



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

February 2021 Report (Data through December 31, 2020)

Executive Summary for February 2021 Report

Accounts Payable Aging And Disputes Report

(\$ in millions)

| | Prior Year Dec-19 Data | Prior Month Nov-20 Data | Current Month Dec-20 Data |
|--|---------------------------|----------------------------|------------------------------|
| Total Aged Invoices | \$0 | \$0 | \$0 |
| Dispute Summary | \$2.1 | \$59.5 | \$76.6 |
| | | | |
| Number of Invoices Paid | 229 | 221 | 327 |
| Value of Invoices Paid | \$218.1 | \$123.2 | \$111.8 |
| Number of In-Process Invoices | 207 | 187 | 161 |
| Value of In-Process Invoices | \$49.7 | \$70.1 | \$87.4 |
| Total Number of Invoices Paid and In-Process | 436 | 408 | 488 |

- The Authority has not made a penalty payment in 47 months and did not have any aged invoices in the December reporting period.
- The Authority currently has 147 disputed invoices with a total value of \$76.6M. The significant increase in total disputes from the prior month is primarily due to a partially disputed invoice from CP2-3 Design Builder (Dragados) totaling \$39.6M.

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 Dec-19 Data | Prior Month Nov-20 Data | Current Month Dec-20 Data |
|---|---------------------------|----------------------------|------------------------------|
| Prop IA Bond Fund Ending Cash Balance | \$585.3 | \$91.4 | \$67.8 |
| Cap and Trade Ending Cash Balance | \$2,264.5 | \$1,935.6 | \$1,844.8 |
| Rail Property Management Fund Ending Cash Balance | \$8.3 | \$9.8 | \$10.0 |

- 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 December, the Prop IA Cash Balance includes an issuance of \$10M in commercial paper. The Authority has an additional \$362.1M in commercial paper authority which was authorized in Fall 2019, Spring 2020, and Fall 2020; however, the proceeds will not be reflected in this report until the Authority submits a request for funds to STO and issuance is completed.

Note: The Authority is expected to receive \$146.8M from the Nov-20 Cap and Trade Auction. Proceeds will be reflected in the Cash Balance when the journal entry has been completed by the State Controller's Office. The next Cap and Trade Auction is scheduled for February 17, 2021.

Executive Summary for February 2021 Report

Administrative Budget and Expenditures Report

(\$ in millions)

| | Prior Year Dec-19 Data | Prior Month Nov-20 Data | Current Month Dec-20 Data |
|---|---------------------------|----------------------------|------------------------------|
| Budget (Fiscal Year) | \$56.2 | \$73.6 | \$73.6 |
| Monthly Expenditures | \$3.2 | \$3.9 | \$4.0 |
| YTD Expenditures | \$18.7 | \$17.5 | \$21.4 |
| Percentage of Budget Expended YTD | 33.3% | 23.7% | 29.1% |
| Percentage of Personal Services Budget Expended YTD | 40.4% | 26.3% | 31.8% |
| Percentage of Operating Expenses and Equipment Expended YTD | 14.1% | 14.3% | 19.2% |
| Percentage of Fiscal Year Completed | 50% | 41.7% | 50% |
| | | | |
| Total Authorized Positions | 271 | 356 | 356 |
| Total Filled Positions | 201 | 240 | 244 |
| Vacant Positions | 70 | 116 | 112 |
| Vacancy Rate | 25.8% | 32.6% | 31.5% |

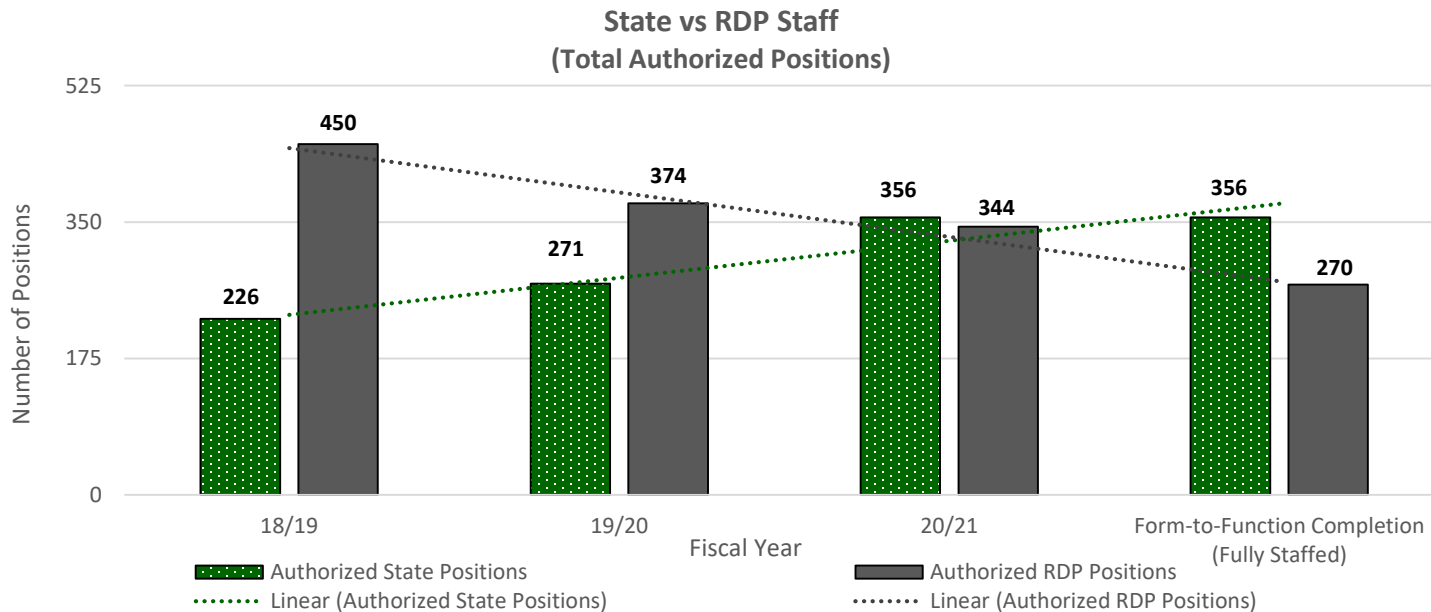
- At 50% of the Fiscal Year completed, \$21.4M or 29.1% of the Administrative Budget has been spent, resulting in a budget underutilization value of 20.9%. The budget underutilization is due to vacancies and low OE&E spending.
- As of December 31, 2020, the Authority's vacancy rate is 31.5%, primarily due to the addition of 85 new state positions. The Authority has reduced its vacancy rate by 5.6% (from 37.1% to 31.5%) since the beginning of the fiscal year.
- The Authority has filled 165 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

Note: On January 8, 2021, the Governor's proposed budget was released for FY2021-22 with revisions to the current year budget (FY2020-21). In the revision, the Authority's current year budget decreased slightly due to austerity measures (from \$73.6M to \$73.0M). These changes will be reflected in the next month's report (Jan-21 data).

Executive Summary for February 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 | 244 | 356 |
| | Vacant | 41 | 44 | 112 | 0 |
| | Total Authorized | 226 | 271 | 356 | 356 |
| RDP | FTEs Filled | 345 | 321 | 300 | 270 |
| | Vacant | 105 | 53 | 44 | 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 fall 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 November 2020.
- State Staff positions filled by fiscal year are data for the months of June 2019, June 2020, and December 2020.

Executive Summary for February 2021 Report

Capital Outlay Budget Summary

(\$ in millions)

| | Prior Year Dec-19 Data | Prior Month Nov-20 Data | Current Month Dec-20 Data |
|--|---------------------------|----------------------------|------------------------------|
| Budget (Fiscal Year) | \$2,255.0 | \$2,903.3 | \$2,903.3 |
| Monthly Expenditures | \$92.5 | \$94.5 | \$80.7 |
| YTD Expenditures | \$719.9 | \$575.4 | \$656.0 |
| Percentage of Budget Expended Year to Date | 31.9% | 19.8% | 22.6% |
| Percentage of Fiscal Year Completed | 50% | 41.7% | 50% |

- 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 50% of the fiscal year completed, YTD Capital Outlay expenditures are \$656M or 22.6% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$68.5M**, which includes: CPI - \$23.3M, CP2-3 - \$24.4M, and CP4 - \$20.7M.
- Design-Build (DB) Monthly Expenditures totaled **\$51.6M**, which includes: CPI - \$16.3M, CP2-3 - \$18.9M, and CP4 - \$16.4M.
- As of December 31, 2020, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 62.3%, CP2-3: 61.5%, and CP4: 64.1%.

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: 50% | | | | | | |
| Construction | \$2,408.9 | \$2,408.9 | \$75.5 | \$600.6 | 25% | 25% |
| Design Build with TIA Payment* | \$1,295.8 | \$1,295.8 | \$51.6 | \$405.6 | 31% | 31% |
| Design Build Contracts w/o TIA Payment* | (\$1,295.8) | (\$1,295.8) | (\$51.6) | (\$405.6) | 31% | 31% |
| 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 | \$6.8 | \$102.0 | 33% | 33% |
| PCM / RDP / ETO / Legal | \$191.9 | \$191.9 | \$13.5 | \$83.0 | 43% | 43% |
| Environmental Mitigation / Resource Agency | \$38.9 | \$38.9 | \$1.4 | \$3.5 | 9% | 9% |
| Other Construction (SR 99, Stations, etc.) | \$74.9 | \$74.9 | \$2.0 | \$6.6 | 9% | 9% |
| Remaining Fiscal-Year Project Contingency | \$501.2 | \$501.2 | \$0.0 | \$0.0 | 0% | 0% |
| Project Development | \$145.1 | \$145.1 | \$5.2 | \$27.5 | 19% | 19% |
| Bookend Projects (Local Assistance) | \$349.4 | \$349.4 | \$0.0 | \$27.9 | 8% | 8% |
| TOTAL | \$2,903.3 | \$2,903.3 | \$80.7 | \$656.0 | 23% | 23% |

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

Executive Summary for February 2021 Report

Total Project Expenditures

| Program Category | Expenditures to Date (\$ in millions) | Percentage of Total Expenditures |
|---------------------------------------|--|-------------------------------------|
| Construction | \$6,023.5 | 75% |
| Project Development | \$1,272.9 | 16% |
| Local Assistance | \$406.9 | 5% |
| Support Funding – Project Development | \$81.2 | 1% |
| Support Funding – Construction | \$80.2 | 1% |
| Administration | \$130.7 | 2% |
| Total | \$7,995.4 | 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 and Local Funds | (A) | (B) | (C) | (D) = (B + C) | (A - D) | (D / A) |
| State Match to ARRA | \$2,495.4 | \$744.8 | \$1,556.2 | \$2,301.0 | \$194.4 | 92.2% |
| Local Match to ARRA | \$4.1 | \$0.0 | \$0.0 | \$0.0 | \$4.1 | 0.0% |
| Total | \$2,499.5 | \$744.8 | \$1,556.2 | \$2,301.0 | \$198.5 | 92.1% |

- The State Match to ARRA and State Match Liability table reflects FRA Approved Match to Date in the amount of \$744.8M and Pending FRA Approval in the amount of \$1,556.2M, Total Approved and Submitted to FRA in the amount of \$2,301.0M (92.1%) as of December 31, 2020.
- In addition, the Authority has \$236.2M in-process at HSRA. Of this amount, \$13.0M is being processed in the Authority's Accounting Branch and \$223.2M is with the Grants Unit. \$196.6M is expected to be submitted within the next 60 days.
- When including FRA Approved Match to Date (\$744.8M), invoices Pending FRA Approval (\$1,556.2M), and invoices in-process at HSRA (\$236.2M), the Authority has \$2,537.2M (102%) in total State Match to ARRA as of December 31, 2020.

Executive Summary for February 2021 Report

Contracts and Expenditures Report

(\$ in millions)

| | Prior Year Dec-19 Data | Prior Month Nov-20 Data | Current Month Dec-20 Data |
|---|---------------------------|----------------------------|------------------------------|
| Number of Contracts | 190 | 207 | 206 |
| Total Value of Contracts | \$7,298.3 | \$8,387.8 | \$8,368.8 |
| Number of Purchase Orders | 69 | 39 | 45 |
| Total Value of Purchase Orders | \$1.4 | \$1.3 | \$1.3 |
| Total Value Contracts and Purchase Orders | \$7,299.7 | \$8,389.0 | \$8,370.1 |
| Small Business Utilization Rate | 21.2% | 21.0% | 21.1% |

- 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 December 31, 2020, the Authority had 206 active contracts and 45 active purchase orders (PO's) with a total value of \$8.4B.
- Month-over-Month the value of contracts decreased \$18.9M, primarily due to five expired contracts removed.
- The Feb-21 report (Dec-20 data) reflects a Small Business Utilization Rate (SBU) of 21.1%. The current rate represents a 4.9% 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 December 31, 2020, there are **574** small businesses actively working on the high-speed rail project, including **185** DBEs and **62** Certified DVBEs. (Updates for Small Business totals are provided quarterly).

Executive Summary for February 2021 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through December 31, 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 | \$865 | \$373 | \$1,085 | \$810 | \$275 | \$340 | \$203 | \$137 | \$0 | \$0 | \$0 | \$2,662 | \$1,877 | \$785 |
| 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 | \$865 | \$373 | \$1,085 | \$810 | \$275 | \$340 | \$203 | \$137 | \$931 | \$76 | \$854 | \$3,593 | \$1,954 | \$1,639 |

Notes:

Contingency Summary Table (above):

- Contingency Category "Other" refers to Non-Design Build Central Valley Scope and Non-Central Valley Scope.
- Total Allocation (Total Alloc.) shown in the above table is the initial contingency allocation set at the 2019 Budget Update.
- 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:

- 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)

December 2020 Activity

| Category/Contract | Project | Contract # | Code (See legend) | Authorizations (\$ in millions) | Comments |
|--|-----------|------------|----------------------|------------------------------------|--------------------------|
| Contingency Category: Project Contingency | | | | | |
| Authorizations >25 million | | | | | None |
| Authorizations <25 million | CP 2-3, 4 | Various | A/B | \$10 | Various Change Orders |
| | CP 4 | HSR14-32 | D | \$11 | Time Impact Change Order |
| Monthly Subtotal | | | | \$21 | |
| Previously Approved Authorizations | | | | \$1,856 | |
| Total Cumulative Authorizations | | | | \$1,877 | |
| 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 | | | | \$16 | |
| Total Cumulative Authorizations | | | | \$16 | |
| Grand Total Cumulative Authorizations | | | | \$1,954 | |