



ITEM ID: 2025-302-0

TRANSMITTAL DATE: September 19, 2025

MEETING DATE: September 26, 2025

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY2024-25 Preliminary Quarterly Accounts Receivable Status Report - Quarter Ended June 30, 2025

Issue

This report presents an update on the Authority's Accounts Receivable for the quarter ended June 30, 2025. The report covers outstanding receivables, unbilled balances, and provides a status related to billing and collection efforts.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair, investing in the development of our employees and maintaining fiscal sustainability.

Background

The Authority's primary funding sources include passenger fares, revenues from dispatching and maintenance-of-way, operating and capital funding support from Member Agencies, and Federal, State and local funding grants.

In FY24, the Board approved funding advances for the Capital Program in the form of a \$50

million Working Capital Fund (WCF), in order to provide needed liquidity in the cost-reimbursement based grants collections cycle. As of June 30, 2025, all deposits have been received.

Discussion

Accounts Receivable (A/R) Balances

As of June 30, 2025, the total outstanding accounts receivables balance, as detailed further in Attachment A, was \$25.4 million, of which \$22.4 million was current and \$3.0 million was past due. This \$25.4 million compares to \$26.2 million for the previous quarter, or a decrease in receivables of \$.8 million. An \$11.4 million reduction in past due balances and was mostly offset by brisk Q4 billing activity, as shown by the reduction of unbilled balances at quarter end.

75% of past due balances relate to unpaid Member Agency rehab and capital program reimbursable expenses. Staff continues to work with Member Agencies and other grantors to address unpaid balances. All Member Agency WCF deposits and FY25 Member Agency Support payments had been received by June 30, 2025.

Unbilled Balances/Pending Capital Billing

On June 30, 2025, total expenses paid out by the Authority and subject to grantor reimbursement related to the Capital Program (unbilled balances) were estimated at \$25.9 million. This represents a decrease of \$5.1 million from the prior quarter. Reductions in SCORE billing backlog due to recent staff augmentation and increased billing activity represented the majority of the improvement. The level of unbilled balances is informed by the: (1) volume and timing of Capital Program expenses, (2) existence of supporting documentation to bill grantors, (3) completion of all grant requirements, (4) and staff resources.

Staff has fully eliminated all legacy unbilled balances as cited in Internal Audit's Report No. 2023-06-IA, dated April 30, 2024, regarding MS289-22 Work Directives. The majority of SCRRA total unbilled balances aged 360+ days relates to a single Capital Program project and is pending delayed grant funding from the Federal Highway Administration.

San Clemente Unbilled Balances

San Clemente operating projects are tracked in a different manner versus state of good repair and capital projects and are therefore presented separately. Total unbilled balances for the current three reimbursable San Clemente projects were \$.2 million as of June 30, 2025. This represents a \$4.8 million reduction from the prior quarter. After significant delays, SCRRA received executed grant documentation and was able to bill substantially all balances on the Mariposa project in Q4. Approximately 99% of cumulative expenses on all San Clemente projects since inception have now been billed.

Next Steps

The Accounts Receivable report for the quarter ended September 30, 2025, will be provided in November of 2025.

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Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - FY2024-25 Quarterly AR Status-Qtr Ended June 30
Presentation - FY2024-25 Preliminary Quarterly Accounts Receivables Report - Quarter
Ended June 30, 2025](#)