METROLINK

metrolinktrains.com/meeting

ITEM ID: 2026-207-0

TRANSMITTAL DATE: September 18, 2026

MEETING DATE: September 25, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY2025-26 Preliminary Quarterly Accounts Receivable Status Report - Quarter Ended June 30, 2026

Issue

This report presents an update on the Authority's Accounts Receivable for the quarter ended June 30, 2026. 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.

Discussion

Accounts Receivable (A/R) Balances

As of June 30, 2026, the total outstanding accounts receivables balance, as detailed in Attachment A, was $25.8 million, of which $22.6 million was current and $3.2 million was past due. The $3.2 million past due compares to $3.3 million for the previous quarter.

Unbilled Balances/Pending Capital Billing

On June 30, 2026, total expenses paid out by the Authority and subject to grantor reimbursement related to the Capital Program (unbilled balances) were estimated at $16.8 million, with virtually no change from the prior quarter. Unbilled balances continue to hover near historic lows. 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; and
4. Staff resources.

Only 2.8% of unbilled balances are aged over 360 days, and these relate to a Capital Program project which is pending resolution of funding eligibility issues raised by the Federal Highway Administration.

San Clemente Unbilled Balances

San Clemente operating projects are tracked in a different manner versus core state of good repair and capital projects and are therefore presented separately. Total unbilled balances for the five San Clemente projects were $596K as of June 30, 2026. Approximately 98% of cumulative expenses paid out on all San Clemente projects since inception have either been billed or advance funded. Finance staff meet monthly to prioritize and address the San Clemente portfolio of projects to ensure appropriate issue resolution and billing timeframes.

Next Steps

The Accounts Receivable report for the quarter ended September 30, 2026, will be presented in November 2026.

Prepared by:	Vivien Avella, Assistant Director of Finance Nancy Perez, Assistant Director of Finance Edison Abrenica, Senior Finance Analyst
Approved by:	Tom Schamber, Chief Financial Officer

Attachment(s)

Attachment A - FY26 Q4 Accounts Receivable Status Report
Presentation - FY26 Q4 Preliminary Accounts Receivable Report