



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

October 2021 Report (Data through August 31, 2021)

Executive Summary for October 2021 Report

Accounts Payable Aging And Disputes Report (\$ in millions)

	Prior Year Aug-20 Data	Prior Month Jul-21 Data	Current Month Aug-21 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$14.5	\$75.3	\$50.4
Number of Invoices Paid	226	245	247
Value of Invoices Paid	\$135.0	\$82.3	\$84.6
Number of In-Process Invoices	164	163	162
Value of In-Process Invoices	\$116.5	\$82.9	\$130.3
Total Number of Invoices Paid and In-Process	390	408	409

- The Authority has not made a penalty payment in over four years (55 months) and did not have any aged invoices in the August reporting period.
- The Authority currently has a total of \$50.4M in disputed invoices. The \$24.8M decrease in total disputes from the prior month is primarily due to \$25.8M 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 Aug-20 Data	Prior Month Jul-21 Data	Current Month Aug-21 Data
Prop IA Bond Fund Ending Cash Balance	\$175.7	\$125.0	\$125.2
Cap-and-Trade Ending Cash Balance	\$2,122.9	\$1,843.0	\$1,798.6
Rail Property Management Fund Ending Cash Balance	\$9.4	\$10.8	\$11.1

- 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).
- In September, the Authority received notification that \$43.5M in accumulated interest earnings associated with Prop IA commercial paper and bond proceeds are now available to use for the project. The interest earnings are now included in the Prop IA Bond Fund cash balance.
- A Cap-and-Trade auction occurred on August 18, 2021. The preliminary share of proceeds for the Authority are estimated to be \$252M 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.

Note: On September 23, 2021, Senate Bill 170 (Chapter 240, Statutes of 2021) amended the Budget Act of 2021 to increase the Authority's Rail Property Management Fund appropriation from \$750K to \$4M for the fiscal year.

Executive Summary for October 2021 Report

Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Aug-20 Data	Prior Month Jul-21 Data	Current Month Aug-21 Data
Budget (Fiscal Year)	\$73.6	\$74.4	\$91.1
Monthly Expenditures	\$3.2	\$4.0	\$4.5
YTD Expenditures	\$6.2	\$4.0	\$8.6
Percentage of Budget Expended YTD	8.4%	5.4%	9.4%
Percentage of Personal Services Budget Expended YTD	10.1%	7.0%	11.7%
Percentage of Operating Expenses and Equipment Expended YTD	2.2%	0.2%	2.4%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%
Total Authorized Positions	356	356	429
Total Filled Positions	223	279	284
Vacant Positions	133	77	145
Vacancy Rate	37.4%	21.6%	33.8%

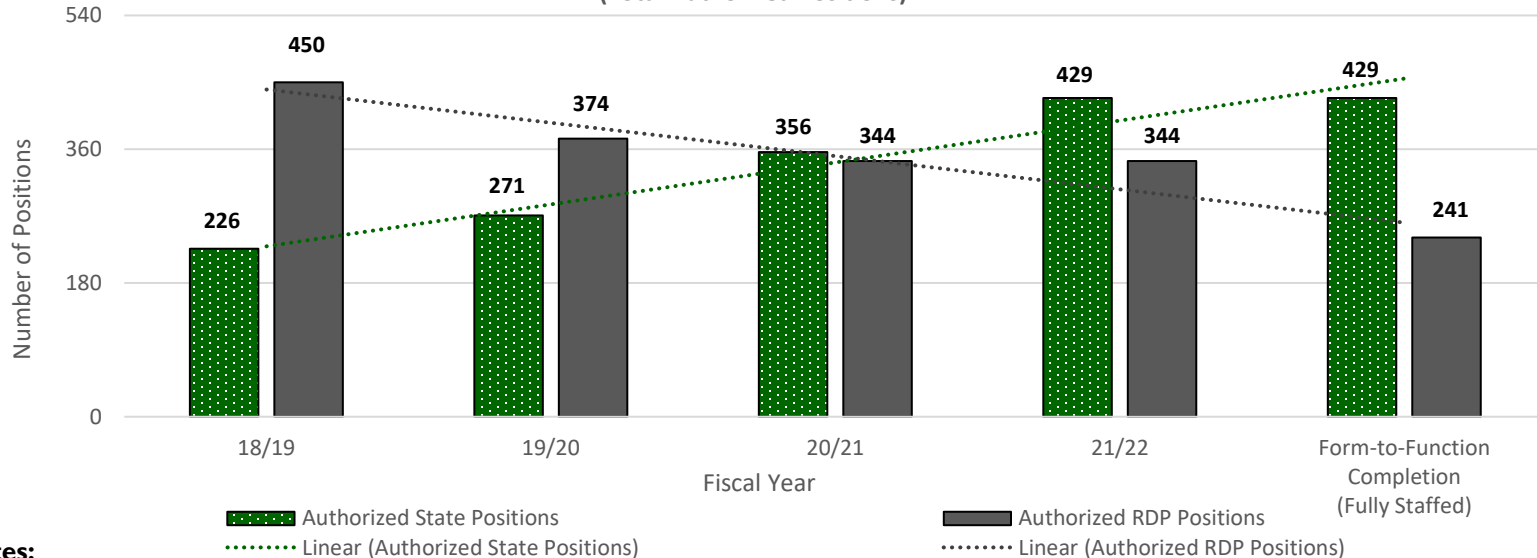
- On September 23, 2021, Senate Bill 170 (Chapter 240, Statutes of 2021) amended the Budget Act of 2021 to increase the Authority's FY2021-22 Administrative Budget by \$16.7M (from \$74.4M to \$91.1M). The bill also included 73 new state positions for the Authority. The additional positions have been allocated to the following Office's: Program Delivery (39), Information Technology (25), Financial (5), Legal (3), and Administration (1).
- At 16.7% of the Fiscal Year completed, \$8.6M or 9.4% of the Administrative Budget has been spent, resulting in a budget underutilization value of 7.3%. The budget underutilization is due to position vacancies and low OE&E spending.
- As of August 31, 2021, the Authority's vacancy rate is 33.8%, primarily due to the addition of 73 new state positions. The Authority is working diligently to fill all its vacant positions.
- The Authority has filled 239 vacant positions (9 positions per month) since July 2019 when accounting for new hires, internal promotions, and transfers exclusively (no separations included).

Executive Summary for October 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	284	429
	Vacant	41	44	78	145	0
	Total Authorized	226	271	356	429	429
RDP	FTEs Filled	345	321	293	291	241
	Vacant	105	53	51	53	0
	Total Authorized	450	374	344	344	241

State vs RDP Staff
(Total Authorized Positions)



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). In September 2021, an additional 73 state positions were authorized through SB 170.
- RDP position counts use Full-Time Equivalents (FTE's) and filled positions for historical fiscal years utilize monthly averages from October 2018 through August 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 August 2021 (FY21/22).

Executive Summary for October 2021 Report

Capital Outlay Budget Summary

(\$ in millions)

	Prior Year Aug-20 Data	Prior Month Jul-21 Data	Current Month Aug-21 Data
Budget (Fiscal Year)	\$2,903.3	\$2,312.6	\$2,312.6
Monthly Expenditures	\$132.7	\$113.2	\$77.3
YTD Expenditures	\$245.8	\$113.2	\$190.5
Percentage of Budget Expended Year to Date	8.5%	4.9%	8.2%
Percentage of Fiscal Year Completed	16.7%	8.3%	16.7%

- At 16.7% of the fiscal year completed, YTD Capital Outlay expenditures are \$77.3M or 8.2% of the fiscal year budget. The underutilization of budget is detailed in the table below.
- Construction Package Monthly Expenditures totaled **\$61.6M**, which includes: CPI - \$22.8M, CP2-3 - \$25.5M, and CP4 - \$13.4M.
- Design-Build (DB) Monthly Expenditures totaled **\$48.5M**, which includes: CPI - \$16.8M, CP2-3 - \$20M, and CP4 - \$11.7M.
- As of August 31, 2021, the percentage of DB contract dollars expended to date for each Construction Package are as follows: CPI: 65.6%, CP2-3: 66.4%, and CP4: 73.4%.

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: 16.7%						
Construction	\$2,085.1	\$2,085.1	\$74.1	\$184.2	9%	9%
Design Build with TIA Payment*	\$838.7	\$838.7	\$48.5	\$132.5	16%	16%
Design Build Contracts w/o TIA Payment*	(\$838.7)	(\$838.7)	(\$48.5)	(\$132.5)	16%	16%
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	\$3.6	\$16.0	4%	4%
PCM / RDP / ETO / Legal	\$126.8	\$126.8	\$7.3	\$14.2	11%	11%
Environmental Mitigation / Resource Agency	\$56.4	\$56.4	\$2.2	\$2.2	4%	4%
Other Construction (SR 99, Stations, etc.)	\$145.4	\$145.4	\$12.5	\$19.3	13%	13%
Fiscal-Year Project Contingency	\$544.4	\$544.4	<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	\$6.3	4%	4%
Bookend Projects (Local Assistance)	\$82.8	\$82.8	\$0.0	\$0.0	0%	0%
TOTAL	\$2,312.6	\$2,312.6	\$77.3	\$190.5	8%	8%

*Numbers in parenthesis are non-adds but included to provide additional detail. FY Project Contingency starting budget was \$544.4M.

**Time Impact Analysis (TIA) payment.

Executive Summary for October 2021 Report

Total Project Expenditures

Program Category	Expenditures to Date (\$ in millions)	Percentage of Total Expenditures
Construction	\$6,624.6	76%
Project Development	\$1,312.9	15%
Local Assistance	\$459.1	5%
Support Funding – Project Development	\$91.9	1%
Support Funding – Construction	\$90.2	1%
Administration	\$147.1	2%
Total	\$8,725.9	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 August 31, 2021.

Executive Summary for October 2021 Report

Contracts and Expenditures Report

(\$ in millions)

	Prior Year Aug-20 Data	Prior Month Jul-21 Data	Current Month Aug-21 Data
Number of Contracts	205	196	198
Total Value of Contracts	\$8,200.3	\$8,458.1	\$8,508.1
Number of Purchase Orders	35	41	47
Total Value of Purchase Orders	\$1.2	\$3.5	\$3.1
Total Value Contracts and Purchase Orders	\$8,201.5	\$8,461.5	\$8,511.2
Small Business Utilization Rate	21.4%	22.6%	23.1%

- 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 August 31, 2021, the Authority had 198 active contracts and 47 active purchase orders (PO's) with a total value of \$8.5B.
- Month-over-Month the value of contracts increased \$50M, primarily due to executed change orders for CP design-build contracts (\$9.8M), and amendments for HNTB Corporation (\$20.8M), and WSP USA, Inc. (\$18.7M).
- The Oct-21 report (Aug-21 data) reflects a Small Business Utilization Rate (SBU) of 23.1%. The current rate represents a 6.9% 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 July 31, 2021, there are **634** small businesses actively working on the high-speed rail project, including **208** DBE's and **71** Certified DVBE's.

Executive Summary for October 2021 Report

Contingency Summary (data is cumulative from the May 2019 Project Budget Update through August 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	CP4 Total Alloc.	Other Total Alloc.	Other Cumul. Authorized	Other Balance	Total Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$1,237	\$972	\$265	\$1,085	\$868	\$216	\$340	\$251	\$89	\$0	\$0	\$0	\$0	\$2,662	\$2,092	\$570
Unallocated Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$426	\$6	\$420	\$426	\$426	\$6	\$420
Interim Use/Project Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208	\$54	\$154	\$208	\$208	\$54	\$154
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$297	\$19	\$278	\$297	\$297	\$19	\$278
Total	\$1,237	\$972	\$265	\$1,085	\$868	\$216	\$340	\$251	\$89	\$931	\$79	\$852	\$3,593	\$2,171	\$1,421	

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)

August 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 & 4	Various	A/B	\$6	Various Executed Change Orders
Monthly Subtotal				\$6	
Previously Approved Authorizations				\$2,086	
Total Cumulative Authorizations				\$2,092	
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				\$2,171	