



California High-Speed Rail: Financial Reports Executive Summary

November 2nd 2023 Report (Data through August 31, 2023)

Executive Summary for November 2nd 2023 Report

<u>Accounts Payable Aging And Disputes Report</u> (\$ in millions)	Prior Year Aug-22 Data	Prior Month July-23 Data	Current Month Aug-23 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$122.8	\$200.1	\$200.8
Number of Invoices Paid	257	243	214
Value of Invoices Paid	\$112.9	\$83.6	\$111.5

- The Authority has not made a penalty payment in over six years (79 months) and did not have any aged invoices in the August 2023 reporting period.
- The Authority currently has a total of \$200.8M in disputed invoices, which represents a \$681.4K increase in total disputes from the prior month.

<u>Cash Management Report</u> (\$ in millions)	Prior Year Aug-22 Data	Prior Month July-23 Data	Current Month Aug-23 Data
Prop 1A Bond Fund Ending Cash Balance	\$64.7	\$637.7	\$482.4
Cap-and-Trade Ending Cash Balance	\$1,918.7	\$2,548.9	\$2,569.4
Rail Property Management Fund Ending Cash Balance	\$11.5	\$11.7	\$11.8
Total Funds Ending Cash Balance	\$1,994.9	\$3,198.3	\$3,063.6

- The Proposition 1A cash balance fell \$155.3M month-over-month to \$482.4M. Cash expenditures were \$155.2M. The Authority has \$165.8M available through commercial paper for additional Proposition 1A cash as needed.
- The Cap-and-Trade cash balance rose \$20.5M month-over-month to \$2.6B primarily due to expenditure corrections utilizing Prop 1A cash. Proceeds from the Aug-2023 Cap-and-Trade auction are estimated at \$265M for the Authority but are not reflected in cash balances as they are still pending action by the Department of Finance and the State Controller's Office.
- The Rail Property Management Fund cash balance rose \$106.8K month-over-month to \$11.8M. Payments received totaled \$288.9K and cash expenditures were \$182.2K. The Rail Property Management Fund receives revenues from leases/rents collected on Authority-owned property, and proceeds are used for property-related expenditures.

Executive Summary for November 2nd 2023 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Aug-22 Data	Prior Month July-23 Data	Current Month Aug-23 Data
Budget (Fiscal Year)	\$93.4	\$95.2	\$95.2
Monthly Expenditures	\$5.0	\$5.4	\$6.5
YTD Expenditures	\$9.7	\$5.4	\$11.9
Percentage of Budget Expended YTD	10.4%	5.6%	12.5%
Percentage of Personal Services Budget Expended YTD	13.1%	7.0%	14.0%
Percentage of Operating Expenses and Equipment Expended YTD	1.2%	0.0%	6.4%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%
Total Authorized Positions	429	429	429
Total Filled Positions	320	356	355
Vacant Positions	109	73	74
Vacancy Rate	25.4%	17.0%	17.2%

- At 16.7% of the Fiscal Year completed, \$11.9M or 12.5% of the Administrative Budget (\$95.2M) has been spent, resulting in a budget underutilization value of 4.2%. The budget underutilization is due to position vacancies and low OE&E spending.
- As of August 31, 2023, the Authority's vacancy rate is 17.2%. The statewide vacancy rate is 20.6% as of August 31st, 2023. The Authority has filled a net total of 35 positions over the past year, (from 320 to 355 filled positions).
- During the reporting month, the Authority completed recruitment for seven vacant position; however, the filled positions were offset by two separations from the Authority and six vacated position from internal promotions/transfers, resulting in a net increase of one vacant position for the reporting month.

Executive Summary for November 2nd 2023 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Aug-22 Data	Prior Month July-23 Data	Current Month Aug-23 Data
Budget (Fiscal Year)	\$2,303.3	\$1,825.3	\$1,825.3
Monthly Expenditures	\$69.5	\$112.3	\$206.1
YTD Expenditures	\$136.8	\$112.3	\$318.4
Percentage of Budget Expended Year to Date	5.9%	6.2%	17.4%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%

- At 16.7% of the fiscal year completed, YTD Capital Outlay expenditures are \$318.4M or 17.4% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled \$193.4M, which includes: CP1: \$71.2M, CP2-3: \$97.9M, and CP4: \$24.2M.
- Design-Build (DB) Monthly Expenditures totaled \$183.7M, which includes: CP1: \$67.1M, CP2-3: \$94.2M, and CP4: \$22.3M.
 - Monthly expenditures Time Impact Analysis (TIA) settlement payments totaling \$7.6M, which includes: CP1 (\$3.1M), CP2-3 (\$2.3M), and CP4 (\$2.2M)
- As of August 31, 2023, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CP1: 65.7%, CP2-3: 72.1%, and CP4: 95.3%.

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: 16.7%						
Construction	\$1,477.2	\$1,477.2	\$196.6	\$303.8	21%	21%
Design Build with TIA Payment*	\$856.8	\$856.8	\$183.7	\$271.4	32%	32%
Design Build Contracts w/o TIA Payment*	(\$856.8)	(\$856.8)	(\$191.3)	(\$292.4)	34%	34%
Time Impact Analysis (TIA) Payments	N/A	N/A	(\$7.6)	(\$21.0)	2%	2%
Right-of-Way / Third Party	\$254.1	\$254.1	\$0.9	\$2.0	1%	1%
PCM / RDP / ETO / Legal	\$234.5	\$234.5	\$11.8	\$30.0	13%	13%
Environmental Mitigation / Resource Agency	\$25.7	\$25.7	\$0.3	\$0.4	2%	2%
Other Construction (SR46, Stations, etc.)	\$19.8	\$19.8	\$0.0	\$0.0	0%	0%
Fiscal-Year EAC, Project, and Unallocated Contingencies	\$86.4	\$86.4	\$0.0	\$0.0	N/A	N/A
Fiscal-Year Contingency – Transferred Out*	\$305.6	N/A	N/A	N/A	56%	N/A
Project Development	\$166.6	\$166.6	\$9.5	\$14.6	9%	9%
Bookend Projects (Local Assistance)	\$181.4	\$181.4	\$0.0	\$0.0	0%	0%
TOTAL	\$1,825.3	\$1,825.3	\$206.1	\$318.4	17%	17%

*Numbers in parenthesis are non-adds but included to provide additional detail. FY Project Contingency starting budget was \$392M.

Executive Summary for November 2nd 2023 Report

Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	Percentage of Total Expenditures
Construction	\$8,853	76.8%
Project Development	\$1,454	12.6%
Local Assistance	\$745	6.5%
Support Funding – Project Delivery	\$120	1.0%
Support Funding – Construction	\$151	1.3%
Administration	\$204	1.8%
Total	\$11,523.1	100%

Federal Funds and State Match Liability

Federal Grant Awarded (\$ in millions)	Federal Funds			State Match		
	Authorized Amount	Expenditures to Date	Remaining Balance	State Match Liability	Approved Match to Date	Remaining Match
ARRA Grant	\$2,552.6	\$2,545.4	\$0	\$2,498.6	\$2,522.3	\$0
FY10 Grant	\$928.6	\$0.0	\$928.6	\$359.8	\$0.0	\$359.8
EPA Brownfields*	\$.600	\$.557	\$.043	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
RAISE Grant - Wasco SR 46 Grade Separation**	\$24.0	\$0.0	\$24.0	\$59.6	\$0.0	\$59.6
RAISE Grant - Merced Extension (Design)**	\$25.0	\$0.0	\$25.0	\$16.0	\$0.0	\$16.0
RAISE Grant - Fresno Depot**	\$20.0	\$0.0	\$20.0	\$13.2	\$0.0	\$13.2
Total	\$3,550.8	\$2,546.0	\$997.6	\$2,947.2	\$2,522.3	\$448.6

*Closeout Documents submitted to EPA

**Federal Grants awarded, pending formal grant agreements.

***In September HSR was awarded the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant for \$201,946,942 to eliminate six at grade crossings in Shafter CA.

Executive Summary for November 2nd 2023 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Aug-22 Data	Prior Month July-23 Data	Current Month Aug-23 Data
Number of Contracts	216	195	198
Total Value of Active Contracts	\$9,885.9	\$11, 833.5	\$11,874.1
Number of Purchase Orders	102	118	118
Total Value of Purchase Orders	\$3.8	\$4.5	\$4.3
Total Value Contracts and PurchaseOrders	\$9,859.8	\$11,837.9	\$11,878.4
Cumulative Small Business UtilizationRate	23.3%	23.4%	23.4%

- 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 August 31, 2023, the Authority had 198 active contracts and 118 active purchase orders (PO's) with a total value of \$11.9B.
- Month-over-Month the value of active contracts increased by \$40.6M.
- The Month-over-Month change in value of active contracts is primarily due to executed change orders for design-build contracts (\$18.6M), with CP1 (\$14.0M), CP2-3 (\$3.6M), CP4 (\$1.1M); two contract amendments (\$12.0M); three new contracts (\$10.0M); and the removal of one expired contract (\$150.6K).
- The Authority's Small Business Utilization Rate (SBU) goal is 30.0%. The October-23 report reflects a 23.4% SBU. The current rate represents a 7.2% increase from the inception of SBU reporting in Feb-15 of 16.2%.
- SBU rates: Construction 23.0% (includes DBs and Construction Contracts as defined in the Capital Outlay Report) (DBs: CP1 24.5%, CP2-3 18.8%, CP4 21.0%), and Professional Services 28.2%.
- The 30% SBU goal is comprised of: 17% Small Business (SB) and Micro Business (MB), 10% Disadvantaged Business Enterprise (DBE), and 3% Disabled Veteran Business Enterprise (DVBE). The Authority's overall achievement for each program is: 9.5% SB and MB, 10.0% DBE, and 4.0% DVBE.
- As of July 31, 2023, there are **799** small businesses actively working on the high-speed rail project, including **275** DBE's and **99** Certified DVBE's.

Executive Summary for November 2nd 2023 Report

Contingency Summary (data is cumulative through August 31, 2023, \$ in millions)

Contingency Category	Total Allocation	Monthly Authorized (Under \$25M)	Monthly Authorized (Over \$25M)	Cumulative Authorized	Remaining Balance
Project Contingency					
CP1	\$2,791.6	\$14.3	\$0.0	\$2,038.8	\$752.7
CP2-3	\$2,691.5	\$3.8	\$115.4	\$1,840.8	\$850.7
CP4	\$518.5	\$15.2	\$0.0	\$436.1	\$82.4
Total Project Contingency Subtotal	\$6,001.6	\$33.3	\$115.4	\$4,315.7	\$1,685.9
Other Contingency					
Unallocated Contingency	\$492.3	\$0.0	\$0.0	\$82.1	\$410.2
Interim Use/Project Reserve	\$208.1	\$0.0	\$0.0	\$53.9	\$154.3
Other	\$530.8	\$2.8	\$0.0	\$140.1	\$390.7
Other Contingency Subtotal	\$1,231.2	\$2.8	\$0.0	\$276.1	\$955.2
Total Contingency	\$7,232.8	\$36.1	\$115.4	\$4,591.7	\$2,641.0

- Total Allocation contingency amounts have been updated for the Expenditure Authorization.
- Contingency Category “Other” refers to Non-Design Build Central Valley Scope and Non-Central Valley Scope.
- Cumulative Authorized is the total amount of individual contingency transfers 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 for which a change order/amendment has not been executed and all executed change orders/amendments involving the transfer of contingency.

Change Orders and HSR Governance Actions over \$25M (August 2023 Activity, \$ in millions)

Contingency Category	Project	Contract #	Code (See legend)	Authorizations (\$ in millions)	Comments
Contingency Category: Project Contingency					
CP 2-3 Contingency	CP2-3	HSR18-57	A/B	\$43.4	BNSF Budget Amendment
CP 2-3 Contingency	CP2-3	HSR13-57	A/B	\$30.0	DFJV Conejo Avenue Viaduct Change Order
CP 2-3 Contingency	CP2-3	HSR13-57	A/B	\$42.0	DFJV Tule River Viaduct Change Order
Total Monthly Change Orders >\$25M and Governance Actions				\$115.4	

Table Code Legend

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

- Amounts shown in the Total Monthly Authorizations Over \$25M (\$115.4M) are also included in the Contingency Summary Table.
- Authorization totals include rounding adjustments.

Preliminary Numbers for the November F&A Report

Look Ahead at Next Month's F&A Report with Preliminary Data (September 30, 2023)

Capital Outlay Expenditure Summary Update

(\$ in millions)

	Current Month Aug-23 Data	Preliminary Sept-23 Data
Construction Package 1 – DB	\$67.1	\$34.3
Construction Package 1 – Total for CP	\$71.2	\$45.1
Construction Package 2-3 – DB	\$94.2	\$31.0
Construction Package 2-3 – Total for CP	\$97.9	\$37.4
Construction Package 4 – DB	\$22.3	\$21.5
Construction Package 4 – Total for CP	\$24.2	\$24.3
All Construction Packages – DB	\$183.7	\$86.8
All Construction Packages – Total CP	\$193.4	\$106.8
All Capital Expenditures – DB's, other CP work, Proj Dev, and Bookends	\$206.1	\$120.1

Administrative Position Summary Update

	Current Month Aug-23 Data	Preliminary Sept-23 Data
Authorized Positions	429	429
Filled Positions	355	361
Vacant Positions	74	68
Vacancy Rate	17.2%	15.9%

Federal Grant Summary

(\$ in millions)	Current Month Aug-23 Data	Preliminary Sept/Oct-23 Data
Previously Awarded Grants	\$3,551	\$3,551
New Grant Awards	\$0	\$202 ²
Pending Grant Applications	\$3,542 ¹	\$3,456 ³

1. HSR submitted two applications in August for FFY 22-23 Wildlife Crossing Pilot Program for \$2,029,379 (8/1) and FFY 23-24 Multimodal Project Discretionary Grants Programs for \$231,697,383 (8/21).
2. HSR was awarded a grant in September for FFY 22 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant Program for \$201,946,942 (9/25).
3. HSR submitted an application in September for FFY 23 Reconnecting Communities and Neighborhoods (RCN) for \$203,347,575 (9/28) and HSR was denied FFY 22 CRISI- Central Valley Training Center in Selma for \$2,284,668 (9/25) and FFY 23 Resilient Power Supply, Storage, and Charging Project for the Grid Resilience and Innovation Partnerships (GRIP) Grant Program for \$53,536,176 (10/18).