



SORTA/Metro
Finance Committee
May 19, 2026
8:30 am-9:00 am Eastern Time

FINANCE COMMITTEE

TUESDAY, MAY 19th 2026 – 8:30 A.M.

SORTA/METRO AT HUNTINGTON CENTER

6th FLOOR SORTA BOARD ROOM

525 VINE STREET

CINCINNATI, OHIO 45202

General Items:

Call to order

Pledge of Allegiance

- 1 Approval of Finance Committee Minutes: April 21st, 2026

Briefing Items:

- 2 Financial Results as of April 30th 2026 (Tim Walker)
- 3 2025 Fiscal Year Results (Crowe)

Action Items:

- 4 Approval of Investment of Funds Report as of April 30th 2026 (Tim Walker)

Other Items:

New Business

Adjournment

The next regular meeting of the Finance Committee has been scheduled for

Tuesday, June 16th, 2026, at 8:30 a.m.

FINANCE COMMITTEE
TUESDAY, APRIL 21ST, 2026 – 8:30 A.M.
SORTA/METRO AT HUNTINGTON CENTER
6th FLOOR SORTA BOARD ROOM
525 VINE STREET
CINCINNATI, OHIO 45202

COMMITTEE MEMEBERS APPOINTED: *Chelsea Clark (Chair), Jay Bedi, Trent Emeneker, Neil Kelly, Sonja Taylor, Kala Gibson, and Greg Simpson*

COMMITTEE/BOARD MEMBERS PRESENT: Chelsea Clark, Dan Driehaus, Trent Emeneker, Pete Metz, Briana Moss and Sara Sheets

COMMITTEE MEMBERS ABSENT: Tianay Amat, Jay Bedi, Tony Brice, Blake Ethridge, Kala Gibson, Neil Kelly, Greg Simpson, Rickell Smith, Sonja Taylor and KZ Smith

STAFF MEMBERS PRESENT: Andy Aiello, Steve Anderson, Norman Bouwie, Adriene Hairston, Brandy Jones, Natalie Krusling, Sharyn Lacombe, Jeff Mundstock, Ken Nienaber, John Ravasio, Jason Roe, Tony Russo, Khaled Shammout, Bill Spraul, Tim Walker and Mike Woulms

OTHERS PRESENT: Kourtney Nett (Clark Schaefer) and Kim Schaefer (Vory's)

1. **Call to Order**

Ms. Clark called the meeting to order.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

3. **Approval of Minutes of February 17th, 2026**

Mr. Metz moved, and Ms. Clark seconded that the minutes from February 17th, 2026, be approved.

By voice vote the committee approved the minutes.

4. **Financial Report as of March 31st, 2026**

Mr. Walker presented the March financial results. Total revenues were \$15.3 million, which was unfavorable to budget by \$328K. Total expenses were \$14.2 million, which is favorable to budget by \$185k. Operating Capital Contribution was \$1.2 million, which was unfavorable to budget by \$143k. Ridership was 1,172k, which was unfavorable to budget by 34k. Mr. Walker then reviewed the contributing factors to these variances.

The Committee accepted the report as presented.

5. **Payroll ITGC and Payroll Audit Presentation**

Kourtney Nett from Clark Schaefer presented the Payroll ITGC and Payroll Audit Presentation. She reviewed the Scope and Objectives, Overall Audit Result and Summary of Observations.

The Committee accepted the report as presented.

6. **Internal Audit Update Presentation**

Mr. Bouwie presented the internal audit update. He reviewed the audit observations, current audits and upcoming audits.

The Committee accepted the report as presented.

7. **Approval of Investment of Funds Reports as of February 28th 2026 and March 31st 2026**

Mr. Walker presented the February report noting the yields of SORTA 4.16% for February compared to the prior month of 4.15% for the month of January.

Mr. Walker presented the report noting yields for the Infrastructure Transit Fund of 3.99% for February compared to the prior month of 4.01% for the month of January.

Mr. Walker presented the March report noting the yields of SORTA 4.12% for March compared to the prior month of 4.16% for the month of February.

Mr. Walker presented the report noting yields for the Infrastructure Transit Fund of 3.87% for March compared to the prior month of 3.99% for the month of February.

Ms. Clark moved, and Mr. Metz seconded the Investment of Funds as of February 28th, 2026 as well as the Investment of Funds as of March 31st, 2026.

By voice vote the committee approved the report.

The Committee approved the report as presented.

8. **New Business**

N/A

9. **Adjournment**

The meeting adjourned at 8:59 A.M.



Financial Summary

April 2026



metro
your way to go

Agenda – Financial Summary

- Statement of Operations for April '26
 - Key Drivers
 - Detail Profit & Loss Statement
 - County Sales Tax Trend
- Cashflow and Obligation Report
- Investment Balance Update

Profit & Loss – Summary / Key Drivers

Summary

- Total Revenue \$15.2M - favorable to Budget \$639k or 4.4%
- Total Expense \$14.6M - unfavorable to Budget (\$349k) or (2.5%)
- Operating Capital Contribution \$0.6M - favorable to Budget \$289k
- Note: Ridership total is 1,283k – favorable to Budget 359 or 0.0%

Revenue

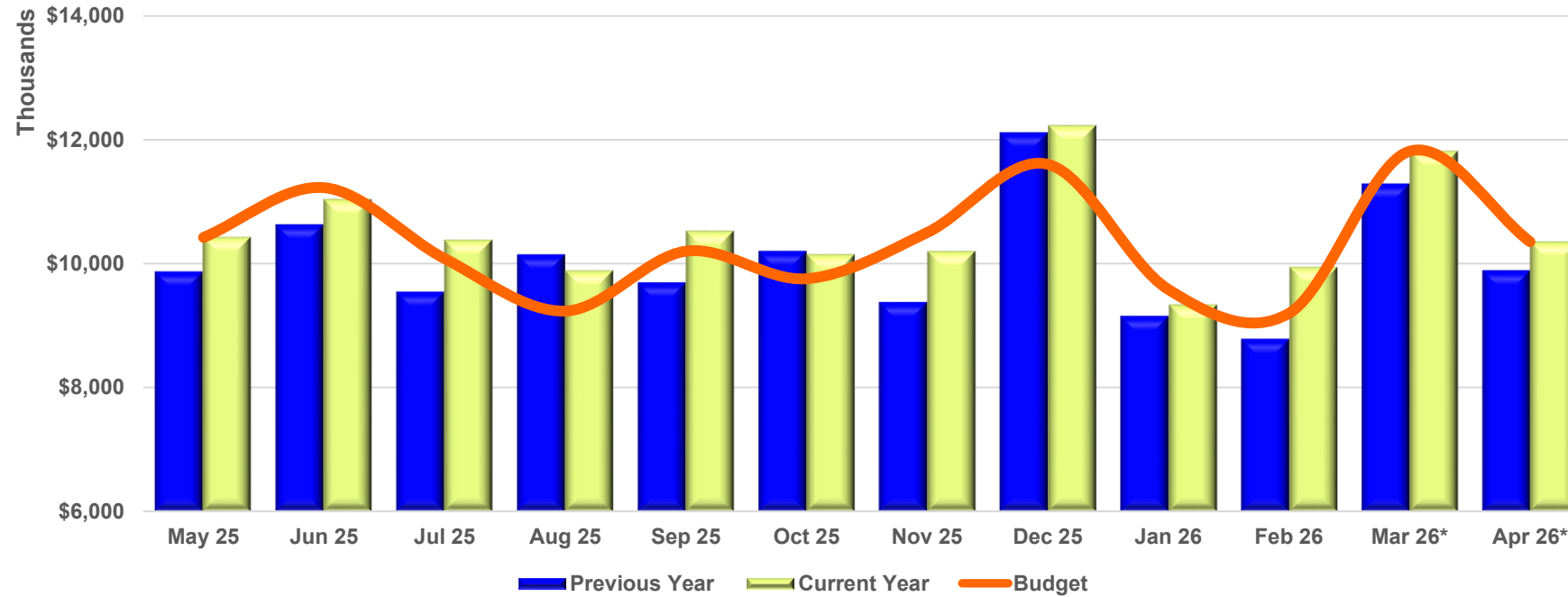
- Total Operating Revenue \$2.0M - unfavorable to Budget (\$100k) or (4.7%)
- Non-Transportation \$0.5M – unfavorable to Budget (\$23k) or (4.0%)
- County Sales Tax \$11.1M – favorable to budget \$761k due to receipt of February actuals
- Federal Grants \$1.5M - on Budget

Expense

- Wages & Benefits \$10.9M - unfavorable to budget (\$497k) or (4.8%)
- Fuel and Lubricants \$782k - unfavorable to budget (\$152k) or (24.2%)
- Parts & Supplies \$1,051k – unfavorable to Budget (\$68k) or (7.0%)
- All Other \$1.8M – favorable to Budget \$370k

4 Mos Ending Apr 30, 2026 (\$ In Thousands)	Month				Year to Date				
	Actual	Budget	Fav(Unfav)		Actual	Budget	Fav(Unfav)		Prior Year
Ridership									
Regular	1,037,318	1,028,931	8,387	0.8%	3,714,516	3,774,976	(60,460)	(1.6%)	3,627,664
CPS	214,552	220,000	(5,448)	(2.5%)	680,878	710,000	(29,122)	(4.1%)	696,847
Subtotal Fixed Route	1,251,870	1,248,931	2,939	0.2%	4,395,394	4,484,976	(89,582)	(2.0%)	4,324,511
Access	15,959	16,010	(51)	(0.3%)	59,685	59,226	459	0.8%	57,106
MetroNow!	14,771	17,300	(2,529)	(14.6%)	57,343	63,800	(6,457)	(10.1%)	41,285
Total Ridership	1,282,600	1,282,241	359	0.0%	4,512,422	4,608,002	(95,580)	(2.1%)	4,422,902
Operating Revenue									
Metro Fares	\$ 1,136	\$ 1,211	\$ (75)	(6.2%)	\$ 4,267	\$ 4,637	\$ (371)	(8.0%)	\$ 4,175
Access Fares	66	61	5	8.3%	250	227	23	10.0%	206
MetroNow! Fares	37	35	2	5.5%	148	140	8	5.8%	83
CPS Fares	560	615	(55)	(9.0%)	1,782	1,979	(197)	(10.0%)	1,803
Other Contract Revenue	221	196	24	12.3%	842	765	78	10.2%	762
Total Operating Revenue	2,019	2,119	(100)	(4.7%)	7,288	7,748	(460)	(5.9%)	7,029
Non-Operating Revenue									
County Sales Tax	11,115	10,354	761	7.3%	41,455	40,949	506	1.2%	38,727
Federal Subsidies	1,476	1,476	-	-	5,904	5,904	-	-	6,052
Non Transportation	543	566	(23)	(4.0%)	2,083	2,241	(158)	(7.1%)	2,638
Total Non-Operating Revenue	13,134	12,396	738	6.0%	49,442	49,094	348	0.7%	47,417
Total Revenue	15,153	14,515	639	4.4%	56,730	56,842	(112)	(0.2%)	54,446
Expenses									
Employee Wages & Benefits	10,909	10,412	(497)	(4.8%)	42,382	41,597	(785)	(1.9%)	39,505
Fuel & Lubricants	782	629	(152)	(24.2%)	2,494	2,567	73	2.8%	2,517
Parts & Supplies	1,051	982	(68)	(7.0%)	3,932	3,975	43	1.1%	3,780
Everybody Rides Metro Fund	37	35	(2)	(5.0%)	109	140	31	22.5%	75
Other	1,808	2,179	370	17.0%	7,593	8,645	1,052	12.2%	7,844
Total Expenses	14,586	14,237	(349)	(2.5%)	56,509	56,924	415	0.7%	53,721
Operating Capital Contribution	\$ 567	\$ 277	\$ 289		\$ 221	\$ (82)	\$ 303		\$ 725

County Sales Tax – Year to Date



(\$000's)	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26 *	Apr 26 *
Current Year	\$10,429	\$11,042	\$10,384	\$9,891	\$10,526	\$10,151	\$10,201	\$12,230	\$9,341	\$9,945	\$11,815	\$10,354
Budget	\$10,423	\$11,227	\$10,081	\$9,234	\$10,201	\$9,756	\$10,501	\$11,605	\$9,584	\$9,196	\$11,815	\$10,354
Previous Year	\$9,875	\$10,636	\$9,551	\$10,149	\$9,696	\$10,205	\$9,380	\$12,116	\$9,159	\$8,788	\$11,291	\$9,895

* March through April of 2026 are recorded at estimates based on current year trends due to the delay in reporting from State Office

Cashflow and Obligation Report

Overnight Investments	\$16,551,370
Securities & CD's	\$104,347,041

Total All Securities (4/30/2026)	\$120,898,411
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Current Capital Reserve Obligations

<i>BRT Project Development (Hamilton & Reading Corridors) - Amts Pd</i>	\$26,869,327
<i>Future BRT Capital Match (Fed 70% & Local 30%)</i>	\$40,500,000
Total BRT	\$67,369,327
Local Match - FTA and ODOT Grants	\$6,421,334
100% Local Projects (<i>Prior Years Open + Current Year</i>)	\$24,080,030
2 Months of Operating Expenses	\$26,000,000
All Other Obligations	\$3,500,000

Total Current Capital Reserve Obligations	\$127,370,691
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Net Unrestricted Securities Available	(\$6,472,280)
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2026 Remaining Operating Budget Surplus (Deficit) May-Dec	\$6,951,000
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Net Unrestricted Securities + '26 Operating Budget Surplus	\$478,720
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Southwest Ohio Regional Transit Authority



Year Ending December 31, 2025
Crowe LLP | May 2026

Agenda

- Engagement Team
- Roles and Responsibilities
- Engagement Objectives
- Scope of Services
- Audit Approach
- Audit Timeline
- Auditor Independence
- Significant Risks and Key Accounting Estimates
- Materiality Considerations
- Financial Statement Discussion
- Required Communications
- What's New Next Year



Crowe Engagement Team

Role	Name	Definition of Role
Engagement Partner	Christine Torres	Christine is the auditor in charge of the audit for Southwest Ohio Regional Transit Authority.
Audit Manager	Stacy Curnow	Stacy is the engagement manager reviewing the workpapers as well as overseeing the day-to-day progress.
Audit Senior Staff	Russell Egan	Russell will serve as senior on the audit working on the more complex areas and supervising the staff.

Roles and Responsibilities

Those Charged with Governance

- Provide oversight of the external auditor
- Oversee the integrity and transparency of the financial reporting process

Management

- Preparation and fair presentation of financial statements in accordance with U.S. GAAP
- Design, implementation and maintenance of internal control over financial reporting
- Compliance with applicable laws and regulations

Crowe

- Performance of audits in accordance with:
 - GAAS
 - *Government Auditing Standards*
- Express an opinion on the financial statements
- Communicate significant findings to the Audit Committee

Engagement Objectives

- To express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with U.S. GAAP.
- The audit will be conducted in accordance with:
 - Generally Accepted Auditing Standards (GAAS)
 - Government Auditing Standards (GAGAS)
- These standards require that we plan and perform the audit to obtain **reasonable assurance** that the financial statements are free of material misstatement, whether due to fraud or error.
- Our audit includes consideration of internal control over financial reporting; however, we do not express an opinion on the effectiveness of internal controls.

Scope of Services

- Independent Auditor's Reports
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance
- Management Comment Letter, if applicable

Approach



- At all times acting with
 - **PROFESSIONAL SKEPTICISM**
 - **INDEPENDENCE**
 - **OBJECTIVITY**



- **Risk Assessment**
 - Understanding the operations
 - Identifying areas of potential misstatement
 - Evaluating internal control design and implementation
 - Continuous



- **Control Evaluation**
 - Inquiries with management
 - Walkthroughs of key financial processes
 - Testing of key controls where reliance is planned
 - Understanding of IT controls



- **Substantive Testing**
 - Detailed testing of significant account balances
 - Analytical procedures
 - Compliance testing over federal programs

Accumulation and Evaluation of Results

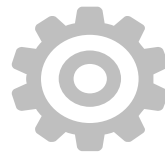
Audit Timeline

November/December

- Planning and initial risk assessment
- Entrance conference with management
- Provide request list

March - May

- Substantive audit procedures
- Compliance procedures over federal grants
- Review draft financial statements



November/December

- Internal controls walkthroughs
- Testing of key accounts
- Testing of federal grant compliance

May - June

- Finalize audit reports and recommendations
- Presentation to Finance Committee

Continuously Evaluating Impact of Testing on Risk Assessment, Execution and Timing of the Audit

Auditor Independence

Crowe LLP is independent of SORTA within the meaning of:

The AICPA Code of Professional Conduct

Government Auditing Standards



As part of maintaining independence, we:

Confirm independence annually

Evaluate all services provided to SORTA

Maintain safeguards to prevent conflicts of interest



We confirm that no prohibited non-audit services have been performed.

Significant Risks

- Definition: An identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration.
- Management Override of Controls:
 - Auditing standards presume a risk of management override of internal controls. Our audit procedures will include testing journal entries, evaluating accounting estimates and reviewing unusual transactions.
- Revenue Recognition
 - Grant revenue represent significant sources of funding for SORTA. We will evaluate management's controls and perform procedures to assess whether revenue is recognized in accordance with applicable accounting standards.



Key Accounting Estimates

- Our procedures will evaluate whether these estimates are:
 - Reasonable
 - Consistently applied
 - Appropriately disclosed

Estimate	Audit Focus
Allowance for Doubtful Accounts	Reasonableness of assumptions and historical trends
Compensated Absences	Methodology used to calculate the liability
Pension and OPEB Liabilities	Review actuarial assumptions and valuation reports
Grant Revenue Recognition	Compliance with grant requirements and timing of recognition
Fair Value Measurements	Evaluation of valuation methodologies and disclosures

Materiality Considerations

- Materiality represents the maximum aggregate amount of misstatements that could exist in the financial statements without affecting users' decisions.
- In determining materiality, we consider:
 - Quantitative factors (financial statement amounts)
 - Qualitative factors (nature of transactions, regulatory considerations)
- At the conclusion of the audit, we will communicate to the Finance Committee:
 - All uncorrected misstatements identified during the audit
 - The aggregate effect of those misstatements, if any



Financial Statement Discussion

(presented in thousands)

	As of December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 245,276	\$ 216,302	\$ 215,892
Capital assets - net	169,976	161,707	144,618
Other non-current assets	127,908	138,319	116,536
Total assets	<u>543,160</u>	<u>516,328</u>	<u>477,046</u>
Deferred outflows of resources	<u>30,625</u>	<u>45,481</u>	<u>66,484</u>
Total assets and deferred outflows of resources	<u><u>573,785</u></u>	<u><u>561,809</u></u>	<u><u>543,530</u></u>

Financial Statement Discussion

(presented in thousands)

	As of December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current Liabilities	\$ 50,422	\$ 25,531	\$ 33,473
Non-current liabilities	114,606	129,887	142,685
Total liabilities	<u>165,028</u>	<u>155,418</u>	<u>176,158</u>
Deferred inflows of resources	2,132	2,451	1,059
Total liabilities and deferred inflows of resources	<u>167,160</u>	<u>157,869</u>	<u>177,217</u>
Net position			
Net investment in capital assets	159,670	152,231	124,456
Restricted	186,285	153,648	122,990
Unrestricted	50,670	98,061	118,867
Total net position	<u>396,625</u>	<u>403,940</u>	<u>366,313</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 563,785</u>	<u>\$ 561,809</u>	<u>\$ 543,530</u>

Financial Statement Discussion

(presented in thousands)

	For Fiscal Year Ending December 31		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating revenues:			
Passenger fares	\$ 17,533	\$ 17,245	\$ 15,400
Other operating revenues	1,893	1,774	1,485
Total operating revenues	<u>19,426</u>	<u>19,019</u>	<u>16,885</u>
Operating expenses other than depreciation and amortization	194,222	180,131	169,030
Depreciation and amortization expense	22,156	18,795	16,722
Total operating expenses	<u>216,378</u>	<u>198,926</u>	<u>185,752</u>
Operating loss	(196,952)	(179,907)	(168,867)

Financial Statement Discussion

(presented in thousands)

	For Fiscal Year Ending December 31		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Non-operating revenues:			
Sales and use tax revenue	144,034	141,791	141,710
Federal maintenance grants	19,178	11,630	68,379
State maintenance grants	3,806	3,606	2,320
Local operating grants and assistance	-	53	67
Federal Transit Administration right of way expense	(23,844)	-	-
Other non-operating revenues	15,808	13,659	15,589
Total non-operating revenues	<u>158,982</u>	<u>170,739</u>	<u>228,065</u>
Net income (loss) before capital grant activity	(37,970)	(9,168)	59,198
Capital grant revenue	<u>30,655</u>	<u>46,795</u>	<u>19,956</u>
Change in net position	(7,315)	37,627	79,154
Net position, beginning of year	<u>403,940</u>	<u>366,313</u>	<u>287,159</u>
Net position, end of year	<u><u>\$ 396,625</u></u>	<u><u>\$ 403,940</u></u>	<u><u>\$ 366,313</u></u>

Results of Services

Services	Results
Audit of the Authority's Financial Statements	Unmodified opinion on the financial statements
Report under <i>Government Auditing Standards</i>	No material weaknesses or significant deficiencies reported
Report on Major Programs <ul style="list-style-type: none"> • Federal Transit Cluster 	Unmodified opinion on compliance and no material weaknesses or significant deficiencies reported on internal control over compliance
Management Comment Letter	No matters noted

Required Communications

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Management has disclosed the summary of significant accounting policies in the footnotes of the report.

Adoption of New Accounting Standards:

- GASB 102 – No material impact



Required Communications

Corrected Misstatements: We did not note any material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

Uncorrected Misstatements: We did not note any immaterial uncorrected misstatements that were brought to the attention of management as a result of our audit procedures.

Required Communications

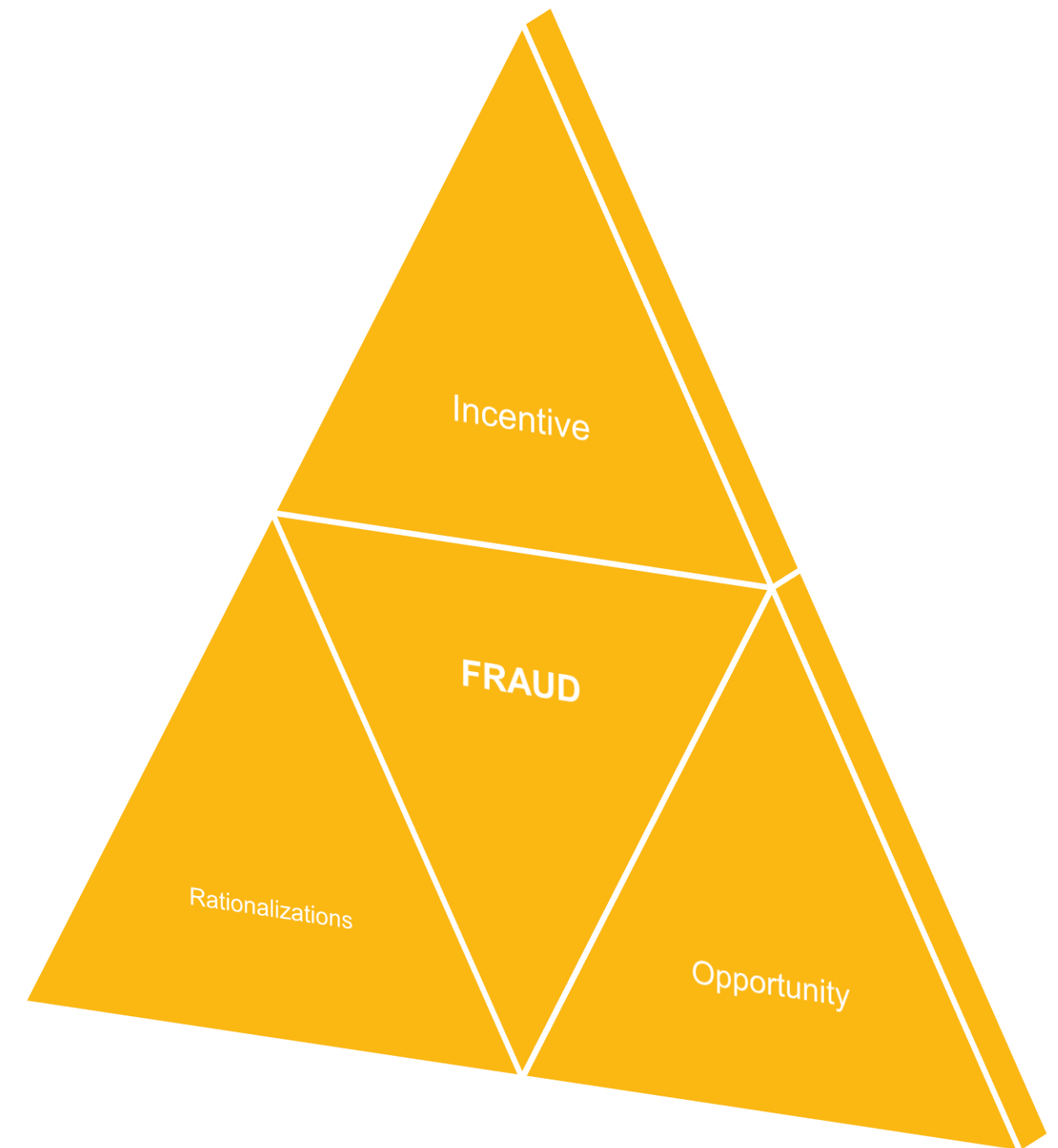
We did not note:

- Significant Accounting Policies in Controversial or Emerging Areas
- Significant Unusual Transactions
- Significant Difficulties Encountered during the Audit
- Disagreements with Management
- Consultations with Other Accountants
- Significant Related Party Findings and Issues



Required Communications

- In accordance with auditing standards, we will communicate to the Finance Committee:
 - Any fraud involving senior management
 - Any fraud that results in a material misstatement
 - Illegal acts that come to our attention
 - Disagreements with management
 - Significant difficulties encountered during the audit



What's New Next Year

Key Developments in FY2026

- GASB 103 – *Financial Reporting Model Improvements*
 - Updates MD&A requirements
 - Enhances proprietary fund reporting
- GASB 104 – *Disclosure of Certain Capital Assets*
 - New disclosures for capital assets held for sale
 - Expanded disclosure of intangible assets and leases
- Continued focus on federal grant compliance
- Updates to Uniform Guidance requirements
 - Expanded samples in original populations
 - Expanded samples with just one error
 - Changes to how samples are selected



Contact Information



Christine Torres

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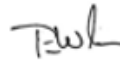
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Investment of Funds Report

	Operating Fund		Infrastructure Fund	
	Principal	Yield	Principal	Yield
<u>Overnight Investments</u>				
STAR Ohio	\$16,222,927	3.81%	\$33,696,614	3.81%
Trust Account/Fed Govt Oblig Issue MM	-	0.00%	335,478	3.57%
Fifth Third Bank Concentration Account	328,443	0.00%	23,365	0.00%
Subtotal Overnight Investments	\$16,551,370	3.73%	\$34,055,457	3.81%
<u>Securities and CD's</u>				
U.S. Agencies	\$42,835,203	4.59%	\$58,577,965	4.10%
Certificate of Deposit	737,522	3.89%	-	0.00%
Commercial Paper	10,450,457	4.00%	-	0.00%
U.S. Treasuries	50,323,859	3.93%	81,786,554	3.74%
Subtotal Securities and CD's	\$104,347,041	4.21%	\$140,364,519	3.89%
Days to Maturity	398		496	
Total All Securities (4/30/2026)	\$120,898,411	4.14%	\$174,419,976	3.88%
Total All Securities (3/31/2026)	\$126,561,946	4.12%	\$170,843,979	3.87%
Funds provided by (required for) Operations	(\$2,443,534)		\$3,637,033	
Funds provided by (required for) Capital	(\$3,220,000)		(\$61,036)	
Change in Cash during April 2026	(\$5,663,534)		\$3,575,997	
Monthly Investment Income	\$429,102		\$588,225	
Year to Date Investment Income	\$1,758,381		\$2,222,152	
NOTE: Total All Securities (4/30/2025)	\$149,069,481		\$143,411,407	

Approved:



Tim Walker
Chief Financial Officer