



Agenda - Final
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Wednesday, February 11, 2026

10:00 AM

Rosa Parks Boardroom

This meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Public Comment

III. Action Items

1. Approval of minutes from the January 14, 2026 Finance, Audit and Administration Committee meeting.

IV. Presentations

1. FY2026 Financial Report December 2025
2. Internal Audit Semi-Annual Follow-up on Open Recommendations
3. Internal Audit FY26 Plan Status - February 2026
4. Internal Audit Quarterly follow-up on Miscellaneous Revenue
5. American Bus Benchmarking Group (ABBG) Presentation
6. Executive Finance, Audit and Administration Update - February 2026
Update on key performance indicators.

Memo: Q1 Fiscal Year 2026 Performance Update (February 4, 2026)

V. Items for Future Discussion

VI. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

Committee Members: Matt Harriss, Chair; Becki Ross, Dianne Bangle and Zo Qadri.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2026-1743

Approval of minutes from the January 14, 2026 Finance, Audit and Administration Committee meeting.



Minutes

**Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee**

2910 East 5th Street
Austin, TX 78702

Wednesday, January 14, 2026

10:00 AM

Rosa Parks Boardroom

I. Call to Order

10:01 a.m. Meeting Called to Order

Present

Becki Ross, Matt Harriss, Zo Qadri, and Dianne Bangle

II. Public Comment

Zenobia Joseph provided public comments.

III. Action Items

1. Approval of minutes from the December 10, 2025 Finance, Audit and Administration Committee meeting.

A motion was made by Bangle, seconded by Ross, that these Minutes be adopted. The motion carried by the following vote:

Aye: Ross, Harriss, Qadri, and Bangle

2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with The eConsortium Group for the renewal of the Cisco Security Enterprise Agreement, with a term of five (5) years, in a total amount not to exceed \$719,088.

A motion was made by Ross, seconded by Bangle, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 1/26/2026. The motion carried by the following vote:

Aye: Ross, Harriss, Qadri, and Bangle

3. Approval of a resolution authorizing the President & CEO, or her designee, to apply for the Capital Area Metropolitan Planning Organization (CAMPO) 2028-2031 Call for Projects, submitting both CapMetro's Bus Stop Street Furniture and Equipment Program and Hybrid Bus Fleet Upgrade Program for CAMPO consideration, and committing to providing local match funding from CapMetro should the projects be selected.

A motion was made by Bangle, seconded by Ross, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 1/26/2026. The motion carried by the following vote:

Aye: Ross, Harriss, Qadri, and Bangle

IV. Presentations

1. Internal Audit FY2026 Audit Plan Status - January 2026
2. Internal Audit Report: Rail Parts, Inventory Controls
3. Executive Finance, Audit and Administration Update - January 2026
Update on financial performance, FY2027 Budget processes, and FY2025 Performance Review Cycle.

V. Items for Future Discussion

VI. Adjournment

10:27 a.m. Meeting Adjourned

ADA Compliance

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Committee Members: Matt Harriss, Chair; Becki Ross, Dianne Bangle and Zo Qadri.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2026-1739

FY2026 Financial Report December 2025



Financial Report – Fiscal Year 2026

Year to Date December 31, 2025

Major Highlights

Revenue

- Sales tax remittances received YTD November 2025 are 6.3% higher than YTD November 2024 and 4.2% higher than budget

Operating Expenses

- \$107.5 million expended to date, or 24.3% of full-year budget
- Professional services are below budget due to timing of repair and maintenance, consultation and professional fees

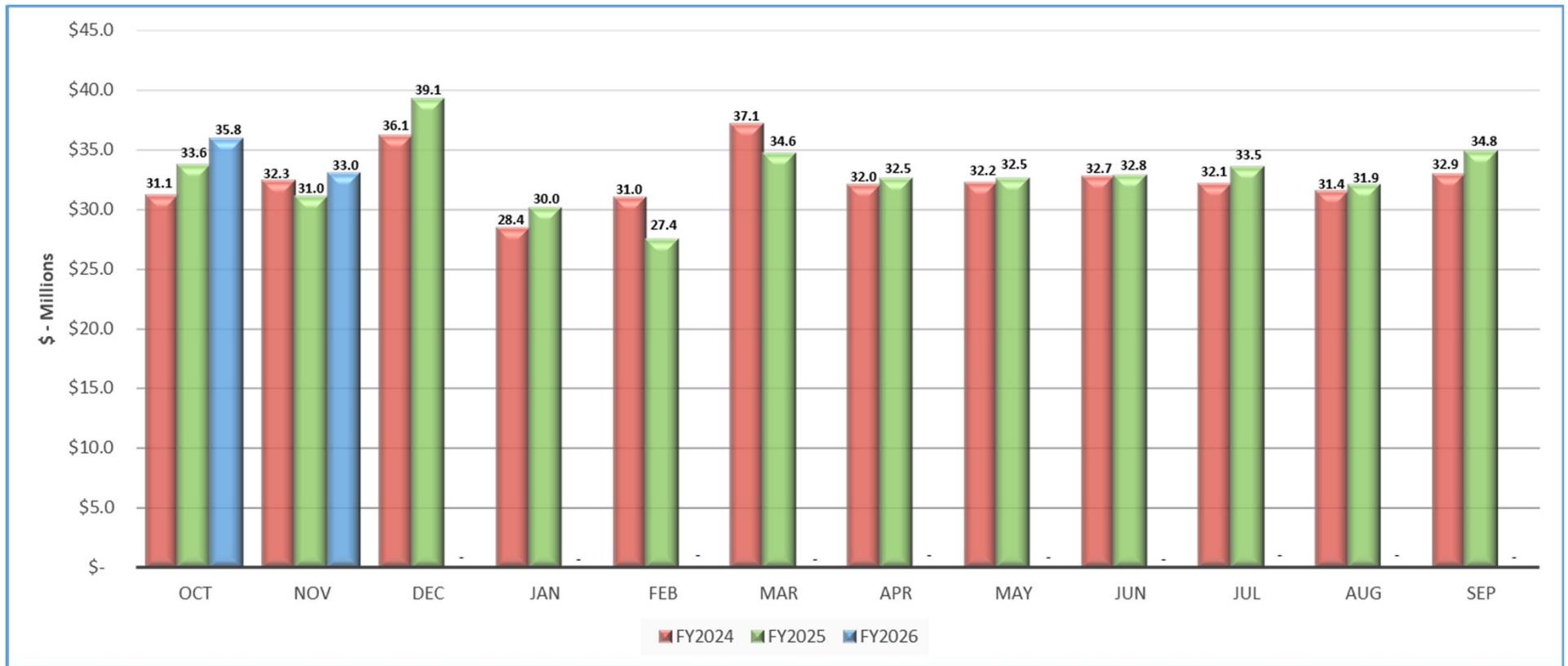
Capital Projects

- FY2026 capital project budget of \$155.0 million
- \$22.9 million expended to date, or 14.7% of full-year budget
 - Bus Electrification Infrastructure, CapMetro Rapid Lines, New Administration Building Build-out and North Burnet/Uptown Station
- \$40.3 million outstanding commitments have been issued, or 26.0% of full-year budget
 - CapMetro Rapid Lines, New Administration Building Build-out, Farebox and Vaulting System Replacement and CAD-AVL, APC and ITS Systems Replacement

Revenue

\$' Million Category	FY25 Dec YTD Actual	FY26 Dec YTD Actual	FY26 Dec YTD Budget	% of YTD Budget	FY26 Full Year Budget	% of Budget	Comments
Sales Tax	\$104.1	\$108.7	\$105.9	102.6%	\$399.0	27.2%	December sales tax receipts accrued
Passenger Revenue	3.9	4.2	4.9	85.4%	18.9	22.3%	
Freight Railroad Revenue	1.7	1.6	1.4	110.5%	6.9	22.5%	
Other Revenue	8.4	8.1	4.5	177.6%	18.2	44.4%	Favorable investment income
Operating Contributions and Grants	12.0	10.9	16.5	66.1%	70.1	15.6%	
Capital Contributions and Grants	26.6	12.4	12.2	102.0%	48.7	25.5%	
Total	\$156.6	\$145.9	\$145.5	100.3%	\$561.8	26.0%	

Actual Sales Tax Receipts

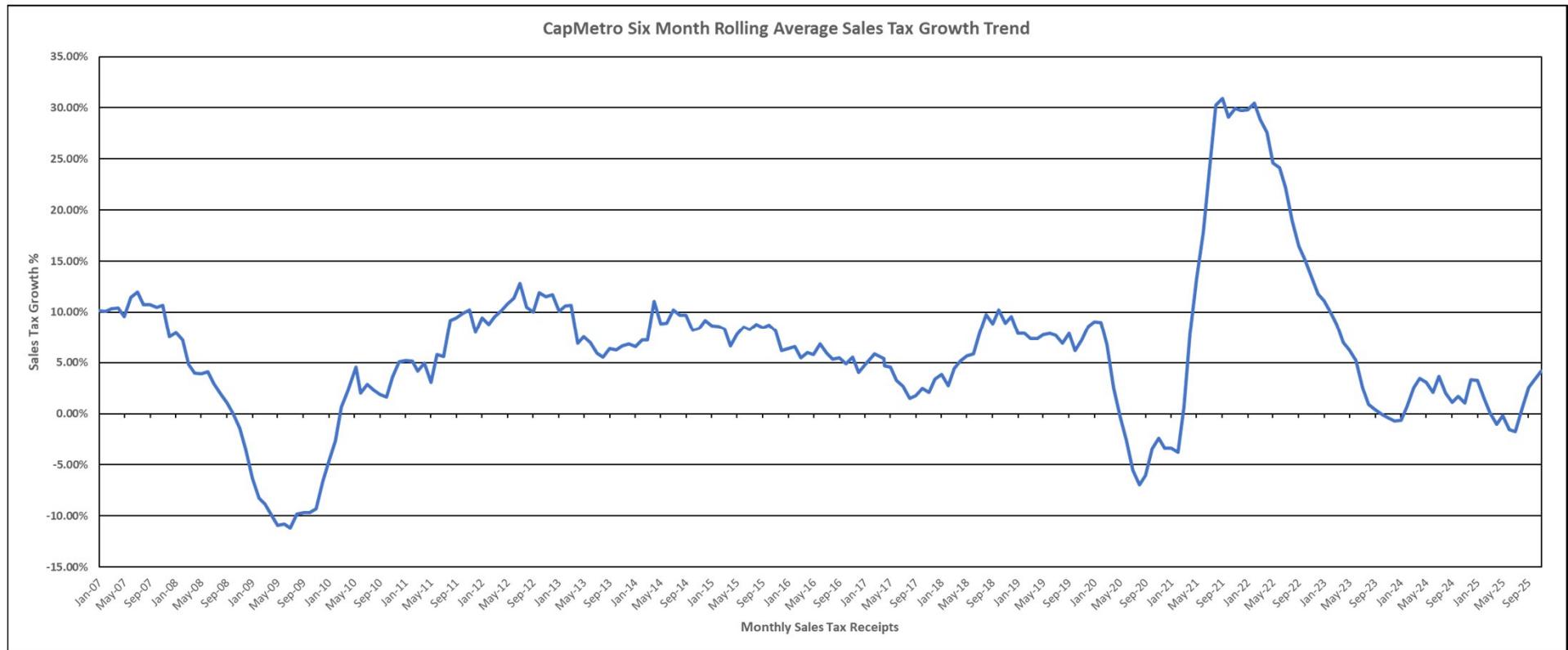


Total \$389.1M
YOY % Growth 1.7%

\$393.9M
1.2%

\$68.7M
6.3%

Sales Tax Rolling Average Trend



Operating Expense

\$' Million Category	FY25 Dec YTD Actual	FY26 Dec YTD Actual	FY26 Dec YTD Budget	% of YTD Budget	FY26 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$23.0	\$24.2	\$23.7	101.8%	\$94.1	25.7%	
Professional Services	8.3	7.2	14.4	50.2%	51.9	13.9%	Timing of repair and maintenance, consultation and professional fees
Materials and Supplies	5.8	5.9	6.4	92.0%	24.0	24.5%	
Fuel and Fluids	3.6	3.3	3.8	87.8%	15.5	21.4%	
Utilities	1.1	1.2	1.7	71.1%	7.0	17.6%	Timing of electricity-propulsion power and other utilities
Insurance	1.6	2.5	1.9	131.4%	2.4	104.6%	Timing of property insurance and vehicle liability premiums
Purchased Transportation	57.1	61.0	57.4	106.4%	233.7	26.1%	
Lease/Rentals	0.8	1.4	1.1	128.8%	4.2	33.4%	
Other Expenses	1.2	.8	2.6	29.3%	9.7	7.8%	Unspent contingency
Total	\$102.6	\$107.5	\$113.0	95.2%	\$442.4	24.3%	

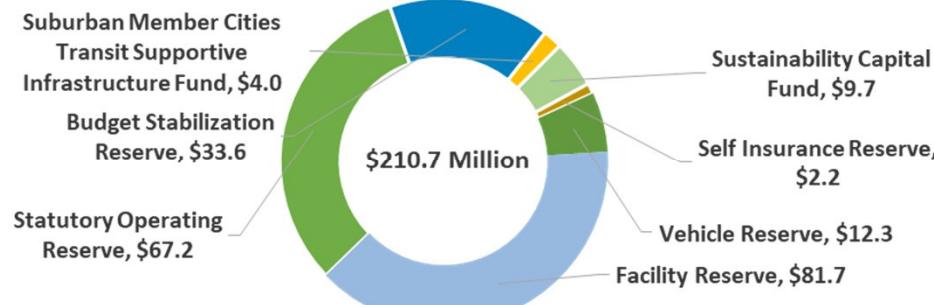
Budget Transfers

Consistent with CapMetro's Financial Policies, there were two budget transfers that cumulatively exceeded \$150,000 to report to the board for the 1st quarter of FY2026.

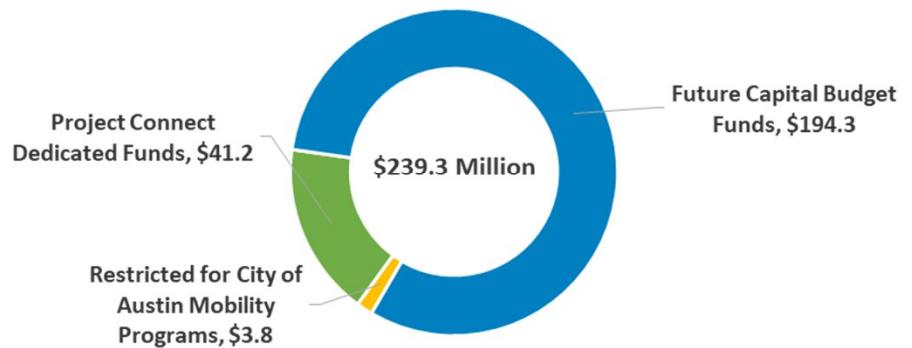
October-25					
Transfer #1					
From:	RRF0346	East Subdivision Infrastructure Improvement		(729,580)	Transferred funds from East Subdivision Infrastructure Improvement project to the Hot Box
To:	RRC0299	Hot Box Detectors		729,580	Detectors project delayed from FY2025 to FY2026.
December-25					
Transfer #2					
From:	220-5090702	Operating Contingency		(150,000)	Transferred funds from Operating Contingency to the 5-Year & 10-Year Long-Range Plan to
	320-XPL2303	5-Year & 10-Year Long-Range Service Plans		150,000	complete the service plan.

Reserve, Allocated & Restricted Funds

Reserve Funds



Allocated & Restricted Funds



Notes:

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the board-approved funding formula. The statutory operating reserve equals 2 months of audited FY2024 operating expenses. Contributions to the budget stabilization reserve began in February 2016 with \$7 million reserved in FY2016 and \$3 million in FY2017. An additional contribution was made in FY2018 to fully fund the budget stabilization reserve. The sustainability capital fund was established in FY2022 with \$10 million to support CapMetro's Sustainability Vision Plan. In March 2022, a regional partnership with small-member cities and a \$10 million Transit Supportive Infrastructure Fund was established. A \$100 million Facility Reserve and a \$50 million Vehicle Reserve were established in FY2025 as CapMetro addresses the largest needs of the agency.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2026 is \$155.0 million, with \$106.3 million funded by FY2026 income and \$48.7 million from capital contributions and grants. These capital improvements are needed to maintain the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations. The FY2026 capital budget also contains CapMetro held contracts of the Project Connect program of projects. The City of Austin Mobility Fund was reduced by \$604 thousand from projects in FY2025.

Statement of Revenue, Expenses and Change in Net Position

\$' Million	FY25 Dec YTD Actual	FY26 Dec YTD Actual	FY26 Dec YTD Budget	FY26 Full Year Budget	% of Budget
<i>Operating Revenue</i>					
Passenger Revenue	\$3.9	\$4.2	\$4.9	\$18.9	22.3%
Freight Railroad Revenue	1.7	1.6	1.4	6.9	22.5%
Other Revenue	1.6	2.2	1.7	6.8	32.2%
Total	7.2	8.0	8.0	32.6	24.4%
<i>Operating Expenses</i>					
Salaries and Benefits	23.0	24.2	23.7	94.1	25.7%
Professional Services	8.3	7.2	14.4	51.9	13.9%
Fuel and Fluids	3.6	3.3	3.8	15.5	21.4%
Utilities	1.1	1.2	1.7	7.0	17.6%
Purchased Transportation	57.1	61.0	57.4	233.7	26.1%
Other Expenses	8.6	9.1	10.9	36.1	25.3%
Lease/Rental	.8	1.4	1.1	4.2	33.4%
Depreciation & Amortization	13.9	19.6	16.5	66.0	29.7%
Total	116.5	127.1	129.5	508.4	25.0%
Operating Income/Loss	(109.2)	(119.2)	(121.5)	(475.8)	25.0%
<i>Non-Operating Revenue/(Expenses)</i>					
Sales Tax	104.1	108.7	105.9	399.0	27.2%
Investment Income	5.7	6.1	2.8	11.3	54.5%
Operating Contributions and Grants	12.0	10.9	16.5	70.1	15.6%
Capital Contributions and Grants	26.6	12.4	12.2	48.7	25.5%
Mobility Interlocal Agreements	(1.6)	.1	(1.7)	(5.9)	(2.2%)
Other	1.0	(.3)	-	-	0.0%
Non-Operating Income/(Loss)	147.8	138.0	135.7	523.2	26.4%
Change in Net Position	\$38.6	\$18.9	\$14.2	\$47.4	39.8%

Budget Variances by Department

\$'000 Department	FY25 YTD Actual	FY26 YTD Actual	FY26 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	FY26 Budget Full Year	Comments
100 - Non-Allocated Benefits	5,335	6,144	5,437	113.0%	(706)	21,904	Timing of pension and health plan expenses
102 - Wellness Center	76	78	104	75.2%	26	369	Timing of recognition program and professional services
103 - Child Care Center	101	48	87	54.7%	39	323	Lower participation in flex healthcare & dependent care and timing of service partner expenses
105 - Business Center	64	4	103	3.4%	100	414	Timing of service partner expenses and office equipment purchases
110 - Executive Staff	421	473	441	107.4%	(33)	1,834	
118 - Government Affairs	298	294	248	118.5%	(46)	960	
119 - Small Business Programs and Compliance	194	177	135	130.7%	(42)	562	Timing of professional services
120 - Board Of Directors	45	42	53	79.8%	11	204	
125 - Internal Audit	220	142	181	78.5%	39	710	Vacancy savings
130 - Organizational Strategy and Projects	522	351	402	87.2%	51	1,625	Vacancy savings
140 - Safety	455	482	437	110.3%	(45)	1,987	Timing of professional services
141 - Public Safety and Emergency Management	1,633	1,568	1,996	78.6%	428	7,946	Timing of security services
142 - Systemwide Accessibility	65	101	68	148.8%	(33)	326	
143 - Transit Police	507	718	961	74.7%	243	3,725	Vacancy savings
150 - Legal	249	273	281	97.2%	8	1,618	
220 - Finance	288	3,729	10,847	34.4%	7,118	15,182	Unspent contingency
230 - Information Technology	5,975	5,245	5,746	91.3%	501	27,704	Timing of computer hardware and phone system
250 - Procurement	705	742	681	109.0%	(61)	2,707	
275 - Vanpool	748	557	882	63.2%	325	3,648	Lower purchased transportation expenses due to higher mix of smaller vehicles and timing of invoices
320 - Strategic Planning and Development	1,263	1,247	1,757	70.9%	510	5,847	Timing of consulting fees
330 - Marketing and Communications	1,261	1,261	1,880	67.0%	620	6,414	Timing of consulting and supplies
331 - Community Engagement	267	283	391	72.2%	109	1,557	Timing of professional services and sponsorships
332 - Customer Care	358	336	348	96.6%	12	1,376	
340 - People and Culture	1,256	1,251	1,309	95.6%	58	5,052	
457 - Facilities Maintenance	1,196	1,706	5,649	30.2%	3,943	13,636	Timing of electric charger extended warranty
530 - Capital Design and Construction	271	418	482	86.8%	64	1,441	Timing of professional services
531 - Capital Construction, Engineering and Design	84	75	136	55.3%	61	551	Timing of professional services
532 - Power Systems and Sustainability	134	97	169	57.8%	71	679	Timing of garbage collection invoices and professional fees
533 - Rolling Stock and Support Equipment	185	97	169	57.0%	73	695	Vacancy savings
534 - Systems Engineering and Design	65	79	79	99.7%	0	318	
535 - Capital Construction and Facility Management	292	249	281	88.5%	32	1,127	
536 - Facility Design and Construction	144	125	125	99.8%	0	496	
540 - Facility Programming and Management	1,053	919	1,039	88.4%	120	4,435	Timing of utilities

Budget Variances by Department (continued)

\$'000 Department	FY25 YTD Actual	FY26 YTD Actual	FY26 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	FY26 Budget Full Year	Comments
542 - Freight Rail Management	451	500	328	152.6%	(172)	1,466	Higher transit services expenses
544 - Commuter Rail Operations	6,144	5,374	6,164	87.2%	790	24,289	Timing of purchased transportation
550 - Real Estate	1,170	735	841	87.4%	106	3,546	Timing of recording of lease expenses
600 - Bus Operations and Maintenance	51,534	52,204	45,855	113.8%	(6,349)	184,537	Higher purchased transportation
615 - Microtransit	2,547	1,927	2,462	78.3%	535	9,848	Timing of purchased transportation, fluids and supply and materials expenses
616 - Bikeshare	195	368	392	93.9%	24	1,496	
620 - Demand Response Oversight	12,818	10,279	13,387	76.8%	3,107	52,808	Timing of purchased transportation and supply and materials expenses
640 - Demand Response Control and Call Center	700	720	751	95.9%	31	2,976	
650 - Paratransit Eligibility	259	316	409	77.4%	92	1,631	Vacancy savings and timing of functional assessment
920 - Project Connect	1,048	5,785	4,755	121.7%	(1,030)	22,461	
Total	\$102,598	\$107,515	\$118,245	90.9%	\$10,730	\$442,433	

Capital Projects Summary

\$' Million Category	Expended	Outstanding Commitments	Original Budget	Revised Budget	Expended & Committed as % of Revised Budget	Comments
Commuter Rail	\$165	\$1,672	\$4,789	\$6,418	28.6%	Hot Box Detectors and PTC Optimization
Vehicles	65	457	11,077	7,948	6.6%	Non-revenue Vehicle Replacement and Paratransit Van Replacement
Information Technology	2,633	7,333	15,652	15,652	63.7%	Farebox and Vaulting System Replacement and CAD-AVL, APC and ITS Systems Replacement
Facilities	6,728	2,821	20,440	22,461	42.5%	Bus Electrification Infrastructure and Bus Stop Enhancements
Freight Railroad	0	0	950	570	0.0%	East Subdivision Infrastructure Improvement and Bridge Replacement
Property and Asset Management	5,388	10,759	40,806	40,663	39.7%	New Administration Building Build-out and Demand Response Operations & Maintenance Facility
Facilities Maintenance	127	2,263	3,129	3,129	76.4%	Facilities Maintenance SOGR and 2910 Roofs
Contingency	0	0	10,000	10,000	0.0%	
Project Connect	3,921	14,667	33,335	33,335	55.8%	CapMetro Rapid Lines, Park & Rides and End of Line Charging
Strategic Planning	3,779	265	13,866	13,866	29.2%	North Burnet/Uptown Station Rail Development
Security	47	29	974	974	7.7%	Vehicle Camera System and Rail House Signal Security Enhancements
Total	\$22,853	\$40,266	\$155,016	\$155,016	40.7%	

Outstanding commitments are for purchase orders that have been issued.



Thank you!



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2026-1741

Internal Audit Semi-Annual Follow-up on Open Recommendations



SEMI-ANNUAL FOLLOW-UP ON AUDIT RECOMMENDATIONS

November 2025 (26-01A)

Terry Follmer, Chief Audit Executive

Distribution List:

CapMetro Board of Directors
Dottie Watkins, President and CEO
Kerri Butcher, Deputy CEO
Cheyenne Conyer, Chief of Staff
Donna Simmons, Chief Administrative Officer
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Muhammad Abdullah, VP of Procurement & Chief Contracting Officer
Chester Soares, Director, Enterprise Application and Data Services
Benjamin Sims, VP, People & Culture
Ben Hodges, Accounting Manager
Jean Melgares, Manager, Systems Safety
Jonathan Tanzer, Director, IT Product Management
Daryl Weinberg, Transit System Architect

Executive Summary

As part of our annual Audit Plan approved by the Capital Metro Board, we conducted the semi-annual status review of all open audit recommendations as of November 30, 2025. The follow-up included 7 audit reports with a total of 32 findings and 98 recommendations. The audit objective and conclusion on the implementation of the corrective action plans follows.

Audit Objective & Scope

The objective of the audit was to determine whether Management has successfully implemented action plans in response to the recommendations provided in internal audit reports. To monitor the disposition of audit recommendations, the Internal Audit Department conducts two follow-up (semi-annual) audits per fiscal year (May and November). This report reflects the status as of November 30, 2025, for the outstanding Corrective Action Plans (CAP's) resulting from internal audit projects.

Conclusion on Corrective Action Plans

We followed up on 32 findings with 98 recommendations from 7 different audit reports and have concluded that 32 recommendations remain open, and Management has made reasonable progress in implementing action plans to implement the items listed as "In Process of Being Implemented." Many of the remaining open action plans are partially to significantly completed with additional work tied to complex systems implementations/integrations and/or significant policy and procedure revisions. Here are hyperlinks to the [Summary of the Implementation Status on Open Recommendations](#) and a [Detailed Status by Project and Recommendation](#).

In our opinion, Management has made reasonable progress in implementing the recommendations and open Corrective Action Plans. Additional details related to all open recommendations can be found in Appendix A – including the individual original Audit Recommendations, open Corrective Action Plan status, and Target Completion Dates.

This advisory project was conducted by the following staff members in the Capital Metro Internal Audit Department:

Valerie Carson, Senior Internal Auditor (Project Lead)
Terry Follmer, Chief Audit Executive

We want to thank Management for their support and satisfactory progress in implementing the open corrective action plans.

Summary Implementation Status of Open Recommendations and Progress

The table below provides the summary implementation status for audit reports with open recommendations as of November 2025, with footnotes below indicating the summary of progress that management has made to date on key projects. Additional details on the progress on individual recommendations for each project are included in [Appendix A – Details of Open Audit Recommendations](#).

Report #	Report Date	Report Name	Total Audit Findings	Total Audit Recommendations	Implemented as Recommended			Open Recommendations In Process of Being Implemented			Rejected - Management Has Accepted the Risk			% Action Plan Implemented
					H	M	L	H	M	L	H	M	L	
20-03	3/9/2020	OrbCAD Incident/Accident Process Review	3	10	-	10	-	-	-	-	-	-	-	100.00%
21-07	8/20/2021	Payroll & Benefit Controls Audit	5	19	-	12	7	-	-	-	-	-	-	100.00%
21-09	12/1/2021	Transit Store and Ticket Controls Audit	6	23	-	17	-	-	6	-	-	-	-	73.91%
23-12	5/31/2024	Hexagon - Post Implementation Review	5	12	-	5	3	-	1	3	-	-	-	66.67% ¹
24-12	12/18/2024	McKalla Station Capital Project Controls	5	12	-	3	4	-	5	-	-	-	-	58.33%
24-08	1/15/2025	CLS Order System ROW Revenue Audit	6	18	-	2	-	-	14	2	-	-	-	11.11% ²
24-10	7/22/2025	UHC Eligibility KPIs and Payment Controls	2	4	-	2	1	-	-	1	-	-	-	75.00%
TOTAL:			32	98	0	45	15	0	32	6	0	0	0	67.35%
					66			32			0			

Footnotes detailing progress on selected reports listed above:

1 – 23-12: Hexagon Post-Implementation Review: A new parts cross-functional working group (including Ops Bus/Rail/DR, IT and Accounting) is being formed which will provide significant guidance on Hexagon asset lifecycle management processes, cross-referencing between the Hexagon and Oracle systems, and developing SOPs to address minimum required fields for asset classes and inventory counts, etc. A Hexagon user survey is planned to be re-run in May 2027.

2 – 24-08: CLS Order System ROW Revenue: Significant progress has been made with the following steps: 1) planned replacement of the CLS system with a Tyler Technologies solution go live of 7/1/2026 to improve functionality and interface to Oracle; 2) improved collections policies and processes; 3) identify and correct non-compliant/unauthorized infrastructures on CapMetro's ROW; 4) address unapproved RWIC overtime and hours billed beyond those prepaid by customers; 5) update ROW SOPs; and 6) establish a process for collecting COI updates as licenses are renewed annually.

Risk Rating Definitions

Ratings Definitions: Auditors used professional judgment and rated the audit findings identified in this report. The risk ratings identified for each recommendation were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

Rating	Issues identified	Action required
HIGH	Issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.
MEDIUM	Issues identified present risks or effects that if not addressed could substantially affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.
LOW	Issues identified present risks or effects that if not addressed could moderately affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

Ratings methodology: In determining the ratings of audit findings, auditors considered factors such as:

1. Financial impact
2. Potential failure to meet program/function objectives
3. Noncompliance with state statute(s), rules, regulations, and other requirements or criteria
4. The inadequacy of the design and/or operating effectiveness of internal controls
5. Evidence of potential fraud, waste, or abuse
6. Significant control environment issues
7. Little to no corrective action for issues previously identified

Auditors also identified and considered other factors when appropriate.

APPENDIX A – DETAILS OF OPEN AUDIT RECOMMENDATIONS

Prior Recommendations and Audit Results

As required by the Institute of Internal Auditors' International Professional Practices Framework, we have reviewed all open audit recommendations. Based on our review, we identified 21 open findings. Detailed below are the open (as well as closed as of this follow-up cycle) findings and recommendations, along with the name of the audit report, report date, the original recommendations, and Management's updated target completion dates and comments.

20-03 ORBCAD INCIDENT/ACCIDENT PROCESS REVIEW (3/09/2020 Report Issued with 3 Findings and 10 Recommendations)

RECOMMENDATION 1 – Disconnected Systems & No Comprehensive Database MEDIUM

The Director of Contract Oversight, IT Director of Transit Technology Systems and the Director of Risk Management will consider the following improvements:

- a) Establishing a single comprehensive database for all incident/accident data.
- b) Require MV (now Keolis) to enter all data into the chosen single comprehensive database.
- c) Automate the flow of data from OrbCAD into the required Excel templates (e.g., Operator Report, Supervisor Report, etc.) that are saved to SharePoint, thus requiring the Supervisor to only record new data and not have to rekey all data that is already captured in OrbCAD.

OPEN ACTION PLANS: Management agreed with the recommendation above.

Management's Updated Target Completion Date: CLOSED

Detailed Actions/Comments:

Trackit has been identified as the single comprehensive database (recommendation a) to be used by Keolis (recommendation b) for all incidents and accidents and some data flow automation has been implemented (recommendation c). There have been minor adoption issues with Trackit, but the project team has completed ongoing training and meetings with key stakeholders and has processes in place to address the challenges. The Vontas project is well underway for replacement of the OrbCAD dispatch system and is on schedule for a 2027 replacement. Design decisions have been completed for Vontas and Trackit Transit and surrounding future-state processes and the Design Phase will be completed in January 2026. Capturing incident and accident information and reporting will be addressed in the Design Phase with the intent of addressing and implementing process improvement and reporting of accidents and incidents.

RECOMMENDATION 2 – Improve QA Oversight, Analysis, and Monitoring MEDIUM

The Director of Contract Oversight, IT Director of Transit Technology Systems, and the Director of Risk Management should consider and evaluate the following process improvements:

- d) Develop controls to ensure that data recorded in OrbCAD matches the data captured in the RiskMaster system. If events are reclassified from incident to accident or vice versa, ensure that both systems are updated with final classification between Incident or Accident.

OPEN ACTION PLANS: Management agreed with the recommendation above.

Management's Updated Target Completion Date: CLOSED

Detailed Actions/Comments:

The previous RiskMaster system has been retired. Management is still working on addressing some minor adoption issues for Trackit, but the system can be used for some QA oversight and monitoring.

RECOMMENDATION 3 – Automate Reporting Out of Systems MEDIUM

The Director of Contract Oversight, IT Director Transit Technology Systems, and the Director of Risk Management, should consider and evaluate the following improvements:

- a) Request the IT Departments Report Writing Team to develop required pre-printed reports (e.g., monthly reports as well as daily Operator/Supervisor Reports, etc.) out of OrbCAD and/or RiskMaster based upon which system is designated the system of record with all comprehensive data. Track-it has been chosen as the system to be automated and use with electronic reporting, except for Bus operator report that is downloaded.
- b) Review for additional monitoring needs (i.e., CapMetro and Keolis) and develop additional reports as necessary to improve oversight and improve efficiency.

OPEN ACTION PLANS: Management agreed with the recommendation above.

Management's Updated Target Completion Date: CLOSED

Detailed Actions/Comments:

Report templates are available in Trackit, although there have been some minor adoption challenges that are being actively worked with key stakeholders to improve Trackit usage, reporting and visibility. Additional reporting capabilities are being defined and will be available with the adoption and integration of Vontas in January 2027.

21-07 PAYROLL & BENEFIT CONTROLS AUDIT (8/20/2021 Report Issued with 5 Findings and 19 Recommendations)

RECOMMENDATION 3 – Improve Accuracy of Benefits and HR Policies LOW

The Controller and Senior Director of People & Culture should consider the following improvements to Leave Policy (HRC-440):

- a) Ensure deadlines and the maximum elapsed time after an event are defined (birth, adoption, or placement of a child) in which the employee must start using the parental leave or other family related benefit.
- b) Define the process for approving special exceptions to the policy (e.g. who can approve them, how to document the approval).
- c) Require employees to submit a long-term (greater than two weeks) leave request to the P&C Department.
- d) Ensure parental and other types of leave are timely communicated to the payroll personnel so that time and attendance records can be properly updated.

ACTION PLANS: Management agrees with the recommendation above.

Management's Updated Target Completion Date: CLOSED

Detailed Actions/Comments:

Changes to People and Culture (P&C) processes as well as Oracle system changes that automate leave requests have reduced the risks identified in this audit to an acceptable level and Internal Audit concurs.

21-09 TRANSIT STORE AND TICKET CONTROLS AUDIT (12/1/2021 Report Issued with 6 Findings and 23 Recommendations)

RECOMMENDATION 5 – Define E-Ticket Policies, Procedures, and Responsibilities MEDIUM

The Controller and Cash Operations Manager should consider the following improvements:

- a) Develop an E-ticket policy defining the roles and responsibilities related to e-tickets in the Bytemark system.
- b) Develop SOPs defining the roles and responsibilities of the employees with administrative access to the Bytemark system to ensure only required employees have that level of access.
- c) Update the job descriptions to support the procedures outlined in sections a and b.

OPEN ACTION PLANS: Management agreed with the recommendation above.

Management's Updated Target Completion Date & Comments: March 2026

Detailed Actions/Comments:

Job descriptions have been updated in the system. We will revisit this recommendation with the implementation of UMO, CapMetro's new payment processing system. Written SOPs are being further developed and vetted. Job descriptions were updated for individuals using Bytemark, but we are sunsetting Bytemark for Umo. There are currently only 4 or 5 people who can change permission settings in UMO and roles are establish for what each individual can see. We will resume the UMO project and this finding will be overwritten and superseded by the new UMO audit in FY 2026.

RECOMMENDATION 6 – Develop SOP for Each Type of Ticket and Distribution Method MEDIUM

The Controller, Manager of Cash Operations, and the Manager of Accounting & Revenue should consider implementing the following improvements:

- a) Develop Standard Operating Procedures for the following ticket types:
 1. General Fare Tickets
 2. Consigned Inventory
 3. Returned Tickets
 4. Stored Value Cards
 5. Free Passes
 6. Discount Pass Program
 7. MetroWorks
 8. Ticket Vending Machines
 9. Mobile App
 10. Family Passes
 11. Web Portal
 12. AMP Card
- b) Develop and define responsibilities for the Square system (point-of-sale) and Flowbird system (TVMs).
- c) Update employee job descriptions to ensure key ticket and system controls have been assigned and defined.

OPEN ACTION PLANS: Management agreed with the recommendation above.

Management's Updated Target Completion Date & Comments: March 2026

Detailed Actions/Comments:

Job descriptions have been updated in the system. We will revisit this recommendation with the implementation of UMO, CapMetro's new payment processing system. Written SOPs are being further developed and vetted. All the same types of tickets and passes will continue to exist with the new UMO system and Flowbird. CapMetro to go back to Square for point of sale. It will take 6-12 months for it to flow through UMO. The Director of Revenues and Fares feels it makes more sense to identify these responsibilities in the SOPs, not the job descriptions. These SOPs need a full overhaul, because UMO has changed everything.

23-12 HEXAGON - POST IMPLEMENTATION REVIEW (05/31/2024 Report Issued with 5 Findings and 12 Recommendations)

RECOMMENDATION 1 – Facility Assets with Missing Preventive Maintenance Programs MEDIUM

The COO and EVP of Capital Construction, Engineering and Design should marshal internal/external resources to take action on:

- a) Physical inventory of facility equipment and update Hexagon and Oracle records based upon this review.
- b) Establish written criteria (e.g. value; life cycle remaining; etc.) for facility assets that should be included in the PM program and then update/create PM's for assets accordingly.
- c) Ensure asset tags and ID #'s are in place and cross-referenced between the Hexagon and Oracle systems based upon the capitalization policy.
- d) Identify required fields to be captured in Hexagon and document in procedure guides, etc. so that the system prompts staff to provide required key information.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date:

Recommendations A, C & D – CLOSED

Recommendation B – May 2026

Detailed Actions/Comments:

Recommendation B: Facilities Management is working on an integrated PMI plan with assistance from a dedicated Data Analyst and improved coordination with Keolis. PMIs are being defined based on Asset Classes (parent vs. child assets) and the Classes are based on asset criticality, value, estimated useful life expectancy, and maintenance needs.

- New assets will have PMI plans put in place upon entry into the Hexagon EAM system based on expected life of the asset and preventive maintenance requirements. Management is proactively setting asset life expectancies for planning and budgeting purposes – if an asset is still functional at the end of its initial estimated life, they will extend in EAM to reflect revised end of life (EOL) date and coordinate with Finance.
- For legacy assets (a small population of total current assets), management will not be going back to fill in empty fields unless they still have a considerable remaining useful life, and asset tags will not be added – because the costs of doing so outweigh the benefits.

The focus is on ensuring that new assets are being created correctly. Management hasn't changed the depreciable life expectancy yet because it will impact State of Good Repair (SOGR) and financial capital budget forecasting/planning and it requires coordination across the Facilities, CCED and Finance departments.

RECOMMENDATION 2 – FTA Record Keeping Requirements – Rolling Stock MEDIUM

The COO and EVP of Capital Construction, Engineering and Design should marshal internal/external resources to take action on:

- a) Ensure any FTA-required fields are complete and accurate by completing the following:

- For any NTD (National Transit Database)-required fields in Hexagon, make the naming conventions consistent with the FTA to eliminate confusion (e.g. use same name used by FTA or at least capture FTA name somewhere).
- Check newly entered asset records regularly and make timely adjustments if not compliant with FTA requirements.
- Design report formats to allow direct upload to NTD, simplifying the process.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date and Comments: CLOSED

Detailed Actions/Comments:

Internal Audit performed additional testing to confirm that assets with FTA funding have all the NTD-required fields noted in the original audit report populated.

RECOMMENDATION 3 – Parts Records – Completeness & Accuracy LOW

The COO and EVP of Capital Construction, Engineering and Design should document record keeping requirements in policies/procedures that cover the following:

- a) Identify which fields (e.g. Class, Catalogue Description, Location, Quantity, Price, Min/Max Quantity, etc.) are required for all parts.
- b) Perform data analytics to identify all Part numbers that are missing required fields and take necessary actions to ensure Hexagon database records are properly updated.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: CLOSED

Detailed Actions/Comments:

As a result of the recently completed parts inventory controls audits across Bus, Demand Response, and Rail, a cross-functional working group (Operations, Finance and IT) is being established. The goal of the working group is to analyze parts inventory balances and identify process and system improvements in an annual plan with stated goals (e.g., system enhancements, cycle count coverage, contractual physical inventory requirements, etc.). The group will also develop tools (e.g., exception reports, analysis, etc.) to identify and discuss reasons for any significant changes in parts inventory and expense balances.

RECOMMENDATION 4 - Hexagon User Survey - Feedback on Issues and Improvement Opportunities MEDIUM

The COO and EVP of Capital Construction, Engineering and Design should marshal internal/external resources to take action on some of the user suggestions for improvement listed below:

- a) CapMetro specific help materials and training guidance (not generic)
- b) Additional training/advanced training, hands-on mobile training
- c) Stream-line work order creation
- d) Add ability to open multiple work orders of same type from one screen.
- e) Enhance ability to edit/correct previously saved input more easily.
- f) Improve integration/data flow and frequency with other systems (e.g., Trapeze, Gasboy, etc.)

- g) Improve reporting capabilities.
- h) Reduce/eliminate redundant data entry/keying (e.g., entering VMRS 042, 042-010, 042-010-094)
- i) Improve summary and 'at-a-glance' data screens.
- j) Improve 'Data Spy' query function/capability for search efficiency.
- k) Involve CapMetro Subject Matter Experts (SME) in user-acceptance testing.
- l) Reduce/eliminate system clutter (disabled options/functions/dropdowns)
- m) Improve support/assistance outside regular hours

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date and Comments: CLOSED

Detailed Actions/Comments:

In the spirit of continuous improvement, additional Hexagon user experience improvements are being explored, even though not required by these audit recommendations. The Hexagon user survey will be re-run in May 2027.

RECOMMENDATION 5 – Update Policies and Procedures LOW

The COO, CFO and EVP of Capital Construction, Engineering and Design should document, communicate, monitor, and update policies and procedures for all assets (i.e. rolling stock, fixed assets, parts) in Hexagon and Oracle systems that covers the following activities:

- a) Additions/Disposals/Consumption/Adjustments and related recordkeeping in Hexagon and Oracle.
- b) Physical Inventories & Cycle Counts - documented process covering when; how; frequency; who; what forms to use; "blind count" or known count; how to reconcile; when a second count is required; who must approve adjustments based upon materiality; segregation of duties between counter, reconciler, approver and adjuster in Hexagon and Oracle; etc.
- c) Hexagon to Oracle Reconciliations - Automated and/or manual reconciliations between assets (i.e. fixed assets, vehicles, parts, etc.) in Hexagon and Oracle. The separate asset #s used in the two systems should be reconciled including certain critical fields (e.g. date, asset description, value, etc.).
- d) Management Reporting related to the items listed above.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date:

Recommendation B – CLOSED

Recommendations A, C & D – May 2026

Detailed Actions/Comments:

This recommendation is related to recommendation 3 above regarding aligning SOPs with FTA requirements/industry best practices and encompasses all assets (not just parts). Facilities is currently piloting a process for integrating PMI and inventory count processes. Collaboration across departments is ongoing to define and refine business processes surrounding inventory management and provide actionable EAM system requirements.

Note: Recommendation 5b has been closed due to the recent FY2025 parts inventory controls audit reports, pending follow-ups on those audit reports, and related cross-departmental working group efforts.

24-12 MCKALLA STATION – CAPITAL PROJECT CONTROLS (12/18/2024 Report Issued with 5 Findings and 12 Recommendations)

RECOMMENDATION 2 - Construction Capitalization Process **MEDIUM**

Internal Audit recommends that the Controller and the VP of Facilities Management & Capital Construction should consider the following improvements:

- a) Define and develop SOPs for construction processes to ensure CPG and Accounting Departments are getting timely and appropriate information to ensure capitalization records in both Hexagon and Oracle systems can be properly updated. From here, develop Policies and SOP's that codify the process and ensure appropriate staff within CPG and Accounting are trained and understand how their activities support each other.
- b) Periodic meetings (e.g. monthly and/or quarterly) should be scheduled between CPG and Accounting to ensure proper communication and coordination of projects.
- c) The monthly PlanView Upcoming Go-Live report should be updated to include a field that captures the actual project percentage of completion.
- d) Capitalized assets in Hexagon should be reconciled to Oracle asset records monthly. Any unexpected differences should be investigated and adjusted in Hexagon and/or Oracle.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Dates:

TAM SOP: February 2026

FIN-104: February 2026

FIN-105: Revisit in May 2026

Detailed Actions/Comments:

Recommendations 2 b, c, and d have been closed, and management is evaluating additional process and/or technology improvements beyond the audit recommendations. For recommendation 2a, Finance has been working with Capital Construction and Transit Asset Management on these SOPs. Two of these SOPs (TAM & FIN-104) are related, so they will be reviewed as a whole and implemented around the same time.

- The Transit Asset Management (TAM) SOP is in final stages of review/input from Project Management before circulation to management for final review.
- FIN-104 SOP is underway.
- FIN-105 is related to capitalization of labor associated with capital projects. Our external audit firm has previously discouraged its use due to the complexities of and detailed record-keeping requirements for accurately allocating overhead to projects for staff who do not directly perform physical tasks related to the capital project assets being placed in service (e.g., Project Manager time). This will be revisited at a later time.

RECOMMENDATION 3 - Capitalization Policies Require Updates and SOPs are Needed

MEDIUM

Internal Audit recommends that the Controller consider the following improvements:

- a) Updating FIN-104 and FIN-105 to reflect current accounting requirements, practices, and document form hyperlinks. The policy should include basic definitions of assets to guide users outside the Finance department. Instructions should be communicated with other departments to ensure that all parties are aware of and understand the requirements.

- b) Identify and document the relevant accounting standards to be used and incorporated into the Finance policies.
- c) Develop SOPs and procedures documents for the capitalization process which will define the expectations for all parties to follow to ensure items are properly categorized.
- d) Determine whether the forms (FIN2, FIN5, FIN6) are still necessary for documenting assets and if so, update the fixed assets forms to correspond to the current Hexagon EAM fixed assets system.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Dates:

FIN-104: February 2026

FIN-105: Revisit in May 2026

Detailed Actions/Comments:

FIN-104 (Fixed Asset Capitalization-Disposal Policy) & FIN-105 (Capitalization of Labor on Capital Projects) and related more detailed SOPs are still a work in process. Implementation is tied to the TAM SOP which is being worked in Action Plan 2 above.

RECOMMENDATION 4 – Delegations of Authority Not Defined for Temporary Construction

Easement Acquisitions LOW

Internal Audit recommends that the VP, Facility Management & Capital Construction should work with the Legal Department to develop acceptable approval limits for routine and exception transactions (e.g. paying more than appraised value) within the overall CapMetro delegations of authority approval matrix.

ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: CLOSED

Detailed Actions/Comments:

The Real Estate section of the Capital Design and Construction (CDC) Policies and Procedures Manual has been updated with the delegations for the exception approval process for paying higher than appraised value for real estate transactions.

24-08 CLS ORDER SYSTEM RAILROAD RIGHT-OF-WAY, RWIC, PERMITS & LICENSES (01/15/2025 Report Issued with 6 Findings and 18 Recommendations)

RECOMMENDATION 1-Missing Interfaces Between Systems Require Manual Workarounds

MEDIUM

Internal Audit recommends the Controller, Director of Revenues & Fares, Director of Enterprise Application & Data Services, and the Director of Real Estate and ROW evaluate the following process improvements:

- a) New ROW Orders - If new orders are entered by customers into the CLS Platinum system can be interfaced to CLS Link, so that the Real Estate Specialist does not have to enter all new orders from scratch to create an order in the CLS Link system. Thus, creating a single database in the CLS Link system instead of having two separate databases in CLS Platinum and CLS Link that do not talk to each other.
- b) New ROW Customers - For new customers in CLS Link, opportunities to automate the creation of new customer requests into Oracle, so that the A/R Accountant does not have to enter all data from scratch. Currently manual emails between Real Estate Specialist and AR Accountant are needed to notify each other and then manual key into CLS Link and Oracle.
- c) Prepaid RWIC Hours – Create workflow automation notifying Rail Operations when RWIC orders have been prepaid. Currently manual emails must be sent to Rail Operations with all details (e.g., requested RWIC dates, number of prepaid RWIC hours, milepost #, etc.). Include a closed loop in the workflow so that actual hours worked by Herzog are reported back and compared to prepaid hours. If actual RWIC hours exceed prepaid hours, include a process to create an extra billing for the extra hours worked. The revenue leak for this was \$23,600. See issue #3 below.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: July 9, 2026

Detailed Actions/Comments:

Management is extending the existing CLS contract by 6 months (through July 2026) and is working to replace CLS. Management is planning to present a proposal for a CLS replacement system to the Board in February 2026. The audit recommendations above have been considered in the requirements for the replacement system. The plan is to have major features replaced by June 2026 and a complete system replacement by June 2027.

RECOMMENDATION 2 – Controls Over Delinquent Receivables Require Improvement

MEDIUM

Internal Audit recommends that management consider the following:

- a) The CFO and Controller should update FIN Policy 109 to include processes for establishing customer credit evaluations and limits, charging late fees, escalation process for past due accounts, delegations of authority for credit limits and write-offs and notifying management of delinquent account balances.
- b) The CFO and Controller should develop SOPs that describe how delinquent accounts will be managed. The procedures should include frequency of customer communications, dispute resolution procedures, and establish debt collections procedures such as discontinuing new business with delinquent account customers, issuing breach of contract notices, obtaining liens, contracting with collection agencies, and account write-off or settlement procedures.

- c) The CFO and Controller should consider charging the 5% fee for late payments as defined in the customer license agreement.
- d) The CFO and Chief Counsel should consider modifying the standard terms and conditions listed in new license agreement contracts and on invoices to include a statement that allows late fees and interest to be charged by Capital Metro on delinquent accounts.
- e) The Controller and AR Accountant should establish agreed upon procedures with the Manager of Real Estate & Right-of-Way to obtain updated customer AP contact information annually to maintain current billing information.
- f) The CFO, Controller and Director of Revenue & Fares should consider implementation of the Oracle Collections module.
- g) The Director of Real Estate & ROW should consider hiring a third-party consulting firm, on a consignment basis, to reconcile installed infrastructure with active CapMetro license agreements to identify any non-compliant or unauthorized infrastructure.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Dates: Multiple dates – see below

Detailed Actions/Comments:

a), b), c), e), & f): FIN-109 is under review with a target completion date of January 31, 2026. Legal, Real Estate and Finance are still working on determining if contracting with a collection agency is necessary. Management needs to define the escalation process and develop SOPs (including regular meetings) before exploring outsourcing for collections or making any system changes. The escalation process and SOPs will be defined and tested by September 30, 2026. From there, a determination will be made about outsourcing and/or system changes.

d): Legal, Real Estate and Finance have been looking at including the collections information on license agreements and invoices, but additional work will be completed once the FIN-109 policy updates are finalized in January 2026.

g): Real Estate SOPs for correcting potential non-compliant or unauthorized infrastructures are in progress. It will be an ongoing process to review unauthorized ROW access, and the assistance of a third-party consultant is still under consideration until possibly September 2026.

RECOMMENDATION 3 – Herzog Has Charged RWIC Overtime Not in Compliance with the Contract **MEDIUM**

Internal Audit recommends that the VP of Rail consider the following actions:

- a) Require Herzog to create and provide an improved monthly RWIC hours worked report that contains names of the five full time RWIC employees covered in our contract, which RWIC orders they worked on and how many hours on each order, clear designation as to which three Herzog employees cannot bill CapMetro for OT, and which two Herzog employees are allowed to bill CapMetro for OT.
- b) Report the Herzog overtime billing errors to the Contract Administrator in the Procurement Department and pursue a refund for the overbilled amounts of \$54,955 (\$35,226 + \$19,729).

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: February 1, 2026

Detailed Actions/Comments:

- a) CLOSED: Only Mod56 of the Herzog contract allows for overtime billing for two employees, and no overtime hours can be worked without the prior approval of the Rail Maintenance of Way Bridges and Structural Engineering Program Manager. RWIC reported hours are tracked monthly.
- b) The Vice President of Rail sent a non-compliance memo re: Improper Billing of RWIC Overtime Charges (total of \$27,477.50, which is 50% of the original non-compliance amount as agreed upon by management) to the Herzog General Manager on 9/18/2025. Per this memo, Herzog is to reply to CapMetro with: 1) a corrective action plan for restricting future unapproved overtime; and 2) a plan for credit or reimbursement of all identified overcharges.

RECOMMENDATION 4 – RWIC Hours Worked by Herzog Exceeded Hours Prepaid by Customers LOW

Internal Audit recommends that Management consider the following actions to reconcile RWIC hours:

- a) The VP of Rail Operation should establish procedures for Herzog to notify both Rail Operations and Real Estate when the customer exceeds or expects to exceed the number of prepaid hours on a project and instruct the customer to complete a request for additional RWIC hours.
- b) The VP of Rail Operations, the Director of Real Estate and ROW and the Manager of Real Estate and ROW should coordinate the completion of reconciliation procedures to ensure all RWIC charges are billed by having the Rail Operations PM compare the actual RWIC hours worked to the requested prepaid hours by project and notify Real Estate Specialist of any additional billing requirements.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: January 31, 2026

Detailed Actions/Comments:

The current process is that the Rail Project Manager reviews the hours worked, and anything exceeding prepaid amounts is rejected until a new request and prepayment is received, but a monthly billing reconciliation process to catch any discrepancies is not occurring. A prior monthly billing reconciliation procedure document (from 2020) already exists and is in the process of being updated to reflect the Oracle system and current roles and practices. The process that disallows any work that exceeds prepaid hours should also be included in this revision.

RECOMMENDATION 5 – Real Estate ROW Standard Operating Procedures Have Not Been Updated MEDIUM

Internal Audit recommends the Director of Real Estate & ROW, and the Manager of Real Estate & ROW should consider updating the ROW procedures document for changes to be consistent with the Oracle system and to formalize any approved exceptions to the standard procedures.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date and Comments: January 31, 2026

Detailed Actions/Comments:

SOPs, including desktop procedures, will be updated to be consistent with the Oracle system and to formalize any approved exceptions to the standard procedures.

RECOMMENDATION 6 – Certificates of Insurance (COIs) Are Not Obtained for Recurring Annual License Agreements **MEDIUM**

Internal Audit recommends that the Director of Real Estate & ROW consider the following:

- a) SOPs will be developed covering activities to ensure initial COI is obtained as well as annual COI updates as part of the license renewal process. Protocols will be developed as to how to manage customers who refuse to provide annual COIs and/or have deficiencies in the insurance limits provided.
- b) The CapMetro website will be updated to explain COI requirements for the customer in year one as well as the annual COIs as part of the perpetual renewal process.
- c) All active license accounts will be reviewed, and customers will be notified of any missing COIs or deficiencies in insurance coverage amounts. COI records either online in CLS Link and/or Oracle and/or manual records will be developed tracking COIs for each active license account going forward.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: January 30, 2026

Detailed Actions/Comments:

- a) Accounting will submit a ticket for creating a unique CLS invoice template for COI renewal reminder language.
- b) CLOSED: Real Estate Management worked with Marketing to add COI requirements to the CapMetro website.
- c) Real Estate has created a shared central email address to have Licensees send in their COIs. The plan is to focus on revenue customers. Real Estate will run a report from CLS to identify customers that are past due and have those customers send their COI renewals to the shared email box. Risk Management will verify the insurer ratings and Real Estate will load the COIs into CLS. Real Estate is looking to hire a temporary resource to assist.

24-10 UHC ELIGIBILITY KPIs and PROJECT CONTROLS (07/22/2025 Report Issued with 2 Findings and 4 Recommendations)

RECOMMENDATION 1 – UHC Payment Controls and Bank Access MEDIUM

Internal Audit recommends that Management consider the following:

- a) The CFO and Controller should consider ending the practice of allowing United Healthcare to make automatic debits/withdrawals from CapMetro's bank account.
- b) If management chooses to continue the practice of allowing UHC to make automatic withdrawals from CapMetro's bank account, management should consider creating a separate bank account for only United Healthcare activity in order to increase visibility of UHC transactions and simplify the reconciliation process. Additionally, the Manager of Accounting should perform a postmortem exercise on the two missed UHC withdrawals to understand why this occurred and lessons learned to prevent this from happening again.

OPEN ACTION PLANS: Management agrees and has developed the action plan below.

Management's Target Completion Date: CLOSED – Management has accepted risk with mitigating controls in place and Internal Audit concurs. See Detailed Actions/Comments below.

Detailed Actions/Comments:

- a) November Follow Up Status: Management met and explored options and determined that any changes to the CapMetro bank account could delay payment to providers, which they view as the highest risk. After a thorough cost/benefit analysis, management has decided that continued improvements to the current process is the best option. Current mitigating controls include:
 - Cash reconciliations are completed and reviewed daily, and regular weekly meetings occur within CapMetro Finance as well as with the bank.
 - The bank has an ACH (Automated Clearing House) blocker on our account, and any exceptions are reported via email to CapMetro each day. The exceptions can be overridden or rejected and if there's no response within the bank's response window, exception transactions are auto-rejected.
 - The Finance team is also trying to expedite obtaining supporting documentation for payments.
- b) From the original report, issued 7/22/2025: This issue occurred during the time of Oracle transition along with UHC portal access problems, and temporary staff responsible for making these entries had already left. We have an improved reconciliation process since then for our cash and cash clearing accounts that will help identify issues like these should they occur. After evaluating the option of opening a new bank account, we determined it's not feasible due to the significant administrative upkeep involved.

RECOMMENDATION 2 – UHC KPIs, Incentives, Penalties and Adjudication Audit LOW

Internal Audit recommends that Management consider the following:

- a) The VP of People & Culture and Director of Total Rewards should consider assigning the responsibility for review and enforcement of the performance guarantees detailed in the contract with United Healthcare.
- b) The VP of People & Culture and Director of Total Rewards should consider hiring a third-party firm to perform an adjudication audit to ensure the accuracy of claims processed and evaluate overall performance against industry standards and contractual performance guarantees.

OPEN ACTION PLANS: Management agrees with the recommendation to regularly review performance guarantees and has developed the action plan below. Management does not agree with hiring a third-party audit firm to perform an adjudication audit. The associated risks do not justify the high cost of such an audit.

Management's Target Completion Date: June 2026

Detailed Actions/Comments:

Management will provide 2025 data on performance guarantees to the Self-Insurance Board of Trustees and will review on an annual basis beginning in June 2026.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2026-1742

Internal Audit FY26 Plan Status - February 2026

FY26 INTERNAL AUDIT PLAN

Department Scorecard

Projects		Status & % Complete	Additional Details
FAA COMMITTEE & INTERNAL AUDIT CHARTER COMPLIANCE			
1	Finance, Audit & Administration (FAA) Committee Meetings: 10/8; 11/5; 12/10; 1/14; 2/11; 3/11; 4/8; 5/6; 6/10; 7/15; 8/10; 9/16; 10/14; 12/2	In Process	
2	Semi-annual Implementation Status Report - November 2025	Draft Report	February
3	Semi-annual Implementation Status Report - May 2026		
4	Quarterly - Implementation Status of Miscellaneous Revenue recommendations	In Process	February
5	FY2026 Risk Assessment & development of FY27 Audit Plan		
FY25 Audit Assurance & Advisory Projects			
1	Keolis Payroll Pass Through Charges - Ongoing Continuous Monitoring	Ongoing Monitoring	
2	MTM Payroll Pass Through Charges - Ongoing Continuous Monitoring	Ongoing Monitoring	
3	Oracle segregation of duties (DLT Solutions & Sikich) - build model & test	In Process	
4	Oracle Survey - User Satisfaction & Opportunities		
5	Capital Projects - Costs & Reporting Controls		
6	Inventory Controls - Bus Parts (Keolis)	Completed	November
7	Inventory Controls - Demand Response Parts (MTM)	Completed	December
8	Inventory Controls - Rail Parts (Herzog)	Completed	January
9	Inventory Controls - Facilities & Bus Stop Parts - Advisory Project	In Process	April
0	Fuel Inventory Controls (Unleaded, Diesel, & Red Diesel) - Advisory Project	In Process	March/April
1	Brinks Contract and Outsourced Treasury Controls	In Process	UT Interns - Spring
2	Keolis - Bus Maintenance & Training	In Process	UT Interns - Fall
3	MTM - Demand Response Maintenance & Training	In Process	UT Interns - Fall
4	Automation of Bus Incident/Accident Reporting (TrackIt System)		
5	CLS System for Right of Way License Contracts (Completeness & Accuracy)	In Process	March/April
6	Bus Charging Infrastructure & EV Program	Draft Report	
7	UMO Contract (e-Tickets) & Administrative Fees	In Process	UT Interns - Spring
8	Real Estate - Life Cycle Management & Controls		
9	Safety Mgt System (SMS) - Safety Promotion via Competencies & Training		
0	NIST Cybersecurity Framework (CISA Facilitated Self Assessment) - re-assessment from 2024 baseline	In Process	April/May
1	Annual Cybersecurity Review (Verizon Penetration Test)	In Process	April/May
2	CISA Tabletop Exercise (Ransomware Attack)	In Process	April/May

NEW PROJECTS ADDED TO FY26 AUDIT PLAN by Terry Follmer			
1	Quadrennial Performance Report - Tracker until Completed		
2	FTA Triennial - closure on one remaining deficiency (Paratransit Vehicle Award Reporting form)	Completed	January
3	Revenue RACI Chart (Transit Store & Revenue Team)	In Process	UT Interns - Spring
4	Bus Operations RACI Chart (Pull Out; Critical Incidents; Lost Time)	In Process	UT Interns - Spring



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2026-1752

Internal Audit Quarterly follow-up on Miscellaneous Revenue

Miscellaneous Revenues Mgt Memos - Recommendations & MAP Tracker as of 2/2/2026 (#26-03A)

Project Number	Project Name	Report Date	Management Owners	Issue & Risk	Recommendations	Status	Total Recommendations	Implemented	In Process	Percentage of Recommendations Implemented	Notes (see below)
1	23A-17	RideShare Program - Revenue Compliance Review	2/6/24	Rafael Villarreal, Tammy Quinn, Brian Alejandro/Marcella Wood, and Preetha Ganesan	3 Issues with 5 Recommendations	5 Recommendations - 3 are Implemented and 2 are In Process of being implemented	In Process	5	3	2	60.0%
2	24-04A	Watco Freight Contract Revenue	2/6/24	Muriel Friday, Scott Phebus, Nadia Nahvi and Preetha Ganesan	3 Issues with 9 Recommendations	9 Recommendations - 5 are Implemented and 4 are In Process of being implemented	In Process	9	5	4	55.6%
3	24-09A	Bright Horizons Daycare	12/23/23	Donna Simmons, Benjamin Simms, and Angela Murphy	4 Issues with 4 Recommendations	4 Recommendations - all 4 recommendations have been implemented	Completed	4	4	0	100.0%
4	24-05A Presentation	Investment Income	12/4/23	Kevin Conlan and Nadia Nahvi	5 Issues with 5 Recommendations	5 Recommendations - all 5 recommendations have been implemented	Completed	5	5	0	100.0%
5	24-03A Presentation	Sales Tax	12/1/23	Kevin Conlan, Nadia Nahvi and Preetha Ganesan	2 Issues with 3 Recommendations	3 Recommendations - all 3 recommendations have been implemented.	Completed	3	3	0	100.0%
6	24-11A	Bulk Transit Passes	6/13/24	Samantha Baez, Cynthia Lucas, and Preetha Ganesan	4 Issues with 10 Recommendations	10 Recommendations - 10 are In Process of being implemented	In Process	10	0	10	0.0%
7	23A-16	Advertising Revenue	8/30/24	Cynthia Lucas, Derek Heino, and Preetha Ganesan	3 Issues with 8 Recommendations	8 Recommendations - 1 is implemented and 7 are In Process of being implemented	In Process	8	1	7	12.5%
8	24-07A	Plaza Saltillo Ground Lease	10/1/24	Nadia Nahvi, Julie Barr, Preetha Ganesan, Dave Kubicek, Ken Cartwright	3 Issues with 10 Recommendations	10 Recommendations - 10 are In Process of being implemented	In Process	10	0	10	0.0%
9	24-08	CLS System (ROW, RWIC, Permits, and Licenses)	1/15/25	Shannon Gray, Nadia Nahvi, Preetha Ganesan, Muriel Friday	6 Issues with 18 Recommendations	18 Recommendations - 16 are In Process of being implemented	In Process	18	2	16	11.1%
						TOTALS	72	23	49	31.9%	
						% of Recommendations Implemented					
								31.9%	68.1%		

Notes:

- 1 A recent organizational restructuring has moved the Transit Store function into the Marketing department.
- 2 A new advertising vendor (Clear Channel Outdoor, LLC) has been selected.
- 3 Management is reviewing the structure and processes for managing the Plaza Saltillo ground lease.
- 4 The CLS system will be retired. A new system, provided by Tyler Technologies, is the planned replacement.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2025-1719

American Bus Benchmarking Group (ABBG) Presentation

Introduction & Overview

CapMetro Virtual Board Presentation

February 11th, 2026

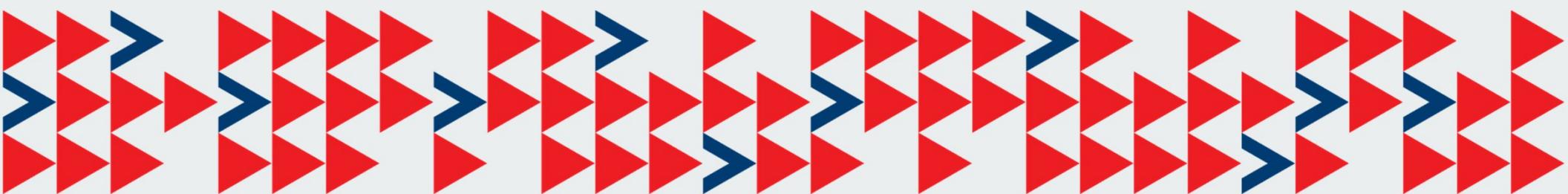
CONFIDENTIAL

Imperial College
London
Projects

TSC > Transport
Strategy Centre



Who is the ABBG?



The Transport Strategy Centre (TSC) at Imperial College London – Focus on independent, comparable benchmarking



For 30 years, the TSC has carried out benchmarking and best practice research in public transit

- ▶ An international, multidisciplinary team of 30 people from academia, transit agencies and authorities, and consulting
- ▶ Imperial is one of the world's leading science and technology universities (ranked 2nd in the world in the 2025 QS World University Rankings)

ABBG is a member of a larger international benchmarking family (30 years of experience, five modes)

Metro	Bus	Railway	Light Rail	Airports
				
COMET 1994	IBBG 2004 ABBG 2011	ISBERG 2010 IMRBG RIAMBIG 2016 2016	GOAL 2016 BOLTS 2023	ABBG 2017
Includes: Hong Kong, London, Beijing, Seoul, Toronto, Barcelona, Paris, Singapore, Washington, Atlanta	IBBG includes: New York, Seattle, Washington DC, Paris, Istanbul, Dublin, Singapore	Includes: London, New York, Oslo, Copenhagen, Melbourne, Munich, Sydney, Belgium, The Netherlands	BOLTS includes: Hong Kong, Rio, Dubai, Oslo, Toronto	Includes: London, Hong Kong, Toronto, Los Angeles, Amsterdam, Sydney, Paris, Delhi, Munich

Additional information available: <https://www.imperial.ac.uk/transport-engineering/transport-strategy-centre/>

Objective of The Benchmarking: To compare performance and share good ideas, in order to improve

- ▶ Benchmarking is NOT merely a comparison of data or a creation of rankings.



A systematic process of **continuously** measuring, comparing and **understanding** performance and **changes** in performance

Of a diversity of key business processes

Against comparable peers

To help the participants improve their performance

(Adapted from the definition by Lema and Price)

Benchmarking Provides...

Perspective through Data

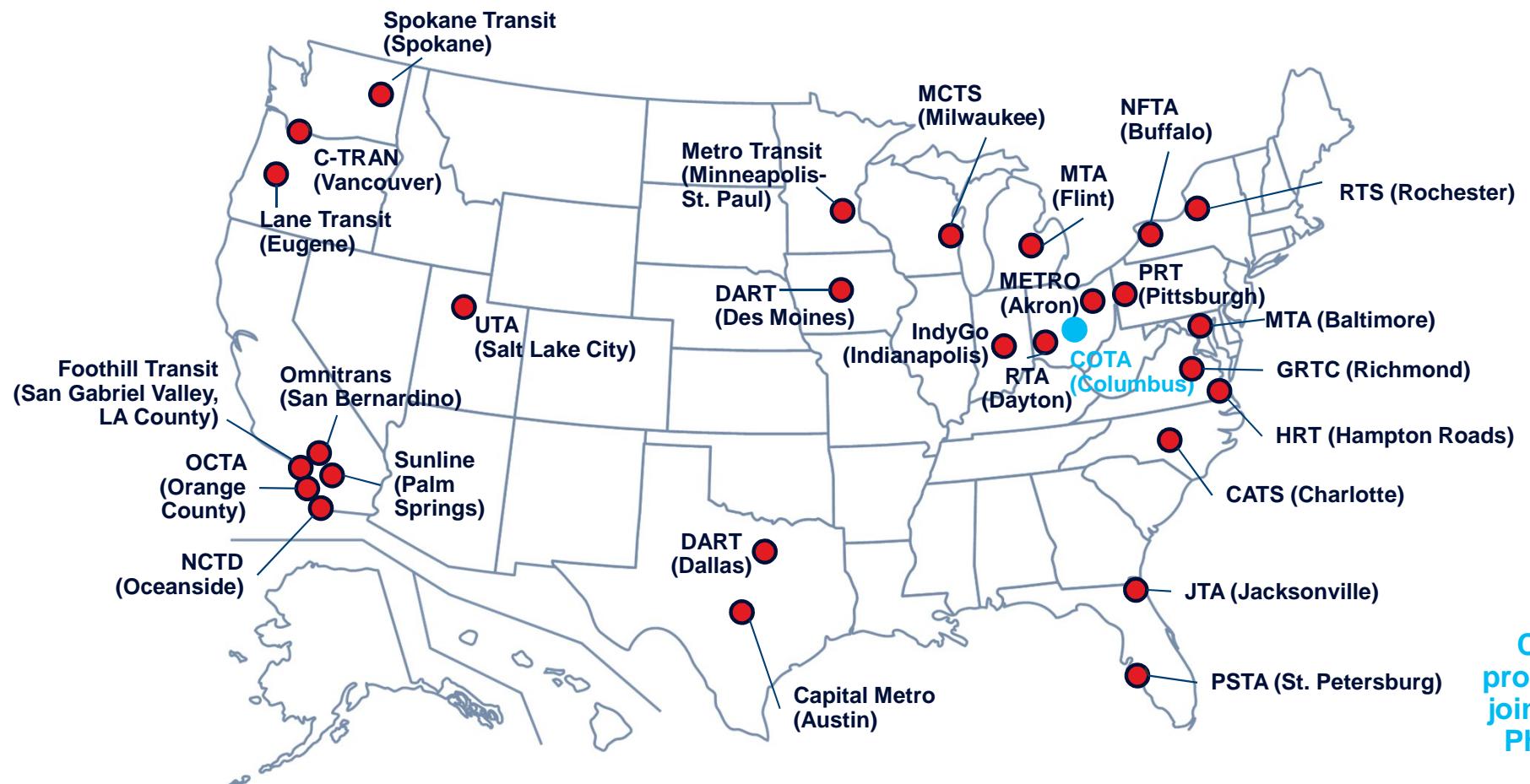
- ▶ How do we compare to our peers?
- ▶ What are our strengths?
- ▶ What are our weaknesses?
- ▶ Quantitative Backing for “rules of thumb” and setting targets

Best Practices through Study and Discussion

- ▶ What are others doing to **improve**?
- ▶ What **works**/what doesn’t?
- ▶ How to **implement best practices**

- ▶ There is rarely a challenge that another member has not also faced.

**In Phase 15, the ABBG consists of 27 Members in 17 States
CapMetro joined in September 2011 (Phase 1, Founding Member)**



COTA in
process of
joining for
Phase 16

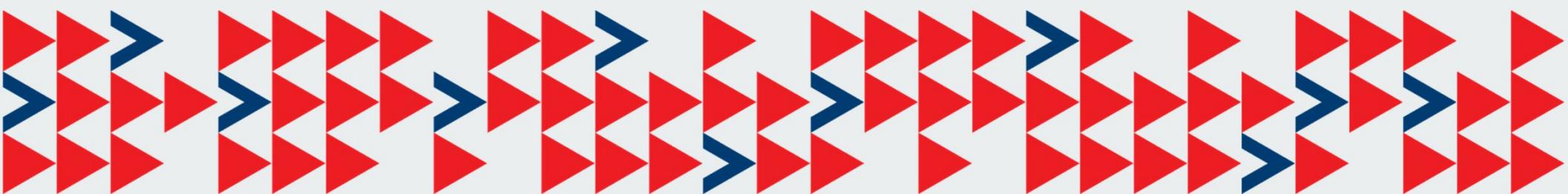
ABBG Membership Abbreviations (Note: non-public data has been anonymized per ABBG confidentiality agreement and principles)

Ak	Akron METRO RTA (METRO RTA – Akron, OH)	Mn	Metro Transit (Minneapolis-St. Paul, MN)
As	Capital Metropolitan Transportation Authority (CapMetro – Austin, TX)	Mw	Milwaukee County Transit System (MCTS – Milwaukee, WI)
Ba	Maryland Transit Administration (MTA – Baltimore, MD)	OC	Orange County Transportation Authority (OCTA)
Bf	Niagara Frontier Transportation Authority (NFTA – Buffalo, NY)	NSD	North County Transit – San Diego Railroad (North San Diego, CA)
Ch	Charlotte Area Transit Systems (CATS – Charlotte, NC)	Pg	Pittsburgh Regional Transit (PRT – Pittsburgh, PA)
Da	Dallas Area Rapid Transit (DART – Dallas, TX)	Rc	Regional Transit Service (RTS – Rochester, NY)
DM	Des Moines Area Regional Transit Authority (DART – Des Moines, IA)	RV	Greater Richmond Transit Company (GRTC – Richmond, VA)
Dy	Greater Dayton Regional Transit Authority (GDRTA – Dayton, OH)	SB	Omnitrans (San Bernardino, CA)
Eu	Lane Transit District (LTD – Eugene, OR)	SL	SunLine (Palm Springs, CA)
FH	Foothill Transit (San Gabriel Valley, LA County, CA)	SP	Pinellas Suncoast Transit Authority (PSTA – St. Petersburg, FL)
Fl	Mass Transportation Authority (MTA – Flint, MI)	ST	Spokane Transit Authority (STA – Spokane, WA)
HR	Hampton Roads Transit (HRT – Hampton, VA)	UT	Utah Transit Authority (UTA – Salt Lake City, UT)
IG	Indianapolis Public Transportation Corporation (IndyGo, Indianapolis, IN)	Vc	Clark County Public Transportation Benefit Area (C-TRAN – Vancouver, WA)
JX	Jacksonville Transportation Authority (JTA – Jacksonville, FL)		

CapMetro Characteristics Relative to the Group

- ▶ **7th highest fixed route bus ridership for FY24** (3rd highest for those without light rail)
- ▶ **1 of 3 with fixed route bus fully contracted out** (also Foothill Transit, Charlotte CATS)
 - 6 other members partially contract out fixed route, including OCTA (~35% of driving hours)
- ▶ **1 of 15 with paratransit contracted out** (but high level of in-house oversight)
- ▶ **1 of 5 with commuter rail** (also Baltimore, Dallas, Oceanside, and Salt Lake City)
 - 8 ABBG members have light rail (and participate in the GOAL benchmarking group) (all are majority bus, except Dallas & Salt Lake City, which are 50/50 with rail)
 - 3 ABBG members have ferries
- ▶ **1 of 13 members with an established microtransit/on-demand program**
 - 7 others have pilots, with 2 planning such services (2 have discontinued their pilots)

KPI Performance Overview



Fixed Route Bus Key Performance Indicator (KPI) System

Growth & Learning

- G1** Passenger boardings (5-year % change)
- G2** Revenue vehicle miles / hours
(5-year % change)
- G3** Average bus load (vehicle mile & hour)
- G4** Staff refresher training (by staff category)

Customer

- C1** Customer information at bus stops
- C2** On-time departure performance (0 <> +5)
- C3** Planning capacity utilization
- C4** Seat capacity utilization
- C5** Lost vehicle miles (as % of scheduled)
- C6** Missed trips (as a % of scheduled)

Internal Processes

- P1** Weekday peak fleet utilization
(fleet not in use split by cause)
- P2** Network efficiency (revenue miles & hours per total miles & hours, by non-revenue category)
- P3** Staff productivity (total vehicle hours & miles per labor hour, overall & by category)
- P4** Staff absenteeism rate (by staff category)
- P5** Mean distance/time between road calls

Safety

- S1** Vehicle collisions (vehicle mile and hour)
(preventable, non-preventable, on-property, other, & with vulnerable road users)
- S2** Staff injury rate (staff work hours)
- S3** Staff lost time from injuries
(as % of staff work hours)
- S4** Passenger injury rate (boarding & passenger mile)
- S5** 3rd party injury rate (vehicle mile & hour)
(vulnerable road user injuries)
- S6** 3rd party fatality rate (vehicle mile & hour;
5-year avg) (vulnerable road user fatalities)

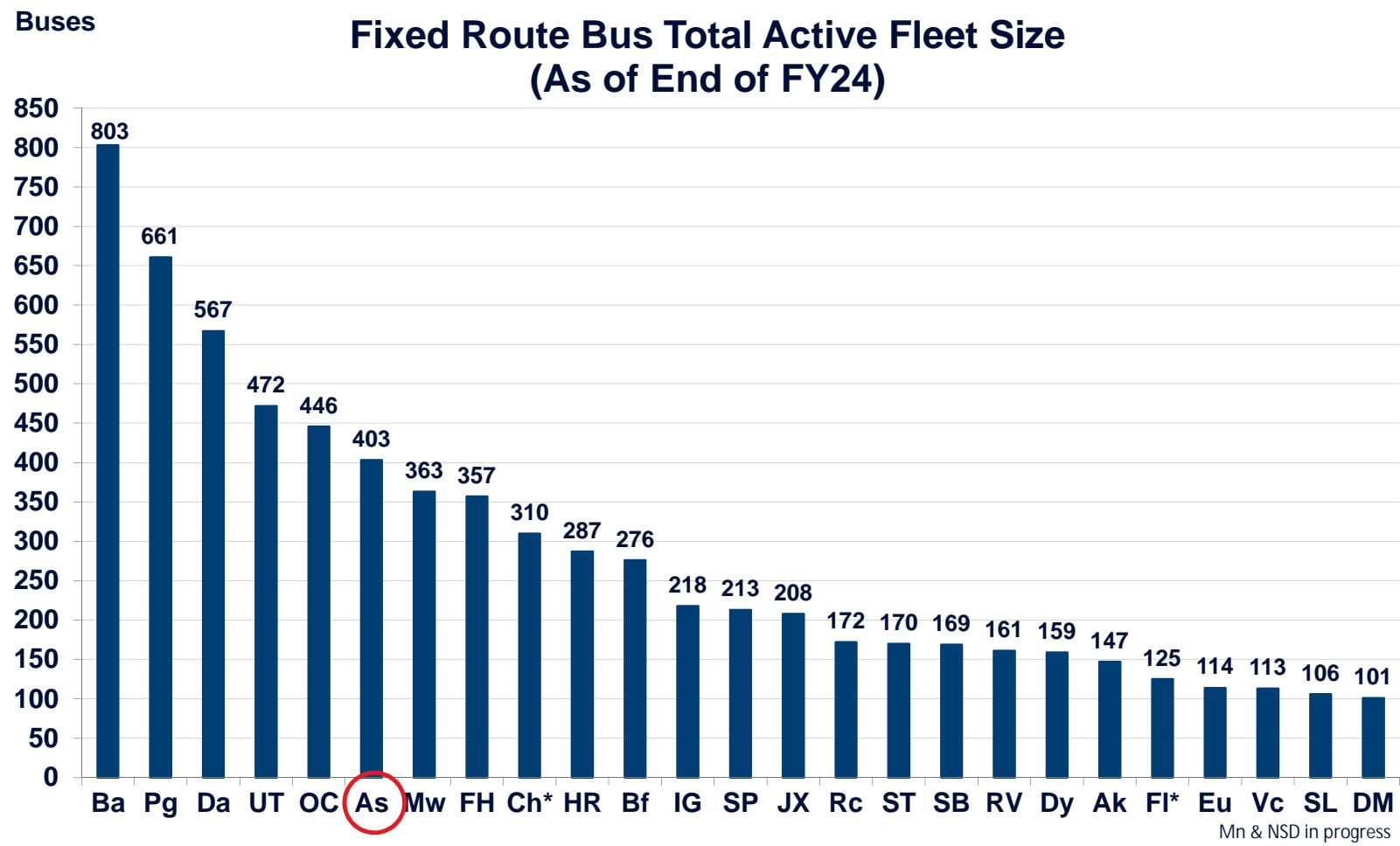
Environmental

- E1** Fuel efficiency & effectiveness
(total vehicle mile, passenger mile, & capacity mile by fuel type)
- E2** CO2 emissions (vehicle mile & passenger mile)

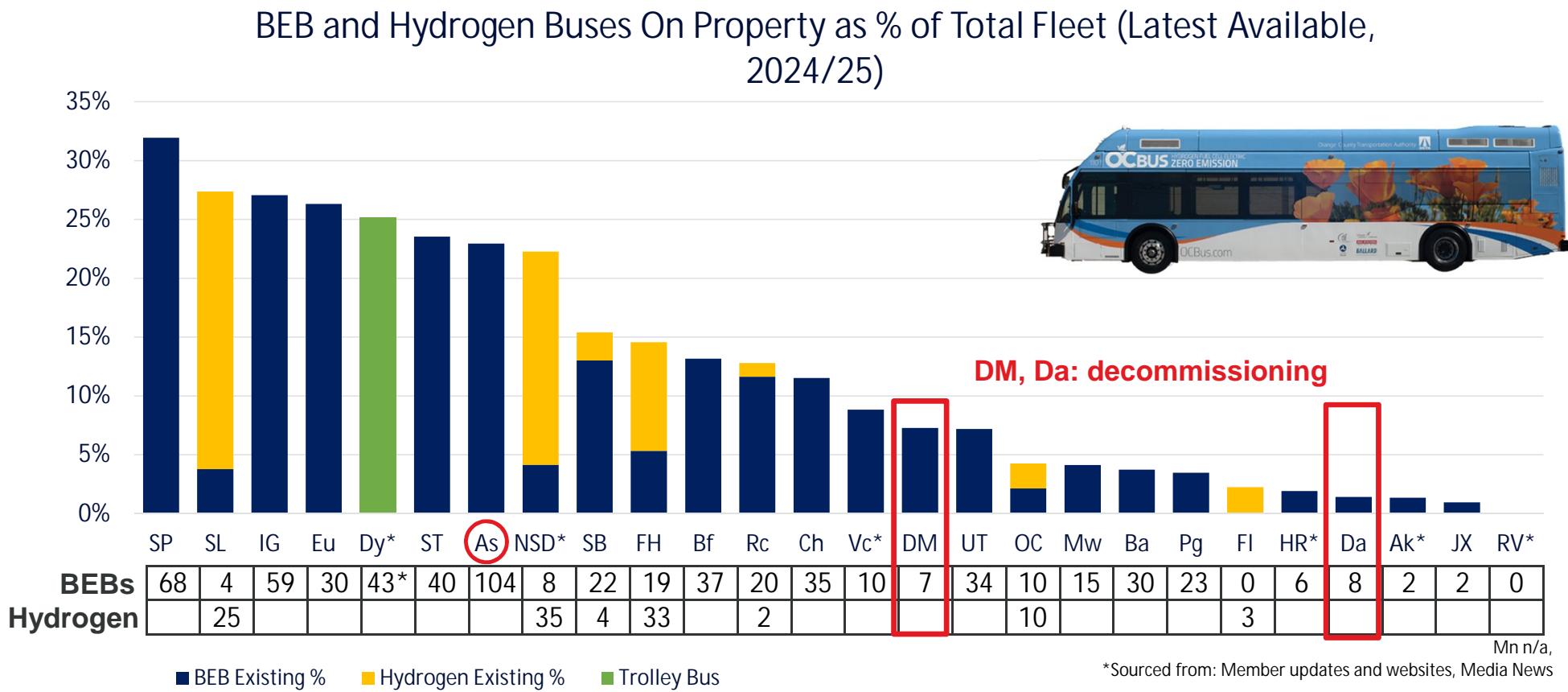
Financial

- F1** Total cost efficiency (vehicle mile and hour)
- F2** Operating cost efficiency (vehicle mile and hour) (F3 service operation, F4 maintenance, F5 administration)
- F6** Service operation cost (revenue vehicle mile and hour)
- F7** Operating cost effectiveness (boarding & passenger mile)
- F8** Operating cost recovery (fare revenue & commercial revenue per operating cost)
- F9** Average fare revenue (boarding & passenger mile)

Fleet size: Similar to ridership, CapMetro has one of the largest fleets

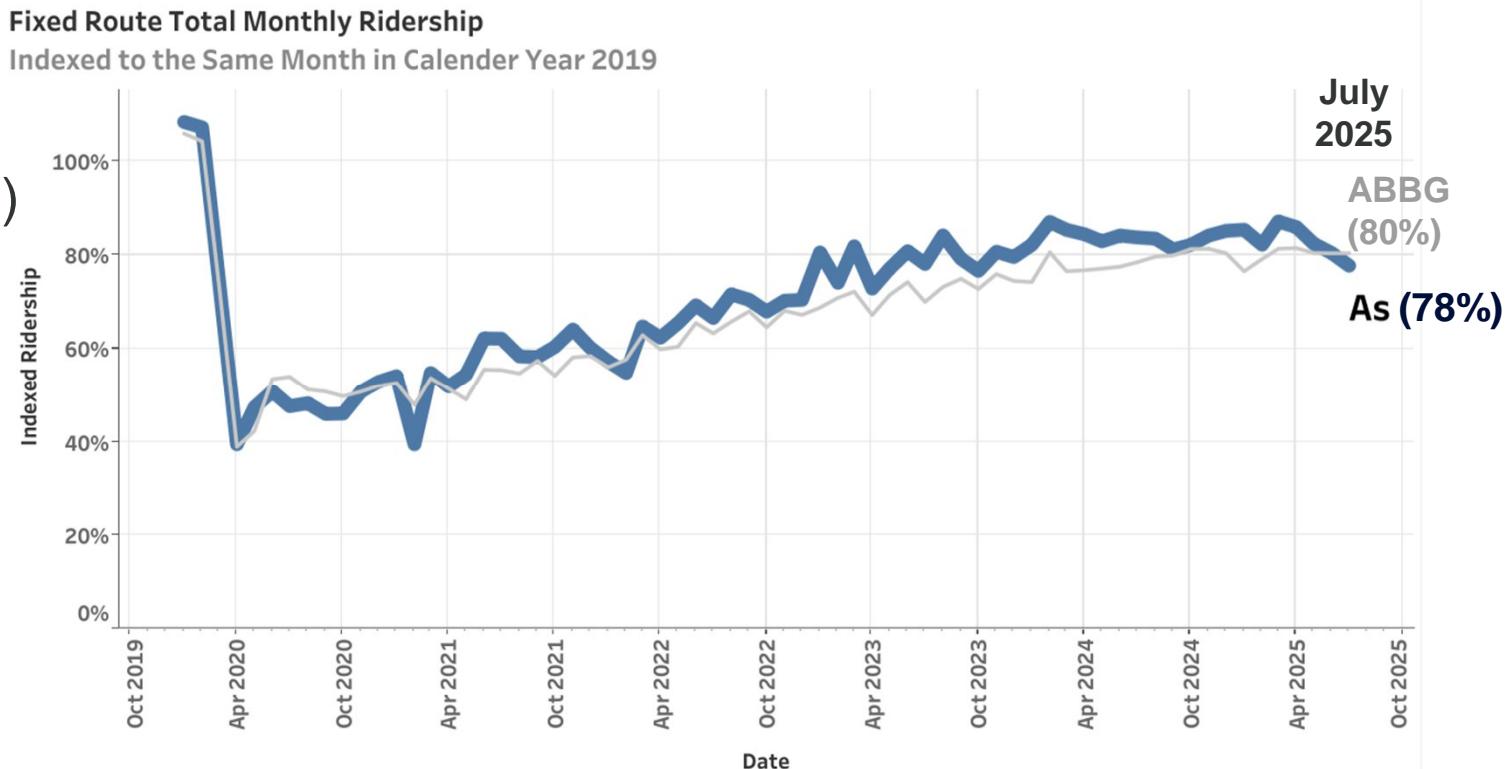


Zero Emissions Fleets: Most members have invested but facing challenges CapMetro has the highest number of BEBs on property

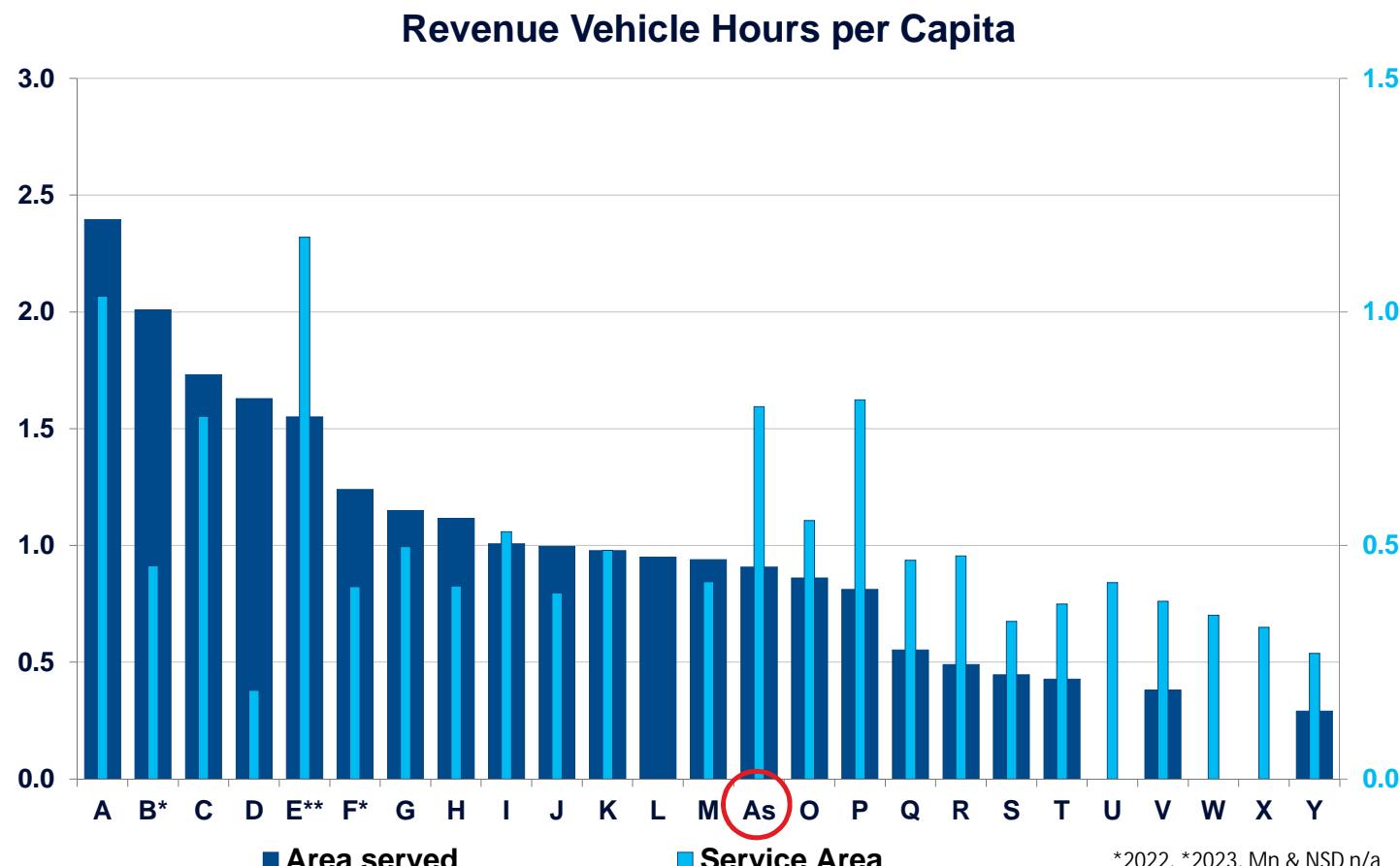


CapMetro (fixed route bus) until recently has had a higher ridership recovery than the ABBG average since 2021

- ▶ 2020: CapMetro had one of the shortest free fare periods (2 months) in the group

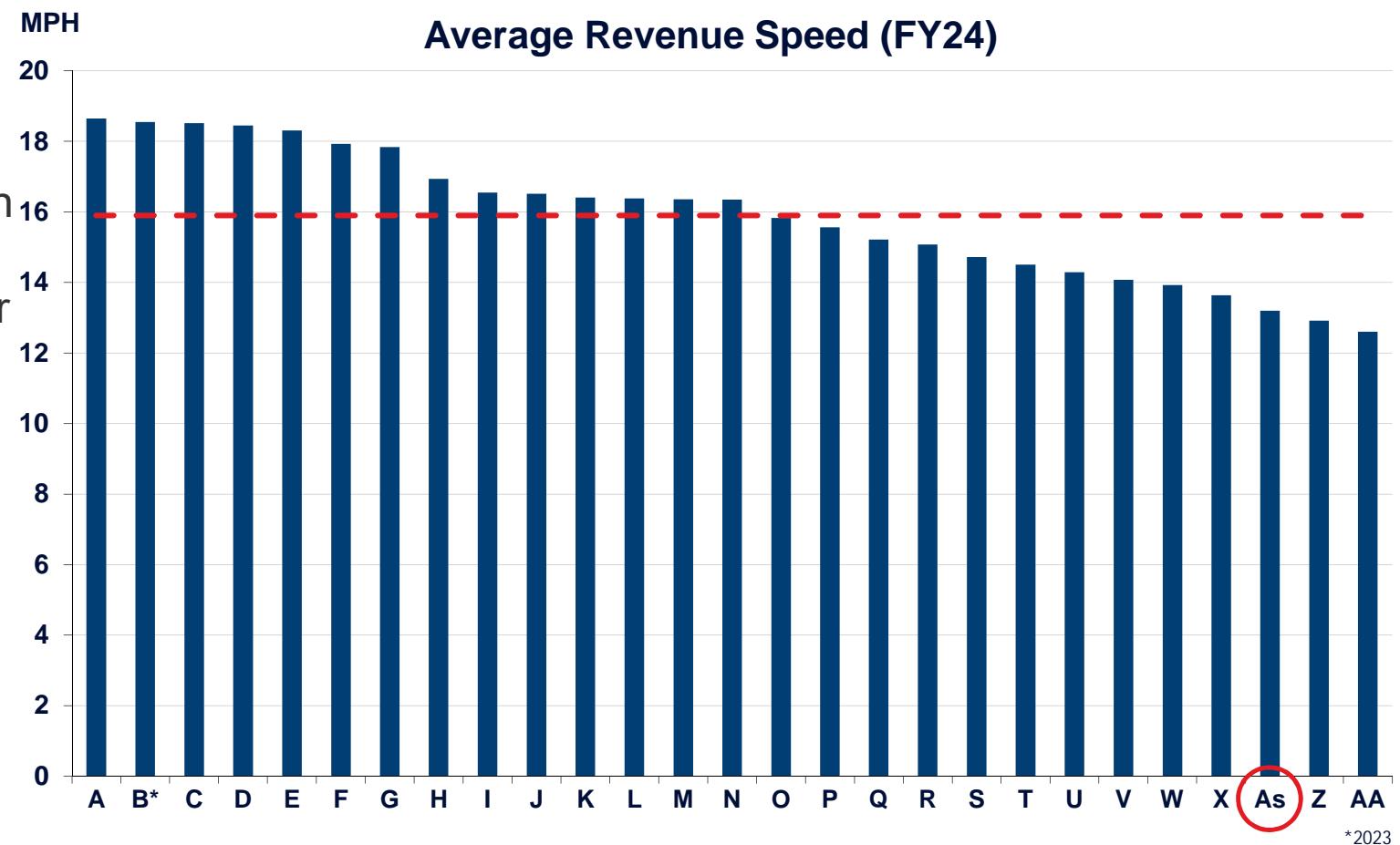


Service level per capita: CapMetro has the 3rd highest revenue hours per capita in the service area (just below average for area served)



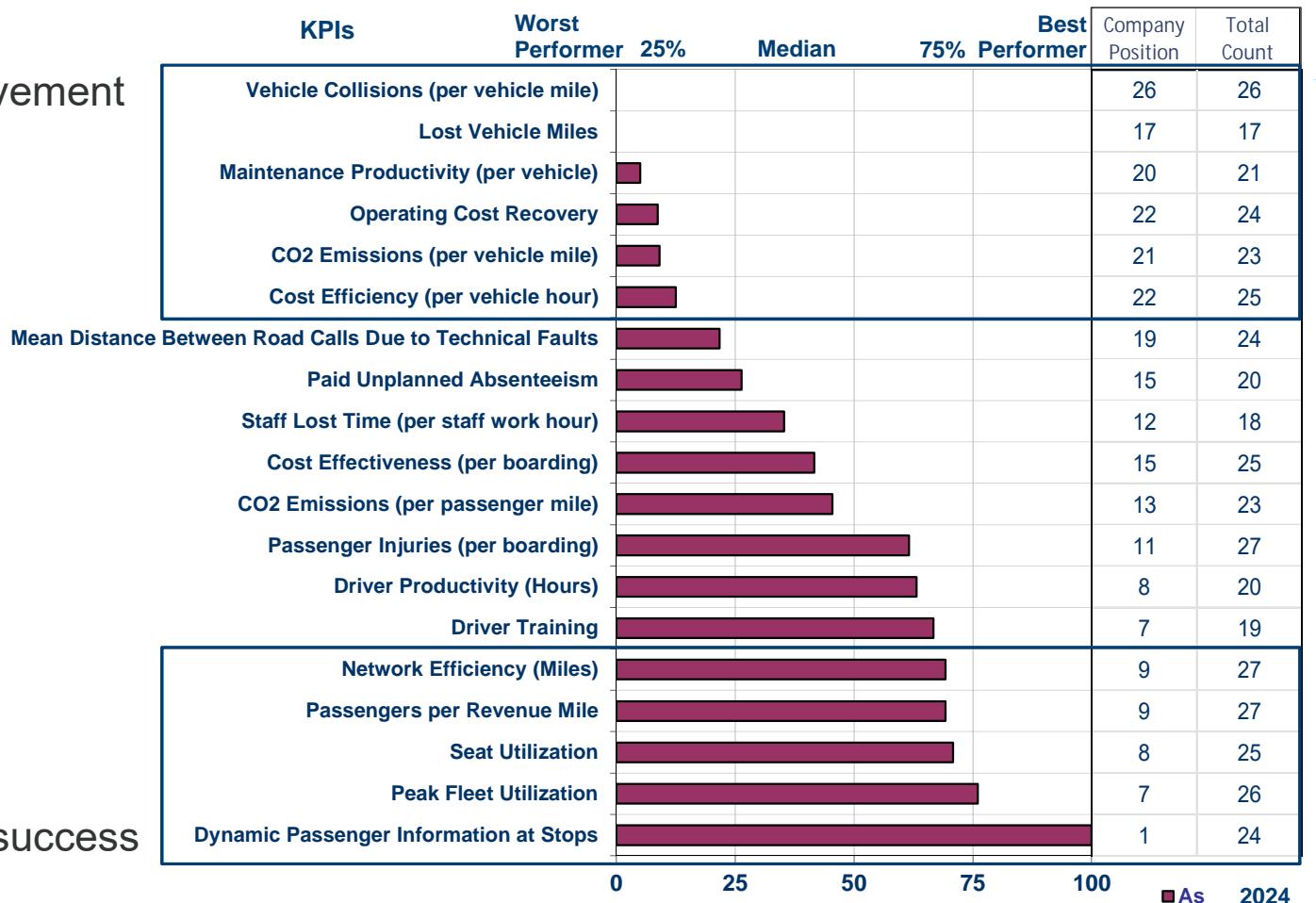
CapMetro has the 3rd lowest speed in the group (but also one of the lowest runtime recoveries)

- ▶ Speed is important for normalization but also for perception of transit as being better than the car (or not)
- ▶ Related to city road network, route design, number of bus stops, local traffic



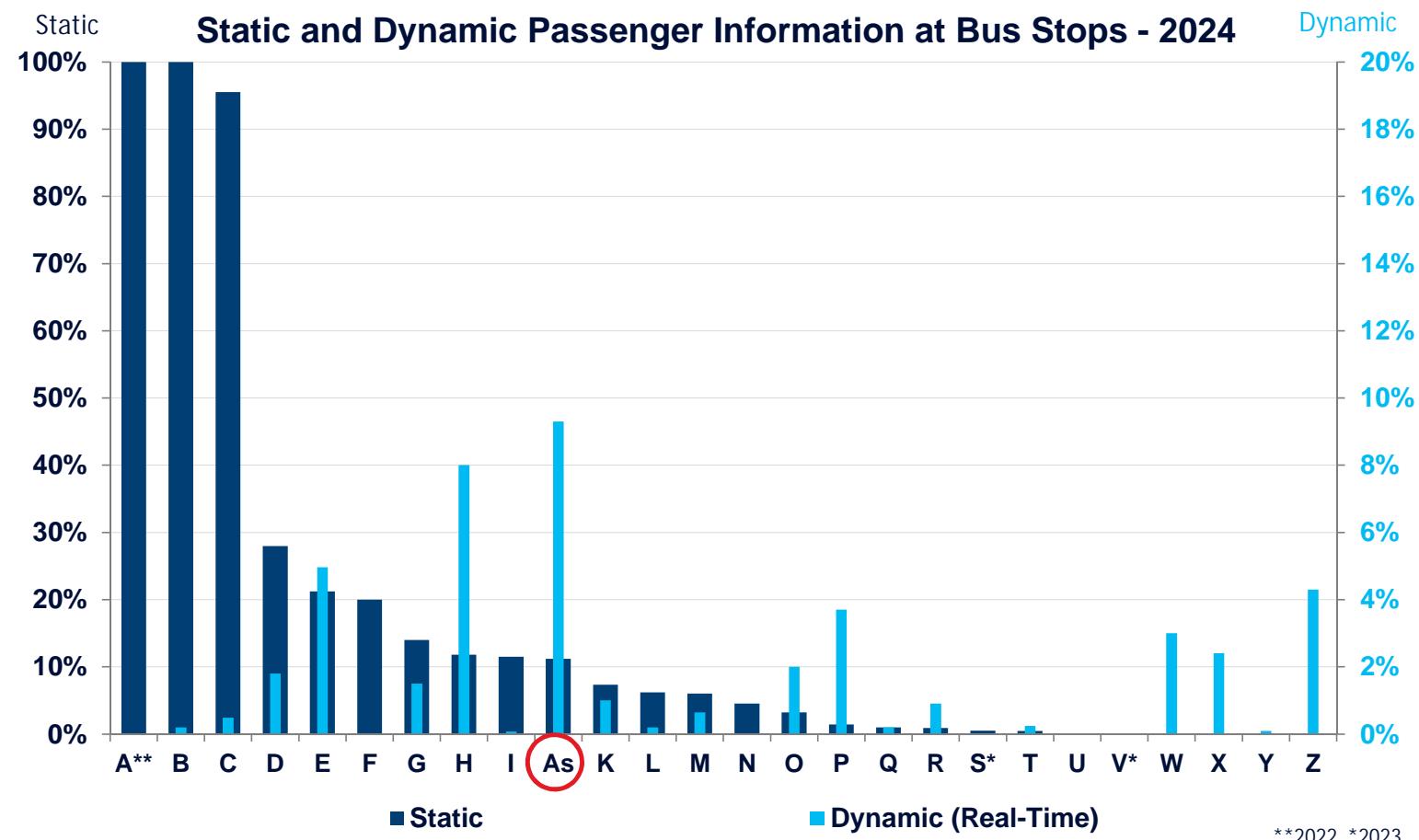
Fixed Route Bus Summary Dashboard (FY24)

Areas for improvement

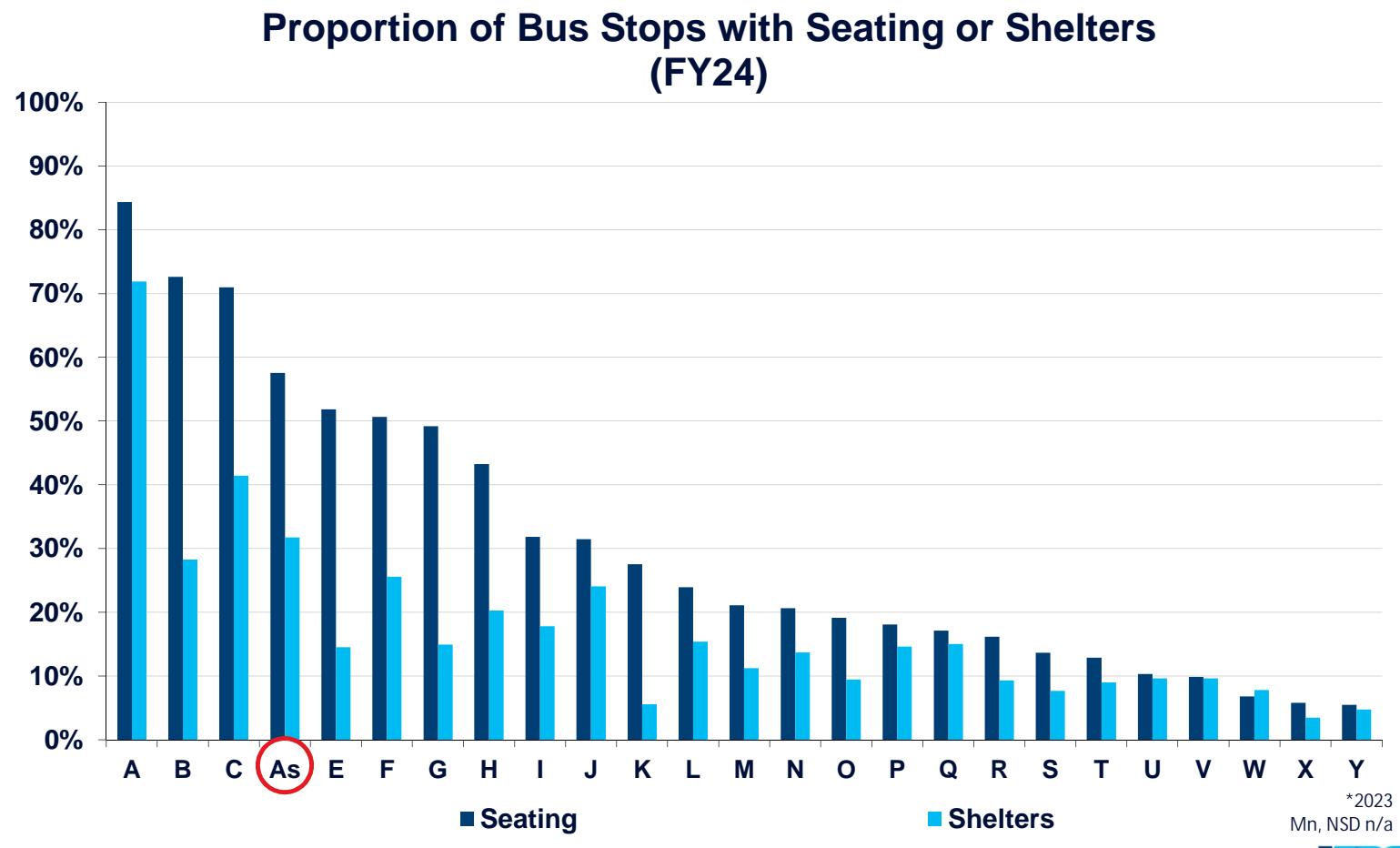


Areas of relative success

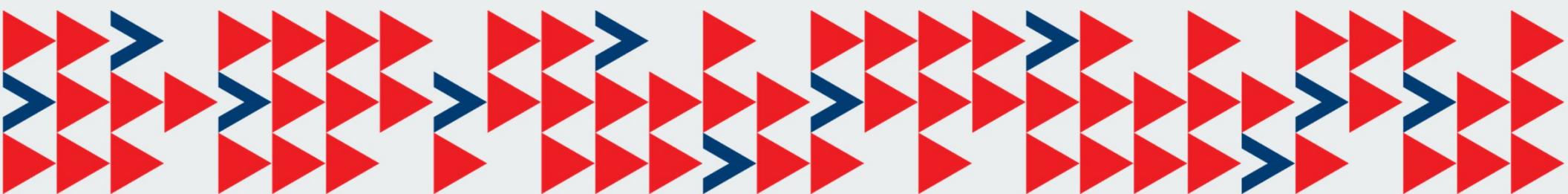
CapMetro now has the highest % of bus stops with real-time information in the group (and % stops with static information doubled in 2024)



CapMetro also has the 4th highest proportion of bus stops with seating (3rd highest with shelters) (and best for both outside of CA)

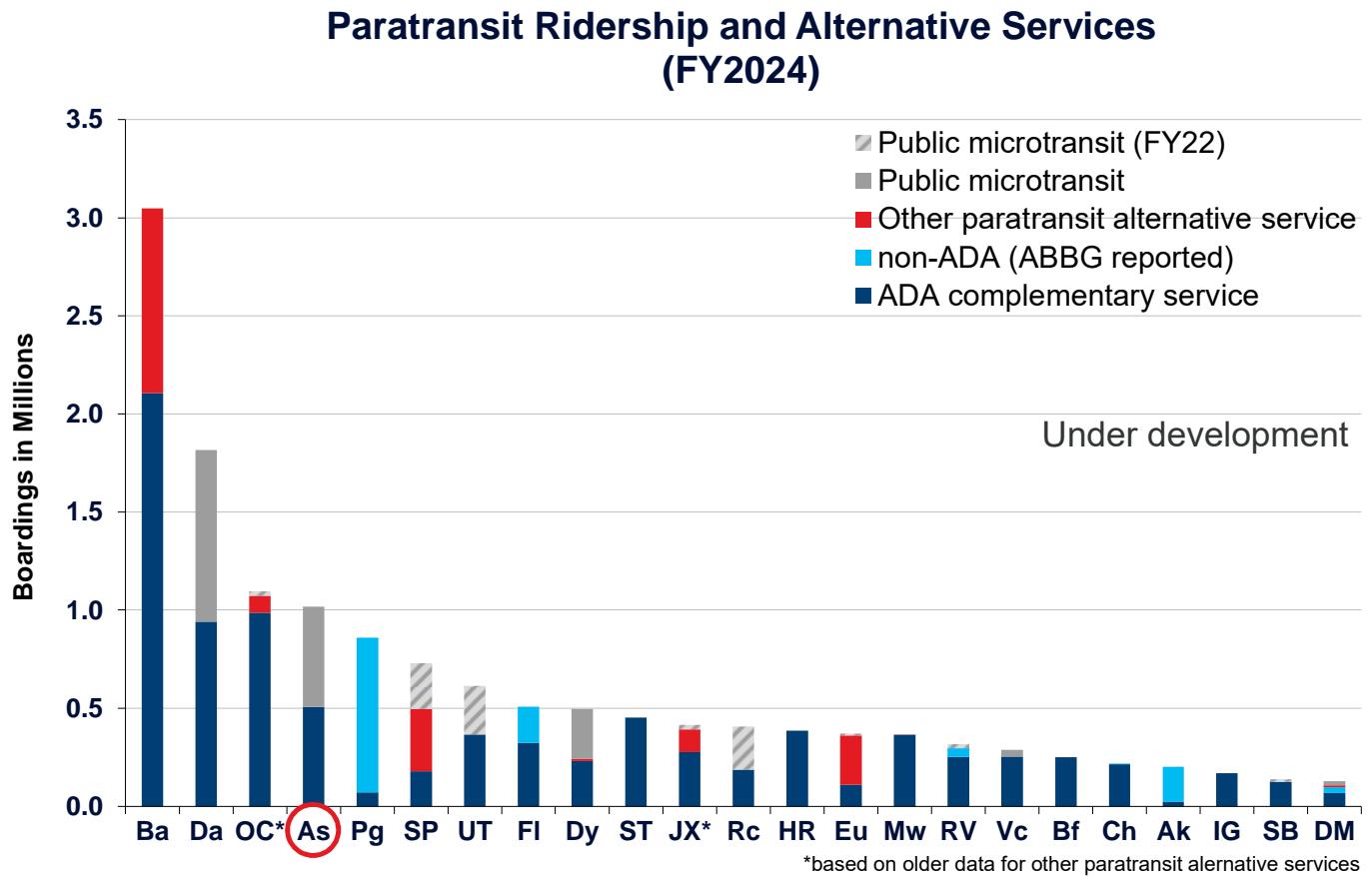


Paratransit/Microtransit



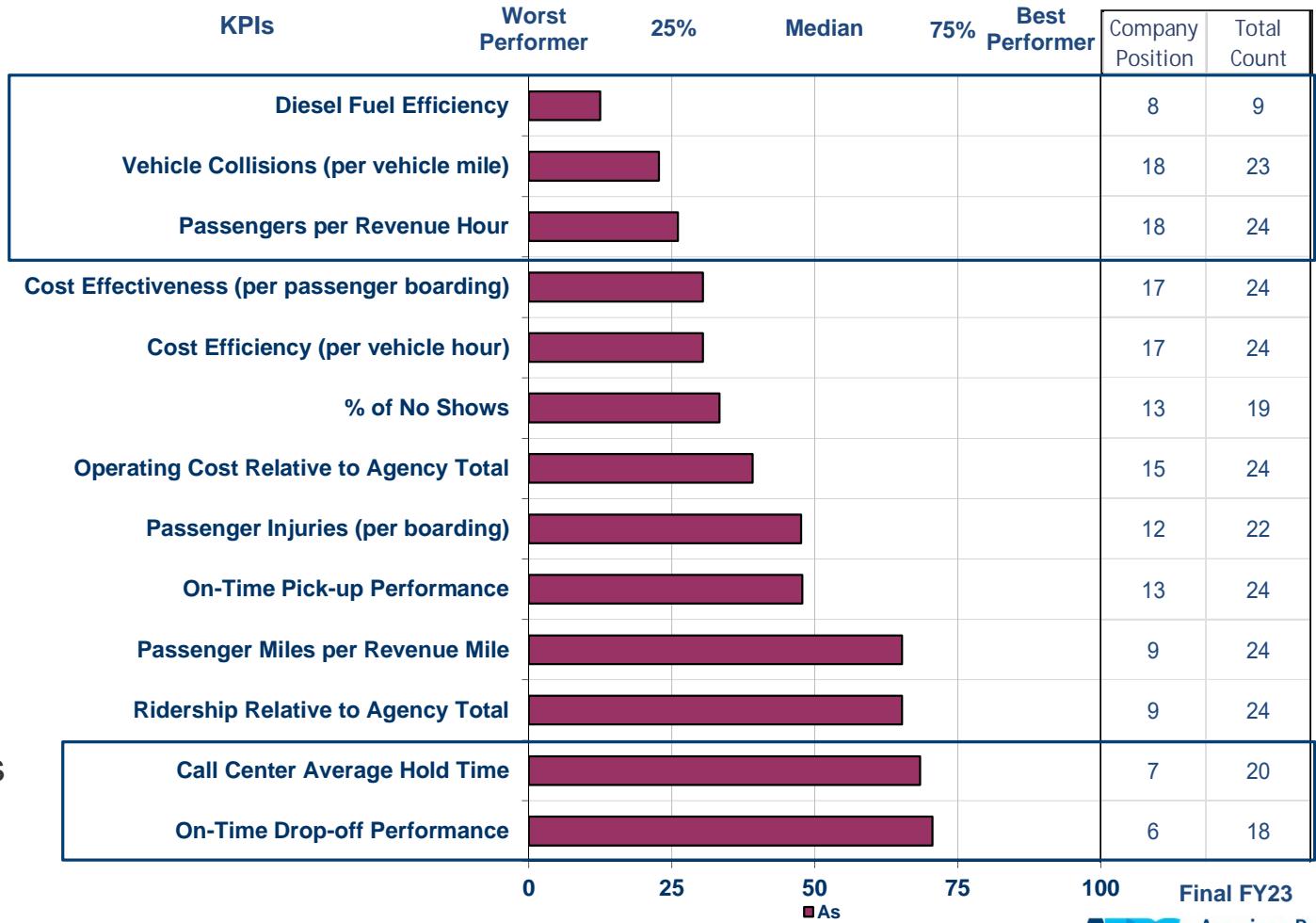
Ridership levels on public microtransit are notable for many members; however, only CapMetro tracks ADA customer ridership

- ▶ Only one member, CapMetro, estimated that 9% of Microtransit (Pickup) trips are taken by registered Access riders
 - 9% is roughly 46,000 trips, twice the number of fixed route boardings by ADA customers



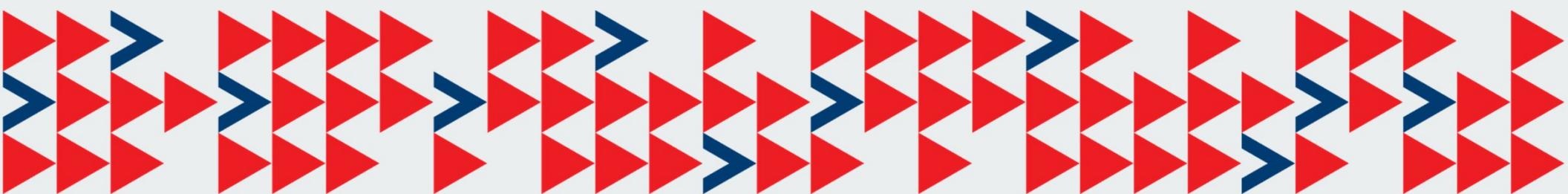
Paratransit Summary Dashboard (FY23 Data)

Areas for improvement

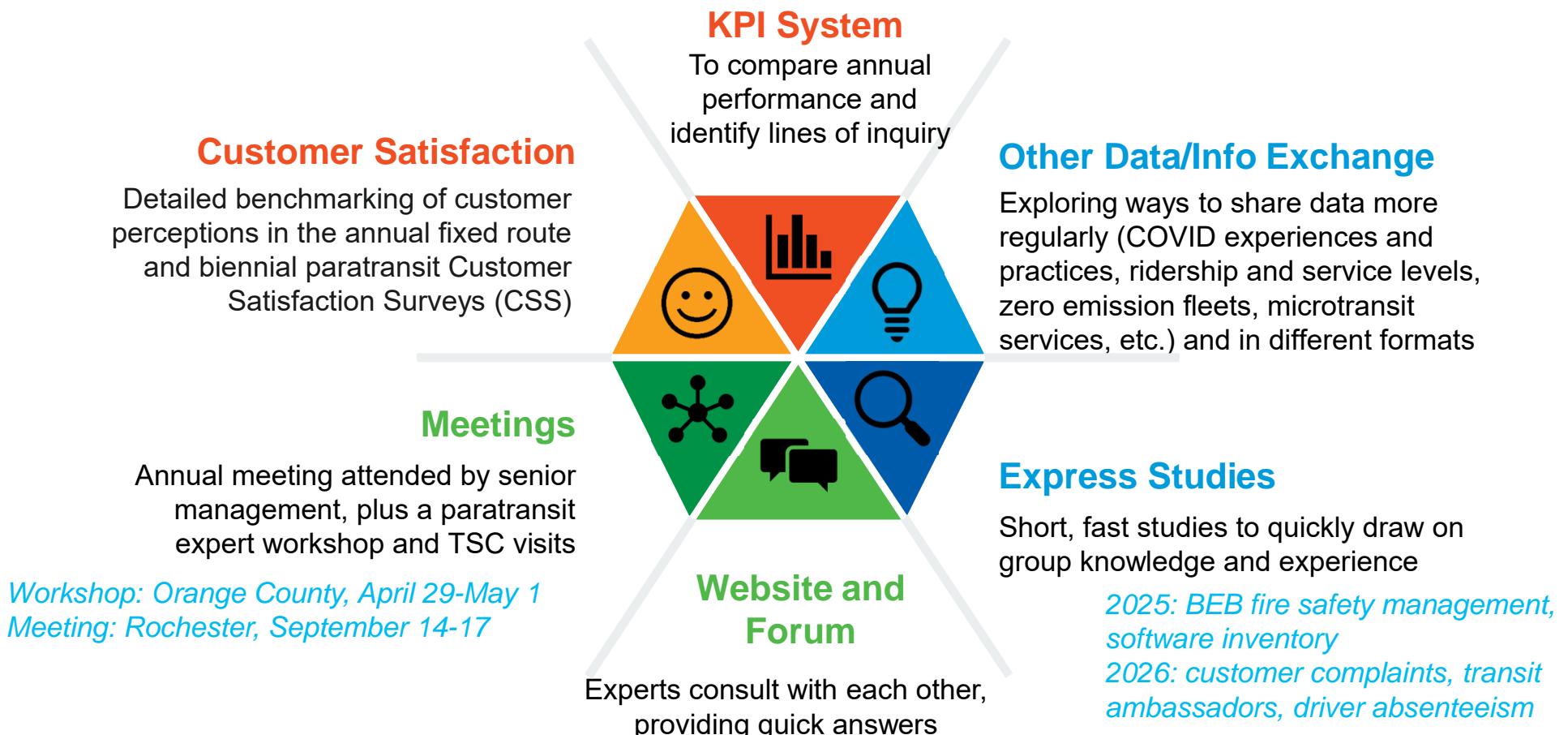


Areas of relative success

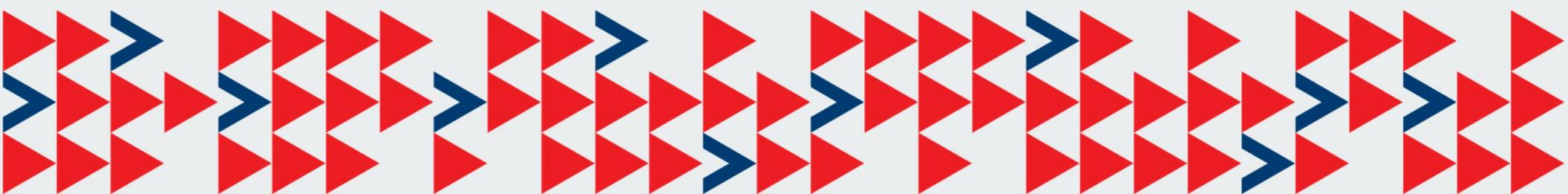
ABBG Work Program



Benchmarking Elements – Annual Cycle with a Combination of KPI Analysis, In-Depth Research, and Information Sharing



Thank you! Questions?





Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Agenda Date: 2/11/2026

Item #: AI-2026-1747

Executive Finance, Audit and Administration Update - February 2026

Update on key performance indicators.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2026-1759

Agenda Date: 2/23/2026

Memo: Q1 Fiscal Year 2026 Performance Update (February 4, 2026)

To: CapMetro Board of Directors
From: Patricia E. Vidaurri, Director of Performance and Strategic Initiatives
Date: February 4, 2026
Subject: Q1 Fiscal Year 2026 Performance Update

The purpose of this memo is to fulfill CapMetro's commitment to providing quarterly agency performance updates to the Board of Directors as a complement to the publicly available dashboards, quarterly financial reports, and administrative and operational updates at monthly board and committee meetings.

This memo outlines the agency's performance through the first quarter of the fiscal year (FY) 2026. Staff will discuss performance at both Finance, Audit and Administration and Operations Committee meetings on February 11, 2026.

In FY2026, this quarterly performance update aligns our key performance indicators (KPIs) with the critical results in CapMetro's Strategic Plan 2030, which took effect October 1, 2025. As a result, the report includes new KPIs related to reliability, security, ridership, reserve funds, and community perception.

Staff will continue to evaluate our reporting to ensure our performance metrics are aligned with our agency's customer, community, workforce, and organizational effectiveness strategic goals. If you have any questions regarding this memo, please feel free to contact me.

FY2026 Q1 Performance Scorecard

The Performance Scorecard reflects CapMetro's performance through Q1 FY2026. The key performance indicators (KPIs) are aligned with the critical results in CapMetro's [Strategic Plan 2030](#).

KPI	FYTD FY2025	FYTD FY2026	FYTD FY2026 Target	FYTD Status	FYTD YoY Change	FY2026 Target
CRITICAL RESULT 1: ENHANCE SERVICE QUALITY THROUGH RELIABILITY AND SECURITY IMPROVEMENTS.						
On-Time Performance						
CapMetro Bus, Rapid, Express	77.2%	75.8%	≥ 80%	Not Met	-2%	≥ 80%
CapMetro Rail	91.1%	92.5%	≥ 92%	Met	+2%	≥ 92%
CapMetro Access	89.6%	91.8%	≥ 90%	Met	+2%	≥ 90%
CapMetro Pickup	83.8%	85.7%	≥ 83%	Met	+2%	≥ 83%
Lost Time						
CapMetro Bus, Rapid, Express	3.6%	2.9%	≤ 2.5%	Not Met	-19%	≤ 2.5%
CapMetro Rail	0.4%	0.6%	≤ 3.0%	Met	+50%	≤ 3.0%
Vehicle Collisions per 100,000 Miles						
CapMetro Bus, Rapid, Express	3.22	3.21	≤ 3.00	Not Met	-0.3%	≤ 3.00
CapMetro Rail	0.00	0.00	≤ 1.04	Met	0%	≤ 1.04
CapMetro Access & Pickup	1.71	1.44	≤ 1.70	Met	-16%	≤ 1.70
Passenger Injuries per 100,000 Passengers						
CapMetro Bus, Rapid, Express	0.25	0.53	≤ 0.35	Not Met	+112%	≤ 0.35
CapMetro Rail	0.00	0.00	≤ 1.00	Met	0%	≤ 1.00
CapMetro Access & Pickup	0.36	1.74	≤ 2.00	Met	+383%	≤ 2.00
Security Call Rates per 100,000 Passengers						
CapMetro Bus, Rapid, Express	1.20	1.49	≤ 1.32	Not Met	+24%	≤ 1.32
CapMetro Rail	0.71	4.60	≤ 1.02	Not Met	+548%	≤ 1.02
CapMetro Access & Pickup	1.70	4.63	≤ 1.61	Not Met	+172%	≤ 1.61
Customer Satisfaction*						
Overall Satisfaction	71%	This metric is assessed annually.			≥ 75%	
Reliability Satisfaction	52%	This metric is assessed annually.			≥ 70%	
Security Satisfaction	52%	This metric is assessed annually.			≥ 65%	
CRITICAL RESULT 2: INCREASE RIDERSHIP IN THE REGION.						
Ridership per Capita	19.0	This metric is assessed annually.			≥ 19.7	
Total Ridership	6,911,845	6,436,979	≥ 6,841,714	Not Met	- 7%	≥ 27,823,384
CapMetro Bus, Rapid, Express	6,482,334	5,982,009	≥ 6,379,164	Not Met	- 8%	≥ 25,848,991
CapMetro Rail	139,877	152,323	≥ 152,659	Not Met	+9%	≥ 605,182
CapMetro Access	152,367	160,597	≥ 158,336	Met	+5%	≥ 666,667
CapMetro Pickup	137,267	142,050	≥ 151,555	Not Met	+3%	≥ 702,544

KPI	FYTD FY2025	FYTD FY2026	FYTD FY2026 Target	FYTD Status	FYTD YoY Change	FY2026 Target
CRITICAL RESULT 3: ENSURE FISCAL RESPONSIBILITY GUIDES ALL THE ORGANIZATION'S ACTIVITIES.						
Operating Expenditures as % of Budget	22.9%	24.3%	25.5% (+/- 5%)	Met	+6%	90%-100%
Capital Expenditures as % of Budget	14.4%	14.7%	25.1% (+/- 5%)	Not Met	+2%	90%-100%
Reserved Funds as % of Requirement	100%	100%	≥ 100%	Met	0%	≥ 100%
Cost per Passenger Trip						
CapMetro Bus, Rapid, Express	\$10.82	\$13.01	≤ \$11.07	Not Met	+20%	≤ \$11.07
CapMetro Rail	\$60.17	\$52.69	≤ \$61.74	Met	-12%	≤ \$61.74
CapMetro Access	\$121.78	\$103.06	≤ \$130.75	Met	-15%	≤ \$130.75
CapMetro Pickup	\$27.10	\$22.15	≤ \$23.20	Met	-18%	≤ \$23.20
CRITICAL RESULT 4: WORK TO MAKE CAPMETRO A SIGNIFICANT AND INTEGRAL COMPONENT OF TRANSPORTATION IN THE REGION.						
Net Promoter Score	9	This metric is assessed annually.				≥ 30
Community Perception and Awareness*	Not available	This metric is assessed annually.				≥ 69%
*Favorable survey response rates						

STRATEGIC PLAN 2030 PERFORMANCE SCORECARD

Critical Result 1: Enhance service quality through reliability and security improvements.

On-Time Performance

The definition of on-time performance (OTP) varies by mode. For CapMetro Bus, Rapid, Express, and Rail service, OTP is the percentage of actual departure times that are no more than thirty seconds early and less than five minutes and thirty seconds late from the scheduled departure times. For CapMetro Access service, OTP is the percentage of vehicles arriving before or within the thirty-minute pickup window negotiated with the rider at the time of booking. For CapMetro Pickup service, OTP is the percentage of vehicles arriving before or within five minutes of the original estimated arrival time provided to the customer by the Pickup software application. A higher percentage indicates better performance.

- The OTP for CapMetro Bus, Rapid, and Express was 75.8% as of Q1 FY2026. This was 2% lower than Q1 FY2025 (77.2%) and did not meet the FY2026 target ($\geq 80\%$).
- The OTP for CapMetro Rail was 92.5% as of Q1 FY2026. This was 2% higher than Q1 FY2025 (91.1%) and met the FY2026 target ($\geq 92\%$).
- The OTP for CapMetro Access was 91.8% as of Q1 FY2026. This was 2% higher than Q1 FY2025 (89.6%) and met the FY2026 target ($\geq 90\%$).
- The OTP for CapMetro Pickup was 85.7% as of Q1 FY2026. This was 2% higher than Q1 FY2025 (83.7%) and met the FY2026 target ($\geq 83\%$).

CapMetro Bus, Rapid, and Express On-Time Performance



CapMetro Rail On-Time Performance



CapMetro Access On-Time Performance



CapMetro Pickup On-Time Performance

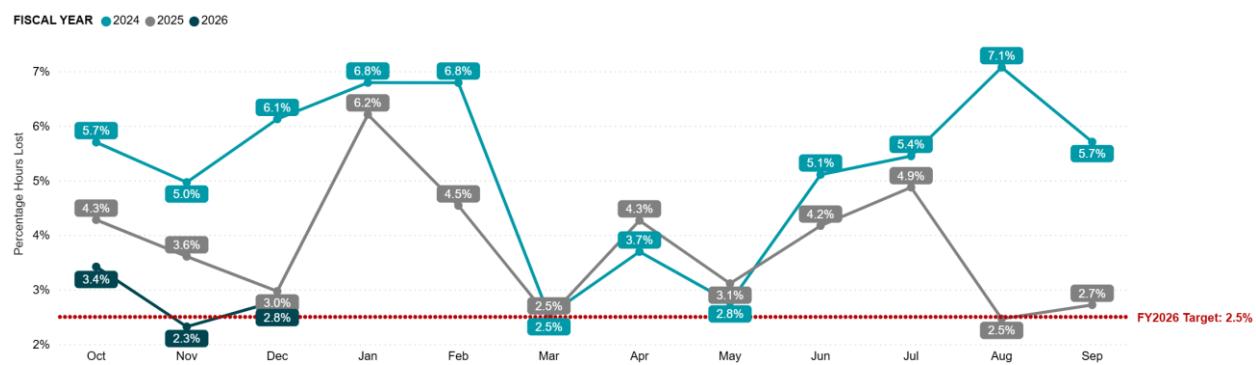


Lost Time

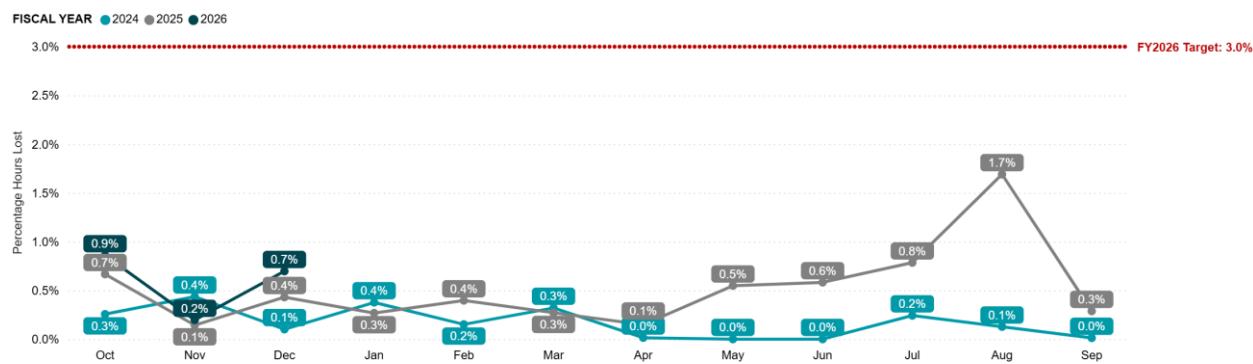
Lost time is defined as the percentage of revenue service hours that are scheduled but not operated for all service modes including CapMetro Bus, Rapid, Express and Rail. The Lost Time metric is calculated by subtracting actual revenue hours from scheduled revenue hours, then dividing the result by scheduled revenue hours to determine the proportion of scheduled service that was not operated. A lower percentage indicates better performance.

- Lost time for CapMetro Bus, Rapid, and Express was 2.9% as of Q1 FY2026. This was 19% lower than Q1 FY2025 (3.6%) and did not meet the FY2026 target ($\leq 2.5\%$).
- Lost time for CapMetro Rail was 0.6% as of Q1 FY2026. This was 50% higher than Q1 FY2025 (0.4%) but still met the FY2026 target ($\leq 3.0\%$).

CapMetro Bus, Rapid, and Express Lost Time



CapMetro Rail Lost Time

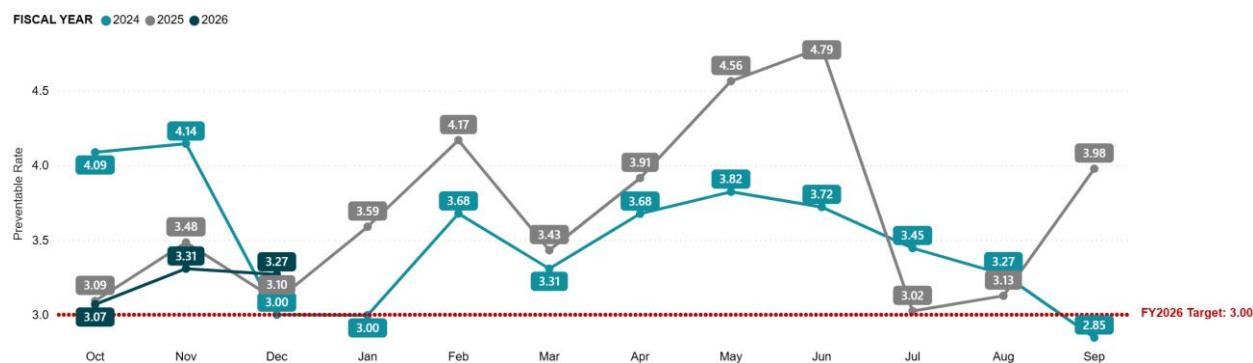


Safety – Vehicle Collisions per 100,000 Miles

The definition of vehicle collisions varies by mode. CapMetro Bus, Rapid, and Express, and CapMetro Access and Pickup report preventable collisions, defined by the National Safety Council (NSC) as a collision in which the driver failed to do everything reasonable to avoid it. It measures how often preventable collisions occur relative to miles driven. CapMetro Rail reports all collisions. For all services, collision rates are calculated by dividing the total number of applicable collisions by the total miles and then scaling the result to 100,000 miles for standard comparison. A lower rate indicates better performance.

- For CapMetro Bus, Rapid, and Express, the preventable vehicle collision rate was 3.21 as of Q1 FY2026. This was 0.3% lower than Q1 FY2025 (3.22) and did not meet the FY2026 target (≤ 3.00).
- For CapMetro Rail, the vehicle collision rate remained at 0.00 as of Q1 FY2026. This was consistent with Q1 FY2025 (0.00) and met the FY2026 target (≤ 1.04).
- For CapMetro Access and Pickup, the preventable vehicle collision rate was 1.44 as of Q1 FY2026. This was 16% lower than Q1 FY2025 (1.71) and met the FY2026 target (≤ 1.70).

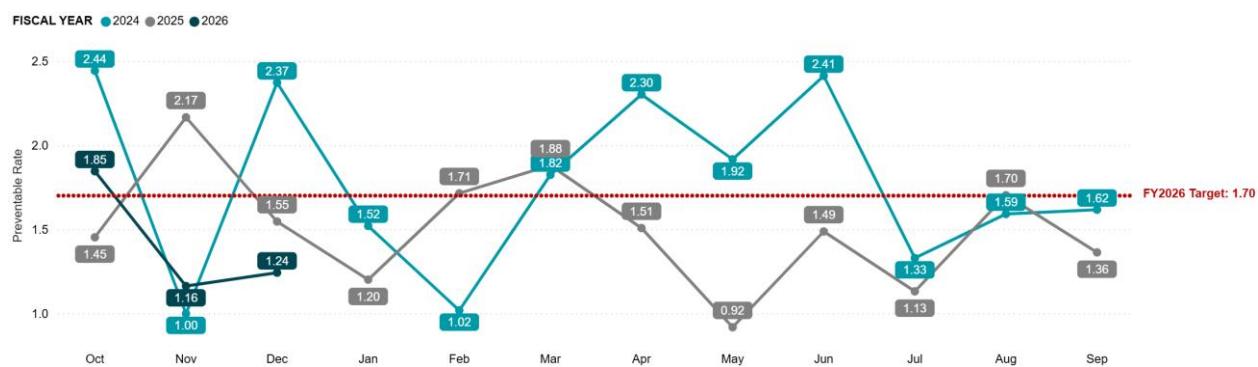
CapMetro Bus, Rapid, and Express Preventable Vehicle Collisions per 100,000 Miles



CapMetro Rail Vehicle Collisions per 100,000 Miles



CapMetro Access and Pickup Preventable Vehicle Collisions per 100,000 Miles



Safety – Passenger Injuries per 100,000 Passengers

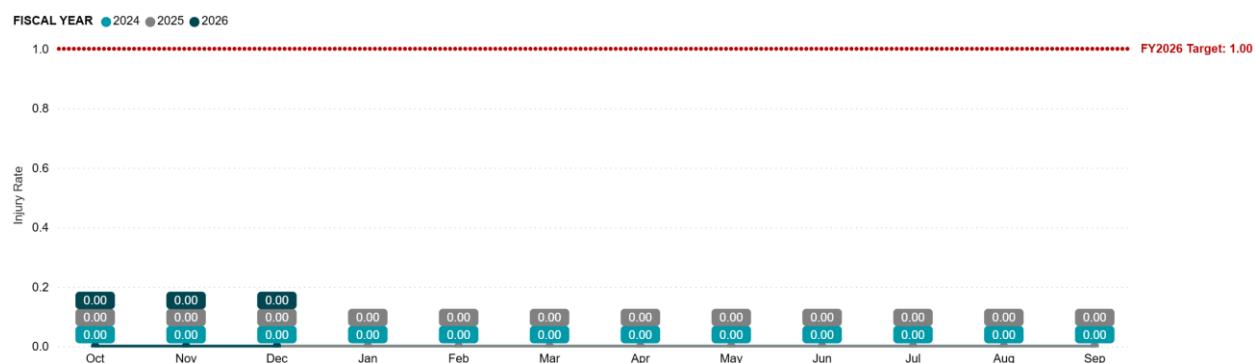
The National Transit Database (NTD) defines injury as any harm to persons as a result of an event that requires immediate medical attention away from the scene. It does not include harm resulting from a drug overdose, exposure to the elements, illness, natural causes, or occupational safety events occurring in administrative buildings. It measures the rate of passenger injuries relative to total ridership. It is calculated by dividing the total number of passenger injuries by the total ridership and then scaling the result to 100,000 for standard comparison. A lower rate indicates better performance.

- For CapMetro Bus, Rapid, and Express, the passenger injury rate was 0.53 as of Q1 FY2026. This was 112% higher than Q1 FY2025 (0.25) and did not meet the FY2026 target (≤ 0.35).
- For CapMetro Rail, the passenger injury rate remained at 0.00 as of Q1 FY2026. This was consistent with Q1 FY2025 (0.00) and met the FY2026 target (≤ 1.00).
- For CapMetro Access and Pickup, the passenger injury rate was 1.74 as of Q1 FY2026. This was 383% higher than Q1 FY2025 (0.36) and met the FY2026 target (≤ 2.00).

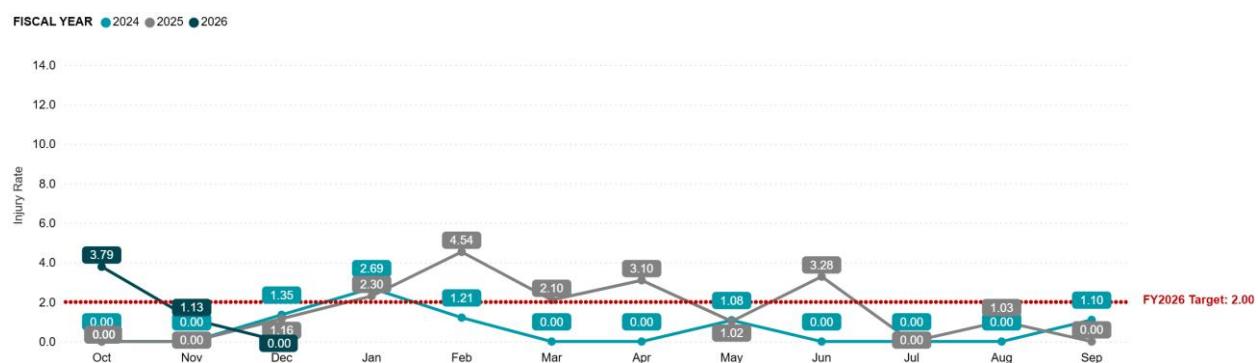
CapMetro Bus, Rapid, and Express Passenger Injuries per 100,000 Passengers



CapMetro Rail Passenger Injuries per 100,000 Passengers



CapMetro Access and Pickup Passenger Injuries per 100,000 Passengers



Security Call Rates per 100,000 Passengers

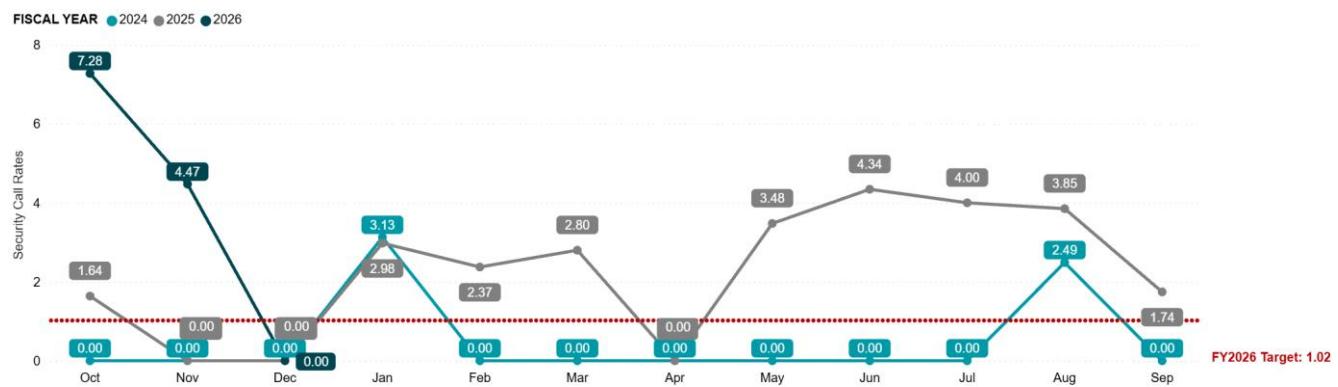
Security call rates represent the number of security-related calls initiated by CapMetro team members. These calls include verbal assault incidents and physical assault incidents reports. The rate is calculated by dividing the total number of security related calls by the total ridership and then scaling the result to 100,000 (passengers) for standard comparison. A lower rate indicates better performance.

- The security call rate for CapMetro Bus, Rapid, and Express was 1.49 as of Q1 FY2026. This was 24% higher than Q1 FY2025 (1.20) and did not meet the FY2026 target (≤ 1.32).
- The security call rate for CapMetro Rail was 4.60 as of Q1 FY2026. This was 548% higher than Q1 FY2025 (0.71) and did not meet the FY2026 target (≤ 1.02).
- The security call rate for CapMetro Access and Pickup was 4.63 as of Q1 FY2026. This was 172% higher than Q1 FY2025 (1.70) and did not meet the FY2026 target (≤ 1.61).

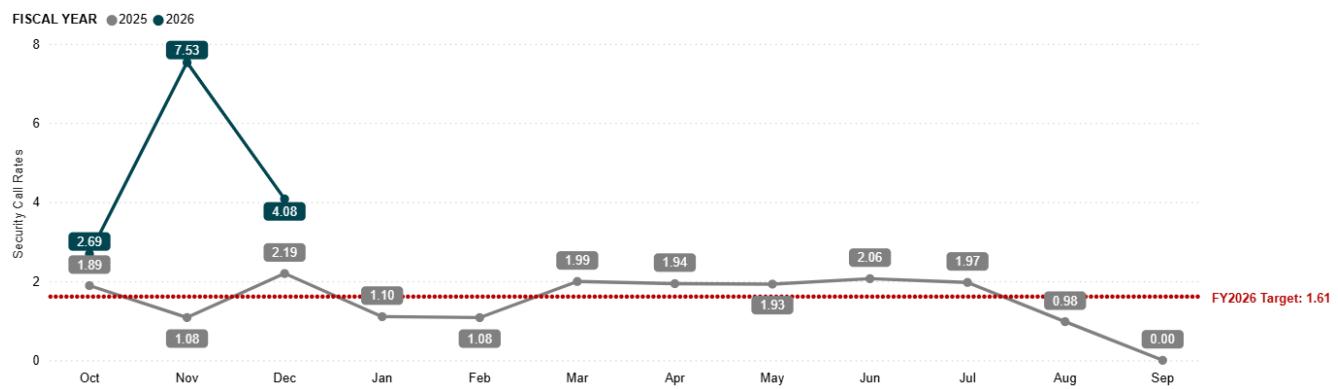
CapMetro Bus, Rapid, and Express Security Call Rate per 100,000 Passengers



CapMetro Rail Security Call Rate per 100,000 Passengers



CapMetro Access and Pickup Security Call Rate per 100,000 Passengers



Note: FY2024 data unavailable due to vendor record retention limitation.

Customer Satisfaction (Annual)

Overall Satisfaction

Overall customer satisfaction measures the percentage of riders who reported they were satisfied with their overall experience, from door-to-door and including all interactions with CapMetro. This measure is collected annually in the Customer Experience Survey. A higher rate indicates greater satisfaction.

Overall customer satisfaction in FY2025 improved year-over-year compared to FY2024. In FY2025, the overall customer satisfaction was 71%, which was 3% higher than FY2024 (69%) but did not meet the FY2025 target (85%). A new target of 75% has been set for FY2026.

Reliability Satisfaction

Reliability satisfaction measures the customer experience of reliability on CapMetro bus and train services. This measure is collected annually through the Customer Experience Survey and is calculated by averaging satisfaction rates related to on-time performance, frequency, timely connections, the accuracy of service information in apps and on digital signage at stops, as well as updates about service delays. A higher rate indicates greater satisfaction.

Reliability satisfaction in FY2025 decreased year-over-year compared to FY2024. In FY2025, the reliability satisfaction was 52%, which was 13% lower than FY2024 (60%). A target for this metric was established in FY 2026 and set at $\geq 70\%$. The annual survey will be conducted later this fiscal year.

Security Satisfaction

Security satisfaction measures customer experience of security while using CapMetro services. This measure is collected annually through the Customer Experience Survey and is calculated by averaging satisfaction rates related to safety from harassment onboard a bus or train, personal safety at transit stops and stations, and enforcement of CapMetro rules and fares. A higher rate indicates greater satisfaction.

Security satisfaction in FY2025 decreased year-over-year compared to FY2024. In FY2025, the security satisfaction was 52%, which was 12% lower than FY2024 (59%). A target for this metric was established in FY2026 and set at $\geq 65\%$. The annual survey will be conducted later this fiscal year.

STRATEGIC PLAN 2030 PERFORMANCE SCORECARD

Critical Result 2: Increase ridership in the region.

Ridership per Capita (Annual)

Ridership per capita measures the number of annual trips on public transit per person within CapMetro service area, providing insight into how frequently the community uses public transportation relative to its population. It is calculated by dividing total annual ridership by the service area's population over a one year period. A higher value indicates stronger transit utilization.

Ridership per capita in FY2025 improved year-over-year compared to FY2024. In FY2025, the ridership per capita was 19.0, which was 7% higher than FY2024 (17.8). This metric is newly introduced in the FY2026 KPI report and will be measured annually. The FY2026 target is ≥ 19.7 and performance will be calculated at the end of the fiscal year.

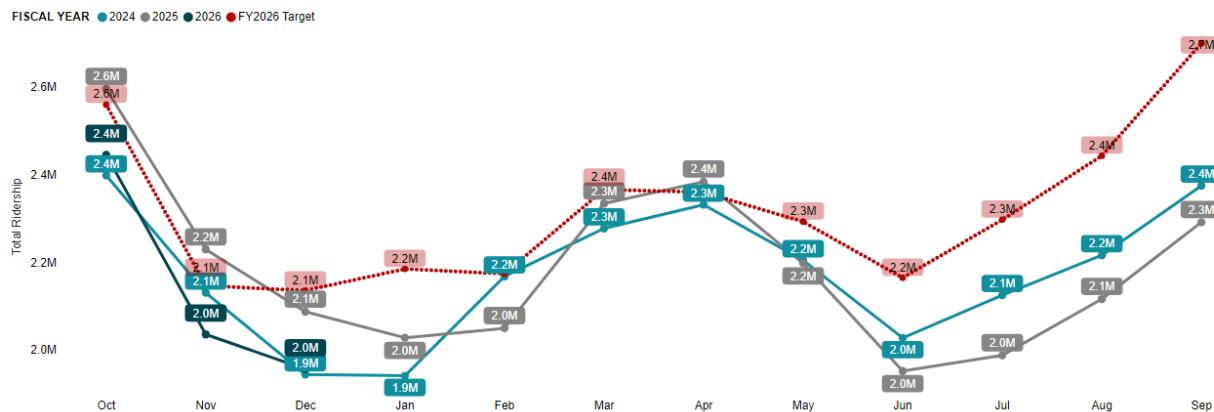
Ridership

Ridership is the number of passengers utilizing transit service, measured on entrance to and exit from the vehicle. Using automatic passenger counters (APCs), passengers are counted each time they board no matter how many vehicles they use to travel from their origin to their destination.

- System-wide ridership was 6.4M as of Q1 FY2026. This was 7% lower than the same period in Q1 FY2025 (6.9M) and did not meet the FYTD FY2026 target ($\geq 6.8M$).
- CapMetro Bus, Rapid, and Express ridership was 6.0M as of Q1 FY2026. This was 8% lower than Q1 FY2025 (6.5M) and did not meet the FYTD FY2026 target ($\geq 6.4M$).
- CapMetro Rail ridership was 152.3K as of Q1 FY2026. This was 9% higher than Q1 FY2025 (139.9K) but did not meet the FYTD FY2026 target ($\geq 152.7K$).

- CapMetro Access ridership was 160.6K as of Q1 FY2026. This was 5% higher than Q1 FY2025 (152.4K) and met the FYTD FY2026 target ($\geq 158.3K$).
- CapMetro Pickup ridership was 142.1K as of Q1 FY2026. This was 3% higher than Q1 FY2025 (137.3K) but did not meet the FYTD FY2026 target ($\geq 151.6K$).

System-Wide Ridership



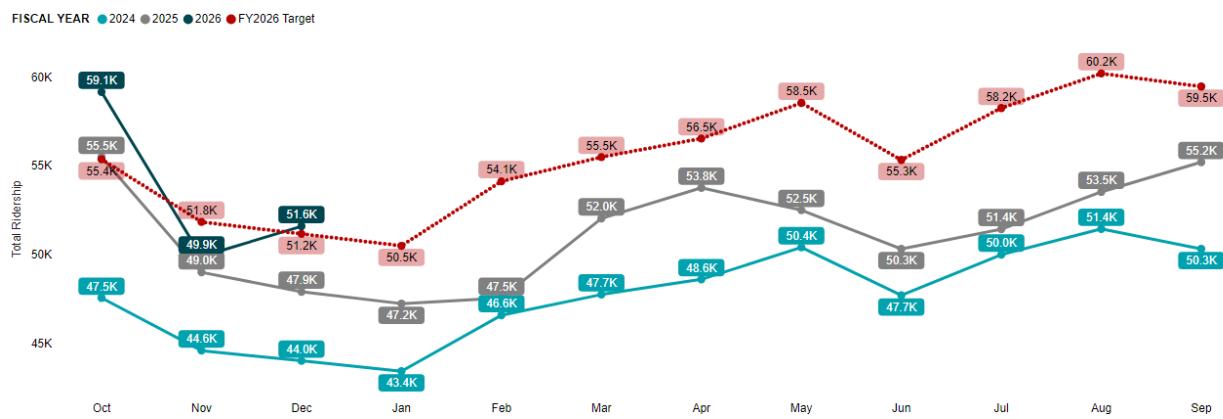
CapMetro Bus, Rapid, and Express Ridership



CapMetro Rail Ridership



CapMetro Access Ridership



CapMetro Pickup Ridership



STRATEGIC PLAN 2030 PERFORMANCE SCORECARD

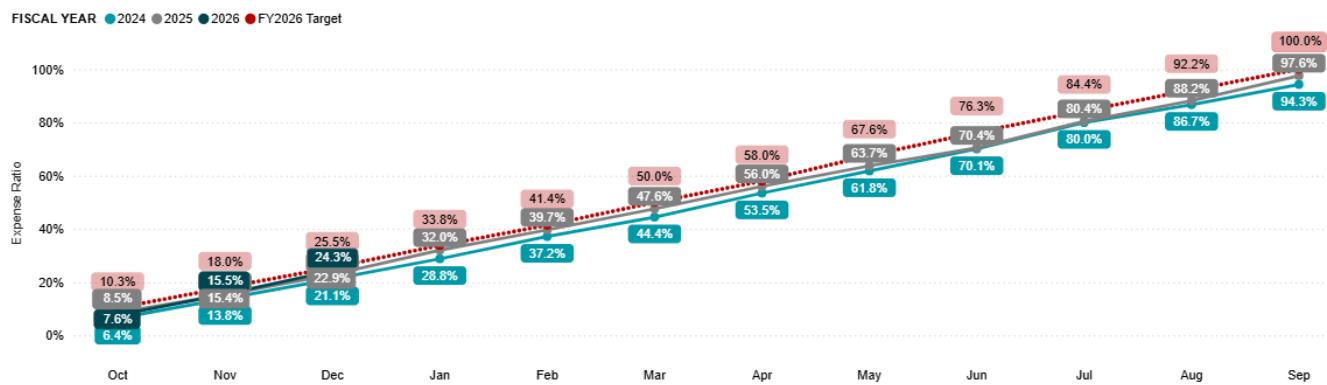
Critical Result 3: Ensure fiscal responsibility guides all the organization's activities.

Expenditures as Percent of Budget

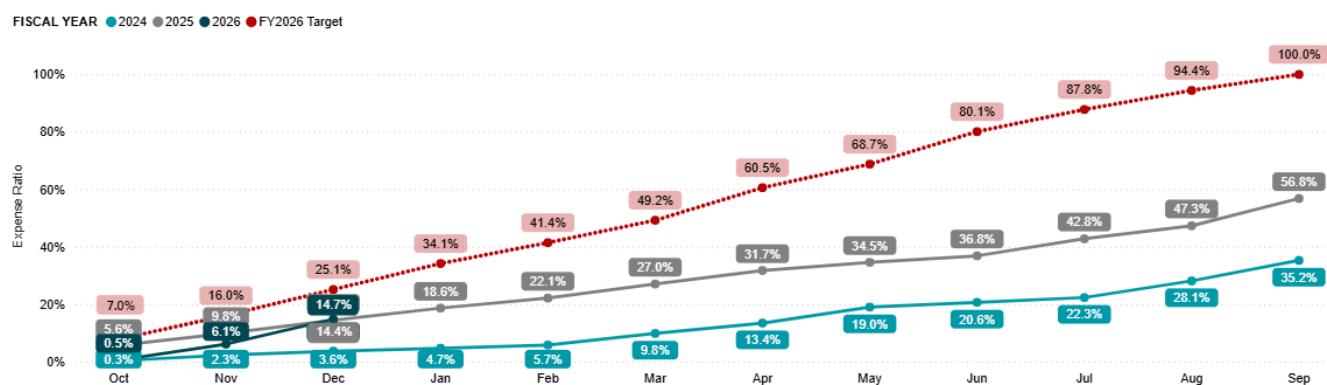
Operating Expenditures as Percent of Budget measures the percentage of budgeted operating funds that have been incurred fiscal year to date. Capital Expenditures as Percent of Budget measures the percentage of budgeted capital funds that have been incurred fiscal year to date. Both metrics are calculated by dividing the actual expense by budgeted expense to derive the percentage of actual expense to budgeted expense. A ratio closer to the target indicates better performance, as it reflects alignment with the planned budget and effective financial management.

- As of Q1 FY2026, the operating expenditure ratio was 24.3%. This was 6% higher than Q1 FY2025 (22.9%) and met the Q1 FY2026 target (25.5%, +/-5%).
- As of Q1 FY2026, the capital expenditure ratio was 14.7%. This was 2% higher than Q1 FY2025 (14.4%) and did not meet the Q1 FY2026 target (25.1%, +/-5%).

Operating Expenditures as Percent of Budget



Capital Expenditures as Percent of Budget



Reserve Funds as Percent of Requirement

The Reserve Funds as Percent of Requirement metric includes the Statutory Operating Reserve, the Budget Stabilization Reserve and the Self-Insurance Reserve. These are set annually according to statutes and board-approved policies, based on the prior fiscal year's actual audited expenses.

CapMetro's reserve funds were fully-funded at 100% in Q1 FY2026, consistent with the same period in Q1 FY2025. This met the FY2026 target (100%). CapMetro's reserve fund requirement was also 100% satisfied in FY2024 and FY2025.

Cost per Passenger Trip

The Cost Per Passenger Trip metric is an overall service effectiveness measure of ridership, focusing on how well the agency uses resources to deliver services. It is calculated by dividing operating expenses by ridership for each mode of service. A lower value indicates better service effectiveness.

- For CapMetro Bus, Rapid, and Express, the cost per passenger trip was \$13.01 as of Q1 FY2026. This was 20% higher than Q1 FY2025 (\$10.82) and did not meet the FY2026 target (\$11.07).
- For CapMetro Rail, the cost per passenger trip was \$52.69 as of Q1 FY2026. This was 12% lower than Q1 FY2025 (\$60.17) and met the FY2026 target (\$61.74).
- For CapMetro Access, the cost per passenger trip was \$103.06 as of Q1 FY2026. This was 15% lower than Q1 FY2025 (\$121.78) and met the FY2026 target (\$130.75).
- For CapMetro Pickup, the cost per passenger trip was \$22.15 as of Q1 FY2026. This was 18% lower than Q1 FY2025 (\$27.10) and met the FY2026 target (\$23.20).

CapMetro Bus, Rapid, and Express Cost per Passenger Trip



CapMetro Rail Cost per Passenger Trip



CapMetro Access Cost per Passenger Trip



CapMetro Pickup Cost per Passenger Trip



Critical Result 4: Work to make CapMetro a significant and integral component of transportation in the region.

Net Promoter Score (Annual)

Net Promoter Score (NPS) is a measure of customer loyalty and asks whether respondents would recommend CapMetro to a friend or family member. It is calculated by subtracting the percentage of detractors from the percentage of promoters. This measure is collected annually through the Customer Experience Survey. Net promoter scores can range from -100 to 100. Scores above zero indicate there are more promoters than detractors, while scores below zero indicate more detractors than promoters. A higher value indicates better performance.

In FY2025, CapMetro's NPS was 9, which was 44% lower than FY2024 (16). A target for this metric was introduced in the FY2026 Performance Scorecard report and set at 30. The annual survey will be conducted later this fiscal year.

Community Perception and Awareness (Annual)

The Community Perception and Awareness metric is derived from an average five questions in the annual Community Perception Survey. These questions target support for public transit system improvements, value for taxpayer funds, transportation choice satisfaction, positive impressions of CapMetro and awareness of CapMetro as the local transportation provider. A higher value indicates better performance.

In FY2024, the Community Perception and Awareness was 64%. While the Community Perception Survey was not conducted in FY2025, it will be conducted annually in support of Strategic Plan 2030. A target for this metric was introduced in the FY2026 KPI report and set at 69%. The annual survey will be conducted later this fiscal year.