



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

September 2021 Report (Data through July 31, 2021)

Executive Summary for September 2021 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Jul-20 Data	Prior Month Jun-21 Data	Current Month Jul-21 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$14.8	\$52.1	\$75.3
Number of Invoices Paid	290	279	245
Value of Invoices Paid	\$114.9	\$78.1	\$82.3
Number of In-Process Invoices	129	153	163
Value of In-Process Invoices	\$104.7	\$79.7	\$82.9
Total Number of Invoices Paid and In-Process	419	432	408

- The Authority has not made a penalty payment in over four years (54 months) and did not have any aged invoices in the July reporting period.
- The Authority currently has a total of \$75.3M in disputed invoices. The \$23.2M increase in total disputes from the prior month is primarily due to \$31.9M for two new partial disputes for Dragados/Flatiron Joint Venture.

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 Jul-20 Data	Prior Month Jun-21 Data	Current Month Jul-21 Data
Prop IA Bond Fund Ending Cash Balance	\$198.5	\$129.4	\$125
Cap-and-Trade Ending Cash Balance	\$2,237.6	\$1,720	\$1,843
Rail Property Management Fund Ending Cash Balance	\$9.3	\$10.8	\$10.8

- 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.
- In July 2021, the Cap-and-Trade cash balance had a net increase of \$123M, due to receipt of the May-21 Cap-and-Trade auction proceeds (\$228.9M).

Note: A Cap-and-Trade auction occurred on August 18, 2021. The preliminary share of proceeds for the Authority are estimated to be \$253M 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 journal entry has been completed by the State Controller's Office.

Executive Summary for September 2021 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Jul-20 Data	Prior Month Jun-21 Data	Current Month Jul-21 Data
Budget (Fiscal Year)	\$73.6	\$73.0	\$74.4
Monthly Expenditures	\$3.0	\$6.7	\$4.0
YTD Expenditures	\$3.0	\$50.1	\$4.0
Percentage of Budget Expended YTD	4.1%	68.6%	5.4%
Percentage of Personal Services Budget Expended YTD	4.9%	72.4%	7.0%
Percentage of Operating Expenses and Equipment Expended YTD	1.0%	57.6%	0.2%
Percentage of Fiscal Year Completed	8.3%	100%	8.3%
Total Authorized Positions	356	356	356
Total Filled Positions	224	278	279
Vacant Positions	132	78	77
Vacancy Rate	37.1%	21.9%	21.6%

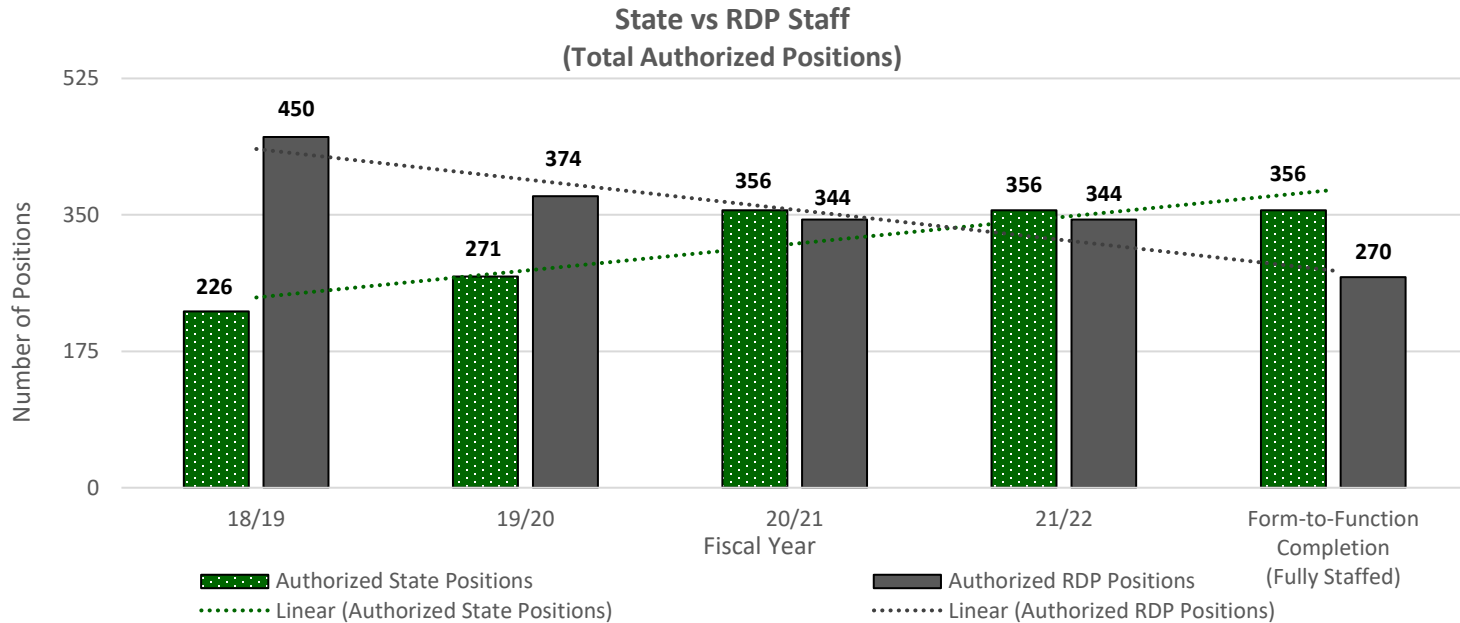
- At 8.3% of the Fiscal Year completed, \$4M or 5.4% of the Administrative Budget has been spent, resulting in a budget underutilization value of 2.9%. The budget underutilization is due to position vacancies and low OE&E spending.
- As of July 31, 2021, the Authority's vacancy rate is 21.6%. The Authority has reduced its vacancy rate by 15.5% (from 37.1% to 21.6%) since the beginning of the last fiscal year.
- The Authority has filled 228 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

Note: The current FY2021-22 Administrative Budget (\$74.4M) reflects the enacted budget approved by the Governor in June 2021; however, Senate Bill 170 (SB 170) was passed by the Legislature on September 9th and would amend the Budget Act of 2021. Included in the bill is an augmentation to the Authority's Administrative Budget, which would be increased to \$91.1M and add 73 new state positions. The Governor is expected to sign SB 170 in the coming days, and updates to the report will be implemented once finalized.

Executive Summary for September 2021 Report

Form-to-Function Implementation: Consultant Staff and State Staff Comparison

	Positions	18/19	19/20	20/21	21/22	Form-To-Function Completion (Fully Staffed)
State	Filled	185	227	278	279	356
	Vacant	41	44	78	77	0
	Total Authorized	226	271	356	356	356
RDP	FTEs Filled	345	321	293	286	270
	Vacant	105	53	51	58	0
	Total Authorized	450	374	344	344	270



Notes:

- In July 2020, the Authority received 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 (Form-to-Function).
- RDP position counts use Full-Time Equivalents (FTE's) and filled positions for historical fiscal years utilize monthly averages from October 2018 through June 2021. For FY2021-22, a 3-month moving average has been utilized to smooth seasonal and/or monthly variations in staffing.
- State Staff positions filled by fiscal year include data from June 2019 (FY18/19), June 2020 (FY19/20), June 2021 (FY20/21), and July 2021 (FY21/22).

Executive Summary for September 2021 Report

Capital Outlay Budget Summary

(\$ in millions)	Prior Year Jul-20 Data	Prior Month Jun-21 Data	Current Month Jul-21 Data
Budget (Fiscal Year)	\$2,903.3	\$2,903.3	\$2,312.6
Monthly Expenditures	\$113.1	\$174.9	\$113.2
YTD Expenditures	\$113.1	\$1,198.1	\$113.2
Percentage of Budget Expended Year to Date	3.9%	41.3%	4.9%
Percentage of Fiscal Year Completed	8.3%	100%	8.3%

- At 8.3% of the fiscal year completed, YTD Capital Outlay expenditures are \$113.2M or 4.9% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$103.3M**, which includes: CPI - \$53.5M, CP2-3 - \$32.2M, and CP4 - \$17.6M.
- Design-Build (DB) Monthly Expenditures totaled **\$84M**, which includes: CPI - \$49.2M, CP2-3 - \$26.6M, and CP4 - \$8.2M.
- As of July 31, 2021, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 65%, CP2-3: 65.5%, and CP4: 71.8%.

Note: The Capital Outlay detail report reflects the Revision 1 (Rev. 1) Program Baseline Budget and will be updated for Revision 2 (Rev 2) upon Board approval.

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: 8.3%						
Construction	\$2,085.1	\$2,085.1	\$110.0	\$110.0	5%	5%
Design Build with TIA Payment*	\$838.7	\$838.7	\$84.0	\$84.0	10%	10%
Design Build Contracts w/o TIA Payment*	(\$838.7)	(\$838.7)	(\$84.0)	(\$84.0)	10%	10%
Time Impact Analysis (TIA) Payments**	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	(\$0.0)	0%	0%
Right-of-Way / Third Party	\$373.3	\$373.3	\$12.3	\$12.3	3%	3%
PCM / RDP / ETO / Legal	\$112.7	\$112.7	\$6.9	\$6.9	6%	6%
Environmental Mitigation / Resource Agency	\$56.4	\$56.4	\$0.0	\$0.0	0%	0%
Other Construction (SR 99, Stations, etc.)	\$145.7	\$145.7	\$6.8	\$6.8	5%	5%
Fiscal-Year Project Contingency	\$558.2	\$558.2	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Fiscal-Year Project Contingency – Transferred Out*	(\$0.0)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	(0%)	<i>n/a</i>
Project Development	\$144.7	\$144.7	\$3.2	\$3.2	2%	2%
Bookend Projects (Local Assistance)	\$82.8	\$82.8	\$0.0	\$0.0	0%	0%
TOTAL	\$2,312.6	\$2,312.6	\$113.2	\$113.2	5%	5%

*Numbers in parenthesis are non-adds but included to provide additional detail. FY Project Contingency starting budget was \$558.2M.

**Time Impact Analysis (TIA) payment.

Executive Summary for September 2021 Report

Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	Percentage of Total Expenditures
Construction	\$6,559.9	76%
Project Development	\$1,309.6	15%
Local Assistance	\$459.1	5%
Support Funding – Project Development	\$90.6	1%
Support Funding – Construction	\$89.0	1%
Administration	\$145.1	2%
Total	\$8,653.3	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	Percentage Approved and Submitted Match to Date
State Funds	(A)	(B)	(C)	(D) = (B + C)	(A - D)	(D / A)
State Match to ARRA	\$2,499.5	\$2,167.9	\$349.7	\$2,517.6	\$0.0	100.7%

- The Authority has submitted the final invoices to complete the State Match to ARRA requirement.
- The State Match to ARRA and State Match Liability table above reflects FRA Approved Match to Date in the amount of \$2,167.9M and Pending FRA Approval in the amount of \$349.7M, Total Approved and Submitted to FRA in the amount of \$2,517.6M (100.7%) as of July 31, 2021.

Executive Summary for September 2021 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Jul-20 Data	Prior Month Jun-21 Data	Current Month Jul-21 Data
Number of Contracts	202	199	196
Total Value of Contracts	\$8,098.9	\$8,418.0	\$8,458.1
Number of Purchase Orders	46	54	41
Total Value of Purchase Orders	\$1.5	\$3.6	\$3.5
Total Value Contracts and Purchase Orders	\$8,100.4	\$8,421.6	\$8,461.5
Small Business Utilization Rate	21.3%	22.6%	22.6%

- 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, 2021, the Authority had 196 active contracts and 41 active purchase orders (PO's) with a total value of \$8.5B.
- Month-over-Month the value of contracts increased \$40.1M, primarily due executed change orders for CP design-build contracts (\$57.5M).
- The Sep-21 report (Jul-21 data) reflects a Small Business Utilization Rate (SBU) of 22.6%. The current rate represents a 6.4% 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 June 30, 2021, there are **628** small businesses actively working on the high-speed rail project, including **202** DBE's and **70** Certified DVBE's.

Executive Summary for September 2021 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through July 31, 2021, \$ 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 Total Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$1,237	\$968	\$270	\$1,085	\$868	\$216	\$340	\$250	\$90	\$0	\$0	\$0	\$2,662	\$2,086	\$576
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	\$19	\$278	\$297	\$19	\$278
Total	\$1,237	\$968	\$270	\$1,085	\$868	\$216	\$340	\$250	\$90	\$931	\$79	\$852	\$3,593	\$2,165	\$1,427

Notes:

Contingency Summary Table (above):

- Total Allocation (Total Alloc.) shown in the above table has not been updated for the approved 2020 Business Plan and reflects the initial contingency allocation set at the 2019 Baseline Budget.
- Contingency Category "Other" refers to Non-Design Build Central Valley Scope and Non-Central Valley Scope.
- Cumulative Authorized (Cumul. 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.

HSR Governance Actions Table (right):

- All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in the table to the right.
- Authorization totals include rounding adjustments.

Table Code Legend

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

HSR Governance Actions (Monthly Activity)

July 2021 Activity

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	\$31	Various Executed Change Orders
Monthly Subtotal				\$31	
Previously Approved Authorizations				\$2,055	
Total Cumulative Authorizations				\$2,086	
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				\$19	
Total Cumulative Authorizations				\$19	
Grand Total Cumulative Authorizations				\$2,165	