

SOMETHING BETTER THAN HOPE

Right now.

Financial Update

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Every Moment Counts. **Don't Stop** Now.

Our Mission

Accelerate Stem Cell Treatments
To Patients with
Unmet medical needs.



Every Moment Counts. Don't Stop Now.

**SOMETHING
BETTER
THAN HOPE**

CIRM
CALIFORNIA STEM CELL AGENCY

Agenda

- **2017/18 Budget**
 - Financial Results
 - Major Drivers
- **2018/19 Budget**
 - Financial Results
 - Major Drivers
- **2019/20 Budget**
 - Major Drivers
 - Risks
- **Remaining Administrative Funds**

2017/18 Financial Results and Discussion

Every Moment Counts. Don't Stop Now.

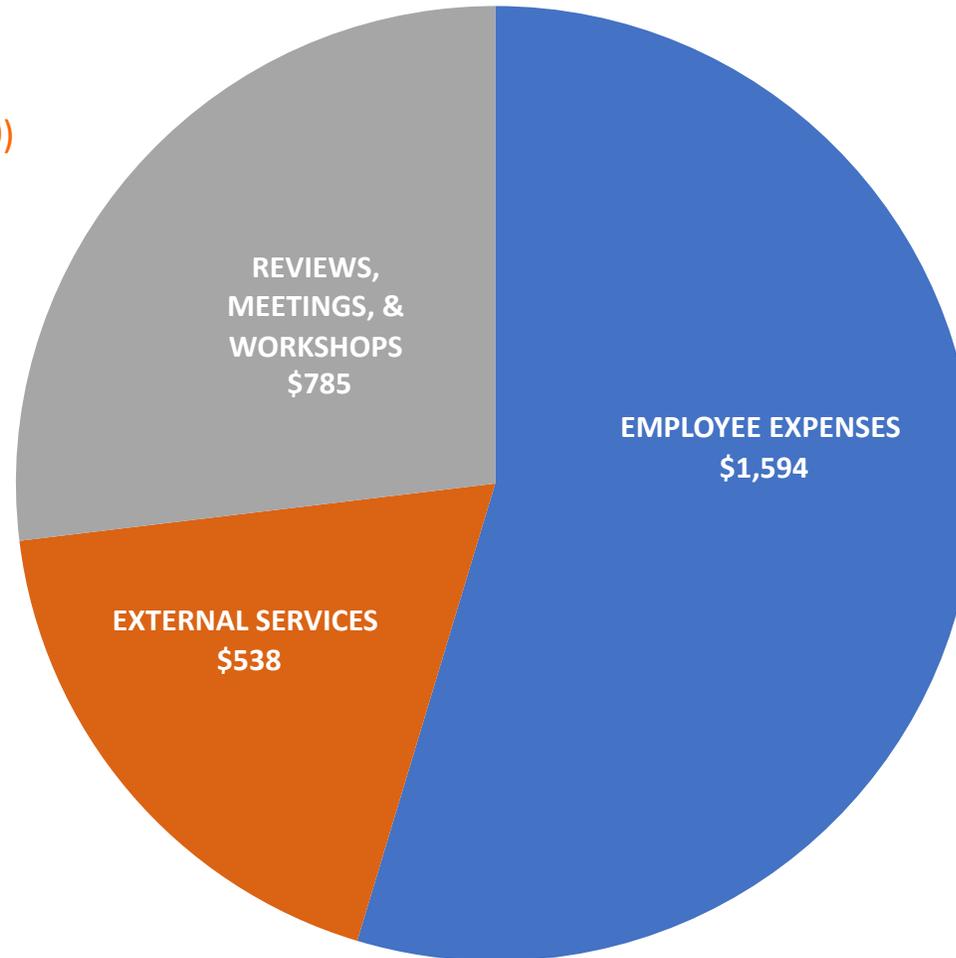
FY 2017/18 Financial Results

Category	FY 17/18 Budget	FY 17/18 Final Expenses	Variance (%)
Employee Expense	13,032	11,438	-1,594 (-12%)
External Services	1,763	1,226	-538 (-31%)
Reviews, Meetings and Workshops	1,708	923	-785 (-46%)
Memberships & Training	173	73	-100 (-58%)
Travel	404	241	-162 (-40%)
Equipment & Supplies	696	465	-231 (-33%)
Facilities	805	716	-90 (11%)
Total	18,581	15,081	-3,500 (-19%)

- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

The Variance is Attributable to Three Major Drivers

Numbers in (\$000)



Major Drivers of 2017/18 Budget Variance

Lower Employee Expense:

- 17/18 budget included 52 positions to support the approved Strategic Plan
- 5 vacancies existed on July 1, 2017. CIRM anticipated filling these positions to address increased workload
- New Leadership effective July 1, 2017. Positions held vacant. CIRM's was able meet the yearly operational milestones/goals with its existing team

Estimated Financial Impact: Under budget \$1,594,000 (-12%)

Major Drivers of 2017/18 Budget Variance

Lower Reviews/Meetings/Workshops Expenses:

- CIRM continued to implement process improvements across the organization, resulting in lower cost

Estimated Financial Impact: Under budget \$785,000 (-46%)

Major Drivers of 2017/18 Budget Variance

Lower External Services:

- Actual expenses lower than budgeted
- Budgeted external services did not occur

Estimated Financial Impact: Under budget \$538,000 (-31%)

2018/19 Financial Results and Discussion

Every Moment Counts. Don't Stop Now.

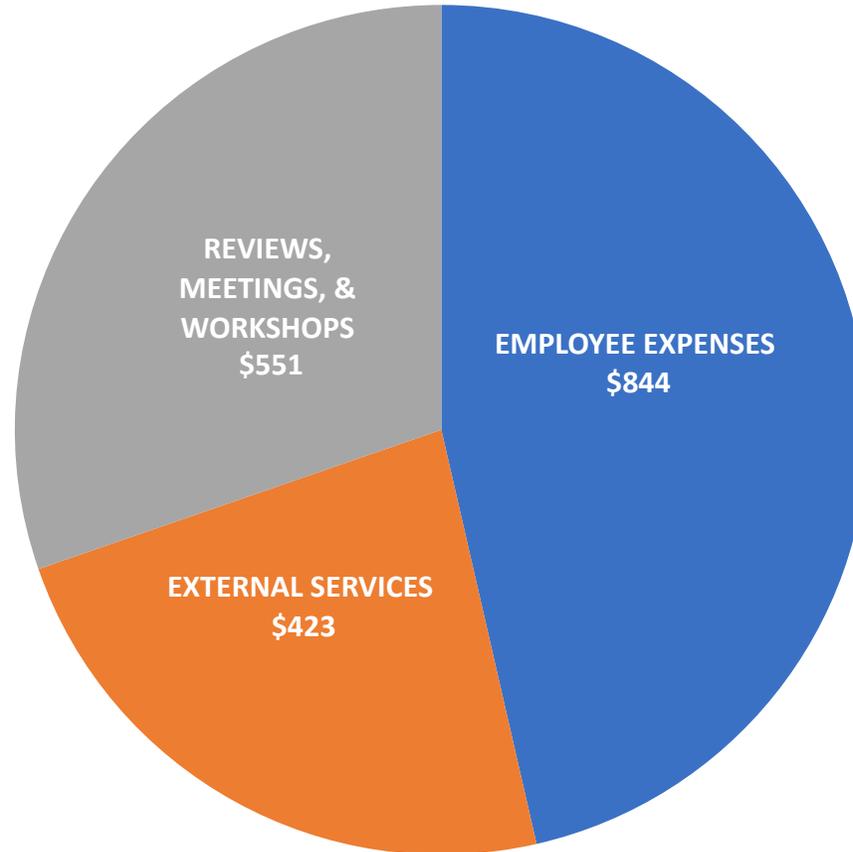
FY 2018/19 Financial Results

Category	FY 18/19 Budget	FY 18/19 Final Expenses	Variance (%)
Employee Expense	12,030	11,186	-844 (-7%)
External Services	1,475	1,052	-423 (-29%)
Reviews, Meetings and Workshops	1,273	721	-551 (-43%)
Memberships & Training	184	60	-124 (-68%)
Travel	376	170	-206 (-55%)
Equipment & Supplies	717	543	-174 (-24%)
Facilities	773	738	-35 (5%)
Total	16,826	14,470	2,356 (-14%)

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The Variance is Attributable to Three Major Drivers

Numbers in (\$000)



Major Drivers of 2018/19 Budget Variance

Lower Employee Expense:

- 18/19 budget included 45 positions to support the approved Strategic Plan
- Several vacancies in the first half of the fiscal year. CIRM evaluated workload, filled 2 of the vacancies, re-distributed workload from other vacancies to existing staff

Financial Impact: Under budget \$844,000 (-7%)

Major Drivers of 2018/19 Budget Variance

Lower Reviews/Meetings/Workshops Expenses:

- Actual expenses lower than budgeted, resulting in savings
- Budgeted reviews/meetings/workshops did not materialize
- **Financial Impact:** Under budget \$551,000 (-43%)

Major Drivers of 2018/19 Budget Variance

Lower External Services:

- Expenses lower than budgeted
- Budgeted external services did not occur

Financial Impact: Under budget \$423,000 (-29%)

2019/20 Budget

FY 2019/20 Budget Overview

Category]	FY 18/19 Budget	FY 18/19 Final Expenses	FY 19/20 Budget
Employee Expense	12,030	11,186	11,389
External Services	1,475	1,052	1,466
Reviews, Meetings and Workshops	1,273	721	838
Memberships & Training	184	60	172
Travel	376	170	305
Equipment & Supplies	717	543	709
Facilities	773	738	736
Total	16,826	14,470	15,614

- Numbers are in thousands of dollars (\$000).
- Minor variances due to rounding.

Year-to-Year Comparison

- 18/19 Fiscal Year
 - Authorized Budget: \$16.8M
 - Year-End Final Expenses: \$14.5M
- 19/20 Fiscal Year
 - 19/20 Budget Request - \$15.6M
 - \$1.2M lower than 18/19 Budget
 - \$1.1M higher than 18/19 Year-End Final Expenses

Major Drivers of the 2019/20 Budget

Increases:

- Mandated state benefits
- Contracted services for Accounting through the Department of General Services
- Legal services
- IT security services, and
- Increased activity in Clinical and Translational advisory panels
- **Estimated Financial Impact: \$1,144,000**

Risk Factors for the FY 2019/20 Financial Results

CIRM continues to actively manage costs, however, some factors are difficult to control:

- Turnover
- Portfolio Activity

Funds Available in Administrative Bucket (Little Bucket)

Available 7/1/2018	\$45M
18/19 Final Expenses	\$11.7M
19/20 Approved Budget	\$12.6M
20/21 Estimated Budget	\$11.7M
21/22 Estimated Budget	\$2.7M
22/23 Estimated Budget	\$2.8M
23/24 Estimated Budget	\$1.8M
Total	\$43.3M

Additional “Big Bucket” funds set aside for legal expenses through 2023/24 - \$7.4M