



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

August 2021 Report (Data through June 30, 2021)

Executive Summary for August 2021 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

| | Prior Year Jun-20 Data | Prior Month May-21 Data | Current Month Jun-21 Data |
|--|---------------------------|----------------------------|------------------------------|
| Total Aged Invoices | \$0 | \$0 | \$0 |
| Dispute Summary | \$15.5 | \$58.7 | \$52.1 |
| Number of Invoices Paid | 234 | 271 | 279 |
| Value of Invoices Paid | \$109.7 | \$98.4 | \$78.1 |
| Number of In-Process Invoices | 198 | 129 | 153 |
| Value of In-Process Invoices | \$86.4 | \$44.8 | \$79.7 |
| Total Number of Invoices Paid and In-Process | 432 | 400 | 432 |

- The Authority has not made a penalty payment in over four years (53 months) and did not have any aged invoices in the June reporting period.
- The Authority currently has a total of \$52.1M in disputed invoices. The \$6.6M decrease in total disputes from the prior month is primarily due to \$14.3M in dispute resolutions 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 Jun-20 Data | Prior Month May-21 Data | Current Month Jun-21 Data |
|---|---------------------------|----------------------------|------------------------------|
| Prop IA Bond Fund Ending Cash Balance | \$253.6 | \$184.3 | \$129.4 |
| Cap and Trade Ending Cash Balance | \$2,299.4 | \$1,746.8 | \$1,720 |
| Rail Property Management Fund Ending Cash Balance | \$9.1 | \$10.7 | \$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.
- The Authority is expected to receive \$228.9M from the May-21 Cap and Trade auction. Proceeds from the auction are not yet included in the Cap and Trade Cash Balance and will be reflected once the journal entry has been completed by State Controller's Office.
- The last two Cap and Trade auctions (Feb-21 and May-21) have resulted in a total of \$391M for the Authority, which is a \$227M increase from the same quarterly auctions that occurred in the prior year.

Note: The next Cap and Trade auction is scheduled to occur on August 18, 2021.

Executive Summary for August 2021 Report

Administrative Budget and Expenditures Report

(\$ in millions)

| | Prior Year Jun-20 Data | Prior Month May-21 Data | Current Month Jun-21 Data |
|---|---------------------------|----------------------------|------------------------------|
| Budget (Fiscal Year) | \$58.3 | \$73.0 | \$73.0 |
| Monthly Expenditures | \$5.0 | \$6.1 | \$6.7 |
| YTD Expenditures | \$42.4 | \$43.4 | \$50.1 |
| Percentage of Budget Expended YTD | 72.8% | 59.4% | 68.6% |
| Percentage of Personal Services Budget Expended YTD | 81.4% | 65.7% | 72.4% |
| Percentage of Operating Expenses and Equipment Expended YTD | 48.0% | 41.7% | 57.6% |
| Percentage of Fiscal Year Completed | 100% | 91.7% | 100% |
| | | | |
| Total Authorized Positions | 271 | 356 | 356 |
| Total Filled Positions | 227 | 269 | 278 |
| Vacant Positions | 44 | 87 | 78 |
| Vacancy Rate | 16.2% | 24.4% | 21.9% |

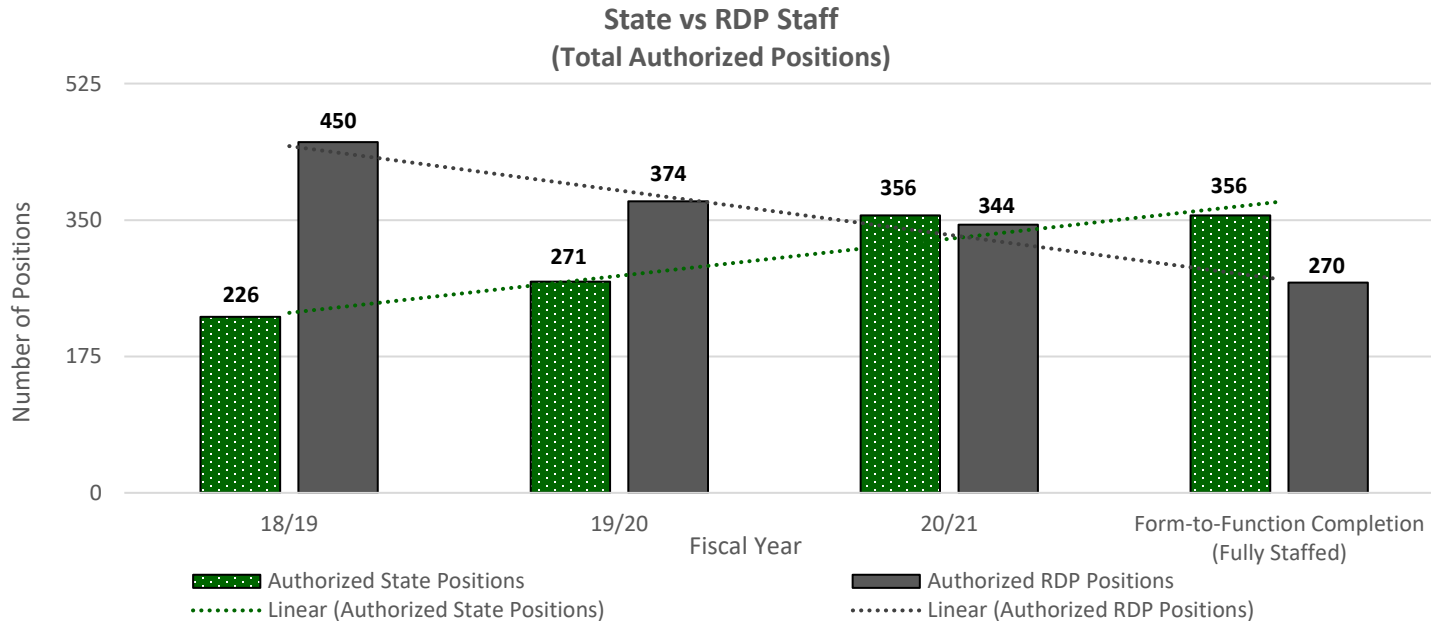
- At 100% of the Fiscal Year completed, \$50.1M or 68.6% of the Administrative Budget has been spent, resulting in a budget underutilization value of 31.4%. The budget underutilization is due to position vacancies and low OE&E spending.
- As of June 30, 2021, the Authority's vacancy rate is 21.9%. The Authority has reduced its vacancy rate by 15.2% (from 37.1% to 21.9%) since the beginning of the fiscal year.
- The Authority has filled 220 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

Note: Expenditures for June include year-end accruals for outstanding invoices waiting to be received and processed for payment for work performed in FY2020-21.

Executive Summary for August 2021 Report

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

| | Positions | 18/19 | 19/20 | 20/21 | Form-To-Function Completion (Fully Staffed) |
|-------|------------------|-------|-------|-------|---|
| State | Filled | 185 | 227 | 278 | 356 |
| | Vacant | 41 | 44 | 78 | 0 |
| | Total Authorized | 226 | 271 | 356 | 356 |
| RDP | FTEs Filled | 345 | 321 | 293 | 270 |
| | Vacant | 105 | 53 | 51 | 0 |
| | Total Authorized | 450 | 374 | 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). Overall authorized staff resources fell from 676 to 626.
- RDP position counts use Full-Time Equivalents (FTE's) and filled positions by fiscal year are monthly averages by FY from October 2018 through June 2021.
- State Staff positions filled by fiscal year are data for the months of June 2019, June 2020, and June 2021.

Executive Summary for August 2021 Report

Capital Outlay Budget Summary

(\$ in millions)

| | Prior Year Jun-20 Data | Prior Month May-21 Data | Current Month Jun-21 Data |
|--|---------------------------|----------------------------|------------------------------|
| Budget (Fiscal Year) | \$2,255.0 | \$2,903.3 | \$2,903.3 |
| Monthly Expenditures | \$218.4 | \$76.3 | \$174.9 |
| YTD Expenditures | \$1,498.5 | \$1,023.1 | \$1,198.1 |
| Percentage of Budget Expended Year to Date | 66.5% | 35.2% | 41.3% |
| Percentage of Fiscal Year Completed | 100% | 91.7% | 100% |

- At 100% of the fiscal year completed, YTD Capital Outlay expenditures are \$1.20B or 41.3% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$105.6M**, which includes: CPI - \$46M, CP2-3 - \$45.5M, and CP4 - \$14.1M.
- Design-Build (DB) Monthly Expenditures totaled **\$55.9M**, which includes: CPI - \$23.5M, CP2-3 - \$26.6M, and CP4 - \$5.8M.
- As of June 30, 2021, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 64.4%, CP2-3: 65%, and CP4: 70.8%.

Note: Expenditures for June include year-end accruals for outstanding invoices waiting to be received and processed for payment for work performed in FY2020-21.

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: 100% | | | | | | |
| Construction | \$2,408.9 | \$1,054.7 | \$121.0 | \$1,054.7 | 44% | 100% |
| Design Build with TIA Payment* | \$1,356.1 | \$670.4 | \$55.9 | \$670.4 | 49% | 100% |
| Design Build Contracts w/o TIA Payment* | (\$1,356.1) | (\$670.4) | (\$55.9) | (\$659.4) | 49% | 98% |
| Time Impact Analysis (TIA) Payments** | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> | (\$11.0) | 1% | 2% |
| Right-of-Way / Third Party | \$330.8 | \$178.9 | \$28.0 | \$178.9 | 54% | 100% |
| PCM / RDP / ETO / Legal | \$221.6 | \$177.8 | \$28.7 | \$177.8 | 80% | 100% |
| Environmental Mitigation / Resource Agency | \$39.6 | \$8.7 | \$0.8 | \$8.7 | 22% | 100% |
| Other Construction (SR 99, Stations, etc.) | \$69.6 | \$18.9 | \$7.6 | \$18.9 | 27% | 100% |
| Fiscal-Year Project Contingency | \$391.0 | \$0.0 | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> |
| Fiscal-Year Project Contingency – Transferred Out* | (\$123.0) | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> | (31%) | <i>n/a</i> |
| Project Development | \$145.1 | \$64.6 | \$14.3 | \$64.6 | 45% | 100% |
| Bookend Projects (Local Assistance) | \$349.4 | \$78.7 | \$39.6 | \$78.7 | 23% | 100% |
| TOTAL | \$2,903.3 | \$1,198.1 | \$174.9 | \$1,198.1 | 41% | 100% |

*Numbers in parenthesis are non-adds but included to provide additional detail. FY Project Contingency starting budget was \$514M.

**Time Impact Analysis (TIA) payment includes a \$11M settlement for CP4 (December Invoice).

Executive Summary for August 2021 Report

Total Project Expenditures

| Program Category | Expenditures to Date (\$ in millions) | Percentage of Total Expenditures |
|---------------------------------------|--|-------------------------------------|
| Construction | \$6,461.9 | 76% |
| Project Development | \$1,306.3 | 15% |
| Local Assistance | \$459.1 | 5% |
| Support Funding – Project Development | \$89.4 | 1% |
| Support Funding – Construction | \$88 | 1% |
| Administration | \$143.4 | 2% |
| Total | \$8,547.9 | 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 June 30, 2021.

Note: Local Match to ARRA has been consolidated into State Match to ARRA as state funds were used to complete both obligations.

Executive Summary for August 2021 Report

Contracts and Expenditures Report

(\$ in millions)

| | Prior Year Jun-20 Data | Prior Month May-21 Data | Current Month Jun-21 Data |
|---|---------------------------|----------------------------|------------------------------|
| Number of Contracts | 205 | 207 | 199 |
| Total Value of Contracts | \$8,060.6 | \$8,490.5 | \$8,418 |
| Number of Purchase Orders | 55 | 48 | 54 |
| Total Value of Purchase Orders | \$1.6 | \$2.7 | \$3.6 |
| Total Value Contracts and Purchase Orders | \$8,062.1 | \$8,493.2 | \$8,421.6 |
| Small Business Utilization Rate | 21.3% | 22.3% | 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 June 30, 2021, the Authority had 199 active contracts and 54 active purchase orders (PO's) with a total value of \$8.4B.
- Month-over-Month the value of contracts decreased \$72.5M, primarily due to the removal of 14 expired contracts totaling \$125.1M.
- The Aug-21 report (Jun-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 May 31, 2021, there are **626** small businesses actively working on the high-speed rail project, including **201** DBE's and **70** Certified DVBE's.

Executive Summary for August 2021 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through June 30, 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 Alloc. | Total Cumul. Authorized | Total Balance |
|-----------------------------|------------------|-----------------------|--------------|--------------------|-------------------------|---------------|------------------|-----------------------|-------------|--------------------|-------------------------|---------------|----------------|-------------------------|----------------|
| Project Contingency | \$1,237 | \$942 | \$295 | \$1,085 | \$866 | \$218 | \$340 | \$247 | \$93 | \$0 | \$0 | \$0 | \$2,662 | \$2,055 | \$606 |
| 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 | \$942 | \$295 | \$1,085 | \$866 | \$218 | \$340 | \$247 | \$93 | \$931 | \$79 | \$852 | \$3,593 | \$2,135 | \$1,458 |

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)

June 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 | \$78 | Various Executed Change Orders |
| Monthly Subtotal | | | | \$78 | |
| Previously Approved Authorizations | | | | \$1,978 | |
| Total Cumulative Authorizations | | | | \$2,055 | |
| 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 | | | | \$2,135 | |