$16	\$280	\$297	\$16	\$280
Total	\$1,237	\$778	\$459	\$1,085	\$752	\$333	\$340	\$186	\$154	\$931	\$76	\$854	\$3,593	\$1,792	\$1,800

HSR Governance Actions

September 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					None
Authorizations <25 million					
	CP 1, 2-3, 4	Various	A/B	\$15	Various Executed Change Orders
Adjustments (+/-)					
Monthly Subtotal				\$15	
Previously Approved Authorizations				\$1,701	
Total Cumulative Authorizations				\$1,716	
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	RDP	FUT1101-01000-1	A/B	\$2	Contract Management System
Monthly Subtotal				\$2	
Previously Approved Authorizations				\$15	
Total Cumulative Authorizations				\$16	
Grand Total Cumulative Authorizations				\$1,792	