BASIN TRANSIT SERVICE TRANSPORTATION DISTRICT
BOARD OF DIRECTOR'S MEETING

Wednesday, September 24, 2025
4:15 PM

Conference Call No. 1-(669)900-6833 ID: 894 3626 4526 Passcode: 161928

https://us06web.zoom.us/j/89436264526?pwd=tCU2xpSwqUxfFn8eWhPazTWvJ0itrh.1

ORDER		AGENDA	TYPE
A.		**CALL TO ORDER** - Chairperson	
		Oath of Office for Elected Board Members	**Action**
		Roll Call/Announcement of Quorum	
B.		**PLEDGE OF ALLEGIANCE**	
C.		**INTRODUCTION OF GUESTS**	
D.		**PUBLIC COMMENT**: Members of the Public are invited to address the Board on items not listed on the agenda that are within the scope and jurisdiction of the District. Comments are limited to three (3) minutes per person.	
E.		**GENERAL MANAGER'S REPORT**	**Information**
F.		**CONSENT AGENDA**	
		All item(s) listed below are considered to be routine by the Board and will be enacted by one motion. Request approval - Board of Directors Meeting Minutes for August 2025. Approval - Budget Statement for August 2025.	**Action**
G.		**OLD BUSINESS** None	
H.		**ACTION ITEMS**	
	(1.)	General Managers Report	**Information**
	(2.)	FY 2022 Single Audit Findings Corrective Action Plan Approval	**Action**
	(3.)	BTS Transit Advisory Committee Members reappointment and appointment of new member	**Action**

I. NEW BUSINESS - Discussion Only Items

J. ADJOURNMENT

This meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling Basin Transit Service at 541-883-2877.

BASIN TRANSIT SERVICE TRASPORTATION DISTRICT
BOARD OF DIRECTOR'S MEETING

August 27th, 2025

The regular meeting of the Basin Transit Service Board of Directors held in person and by video conference (Zoom) at 1130 Adams Street, Klamath Falls, Oregon following public notice in accordance with ORS 192.620.

MEMBERS' PRESENT:

Erik Noble
Sandra Fox
Craig Fleck
Perry Andrews
Nora Foster
Edwin Tuhy
Karen Bailey

ABSENT: None

STAFF PRESENT:

Adrian Mateos	General Manager
Michael Stinson	Grant Manager
Theresa O'Connor	HR Manager
Crystal Entriken	Mobility Manager
Nathan Ratliff	Legal Counsel

GUEST PRESENT:
None

A. **Call To Order – Eric Noble**

Roll call/announcement of quorum at 4:15 PM

B. **Pledge of Allegiance**

C. **Public Comment –** None

D. **Oath of Office & Elections**

Oaths taken by Sandra Fox, Craig Fleck, Perry Andrews, Nora Foster, Edwin Tuhy, Karen Bailey. Elections Chair Erik Noble, Motion Nora Foster Second Sandra Fox.

Vice Chair Sandra Fox, Motion Nora Foster Second Perry Andrews

Treasurer Perry Andrews, Motion Craig Fleck, Second Nora Foster

E. **GENERAL MANAGER'S REPORT**

Mr. Matoes Discussed the very well received operation of the Wings & Eagles Show. There was Zero accidents/incidents. The Senior Center was a great help and support for the operations. Social media had nothing but good things to say about how we ran the operations from the fairground to the show. Mr. Matoes talked about the previous audits 100% complete. He briefly talked about the upcoming ODOT Compliance Review Sep, 8-9th. He talked about the strategic Alignment BTS & Klamath Basin Senior Center joint coordination to further Dispatch, Service awareness, and Staffing Shortfalls.

F. CONSENT AGENDA

All item(s) listed below are considered to be routine by the Board and will be enacted by one motion. Approval - Board of Directors Meeting Minutes for June 2025. Approval

Motion: Mr. Fleck moved, seconded: Perry Andrews for the Board of Directors meeting minutes for June 25th, 2025, Absent: Nays: None. Yea: Mr. Noble, Mr. Fleck, Mr. Andrews, Mr. Tuhy, Sandra Fox, Nora Foster, Karen Bailey. Passed: unanimously.

G. Old Business - None

H. Action Items

1. **Resolution 2025-07 In the matter of approving 2025-2028 Management Wage Increases.**

Motion: Karen Bailey, Second Edwin Tuhy, Nays: None, Yea: Erik Noble, Sandra Fox, Craig Fleck, Perry Andrews, Nora Foster, Edwin Tuhy, Karen Bailey. Passed: Unanimously.

I. New Business – None

J. Executive Session – None

K. Adjournment: The Board having no further business, Mr. Noble adjourns the meeting at **4:51 pm**.

Recording Secretary for Session: Crystal Entriken

Basin Transit Service Transportation District

Bank Balance Report as of August 31, 2025

		Aug 31, 2025		Aug 31, 2024
Checking General -Umpqua Bank	$	127,538.81	$	137,866.52
Checking Taxes-Umpqua Bank	$	(12.50)	$	8,918.53
Money Market	$	82,026.27	$	3,572,623.04
Petty Cash	$	125.00	$	125.00
Certificate of Deposits	$	182,188.69	$	321,451.21
LGIP Accounts				
LGIP Operations	$	1,094,617.60	$	-
LGIP STIF Payroll In District	$	1,638,248.98	$	-
LGIP STIF Population Out of District	$	220,603.28	$	-
LGIP STIF Population In District	$	273,222.51	$	-
LGIP Capital Reserve	$	216,510.53	$	-
LGIP STIF Payroll Out of District	$	713,160.87	$	-
Total LGIP Balance	$	4,156,363.77	$	-
Total Current Assets	**$**	**4,548,230.04**	**$**	**4,040,984.30**
LGIP Interest Earned August 2025	$	16,048.67		
Total YTD LGIP Interest Earned FYE 2026	**$**	**31,392.53**		

Basin Transit Service
Klamath Falls, Oregon
Statement of Revenue and Expenses
For the Two Months Ending August 31, 2025

	Current Month Actual	Year to Date	% Budget Spent	Annual Budget	Over (Under) Budgets
Revenues					
Cash on Hand - Gen Fund	0	0	0.00	1,652,552	(1,652,552)
State & Federal Revenues	0	334,712	8.94	3,745,299	(3,410,587)
Other Revenues	10,554	22,317	21.06	105,950	(83,633)
Taxes Collected in Year Levied	9,630	24,176	1.51	1,596,346	(1,572,170)
Total Revenues	**20,184**	**381,205**	**5.37**	**7,100,147**	**(6,718,942)**
Expenses					
Total Personnel Expense	203,837	408,967	16.61	2,462,800	(2,053,833)
Total Operational Expense	43,874	124,700	6.85	1,821,314	(1,696,614)
Total Capital Expenditures	227,229	227,229	25.01	908,594	(681,365)
Capital Res Reserve for Fut Ex	0	0	0.00	479,881	(479,881)
Operating Contingency Exp	0	0	0.00	75,000	(75,000)
Total Expenses	**474,940**	**760,896**	**13.24**	**5,747,589**	**(4,986,693)**
Excess of Rev. Over (Under) Exp.	**(454,756)**	**(379,691)**	**(28.07)**	**1,352,558**	**(1,732,249)**

Basin Transit Service

For the Two Months Ending August 31, 2025

Financial Revenues - General Fund

	Current Month	Year to Date	% of Budget	Annual Budget	Over (Under) Budget
Cash On Hand	0	0	0.00	1,652,552	(1,652,552)
State - Federal Revenues					
STIF Payroll Revenue	0	0	0.00	1,625,048	(1,625,048)
STIF Population Revenue	0	0	0.00	317,113	(317,113)
STIF Discretiionary Revenue	0	0	0.00	169,342	(169,342)
Rural Veterans Grants	0	1,525	4.01	38,000	(36,475)
Public Transit Assistance	0	54,213	29.30	185,000	(130,787)
5304 Planning Grant	0	0	0.00	40,000	(40,000)
5310 Formula Grant	0	0	0.00	458,607	(458,607)
5311 Formula Grant	0	278,974	38.55	723,754	(444,780)
5339 Federal Grant	0	0	0.00	188,435	(188,435)
Total State - Federal Revenue	**0**	**334,712**	**8.94**	**3,745,299**	**(3,410,587)**
Other Revenues					
Fixed Route Fares	5,179	11,068	14.74	75,097	(64,029)
Basin Lift Fares	1,091	2,843	13.25	21,453	(18,610)
Misc Income	715	760	30.40	2,500	(1,740)
Interest Income	3,569	7,646	1,911.50	400	7,246
Insurance Claims	0	0	0.00	5,000	(5,000)
Travel & Training Reimb.	0	0	0.00	1,500	(1,500)
Total Other Revenues	**10,554**	**22,317**	**21.06**	**105,950**	**(83,633)**
Capital Resources					
Total Capital Resources	**0**	**0**	**0.00**	**0**	**0**
Total Resources, Except Tax to be Levied	**10,554**	**357,029**	**6.49**	**5,503,801**	**(5,146,772)**
Tax Collected / YR Levied	4,607	15,351	0.99	1,556,346	(1,540,995)
Previous Levied Tax	5,023	8,825	22.06	40,000	(31,175)
Total Revenues	**20,184**	**381,205**	**5.37**	**7,100,147**	**(6,718,942)**

Basin Transit Service
Klamath Falls, Oregon
For the Two Months Ending August 31, 2025

Personnel Services

	Current Month	Year to Date	% of Budget	Annual Budget	Over (Under) Budget
Wages - Admin	25,218	45,271	12.49	362,424	(317,153)
Wages- Operations	94,003	198,220	17.91	1,106,790	(908,570)
Wages - Maintenance	26,335	58,333	22.01	265,003	(206,670)
Misc Payroll Expense	204	204	0.00	0	204
Workman's Comp Expense	9,329	9,370	21.90	42,783	(33,413)
Medicare Taxes Expense	2,089	4,332	17.23	25,146	(20,814)
OR Unemployment Insurance	2,042	4,499	19.08	23,585	(19,086)
Disability/Accident/Life Exp.	1,026	1,944	17.74	10,959	(9,015)
Paid Leave Oregon Exp	576	1,195	17.23	6,937	(5,742)
Medical & Dental Insurance	30,064	58,788	13.32	441,417	(382,629)
Employer Retirement Exp	4,017	8,290	11.80	70,235	(61,945)
FICA Tax	8,934	18,521	17.23	107,521	(89,000)
Total Personal Services	**203,837**	**408,967**	**16.61**	**2,462,800**	**(2,053,833)**

Basin Transit Service
For the Two Months Ending August 31, 2025
Materials & Services

	Current Month	Year to Date	% of Budget	Annual Budget	Over (Under) Budget
Utilities Expense	2,202	4,117	11.36	36,250	(32,133)
Telephone Expense	2,043	4,055	11.28	35,950	(31,895)
Internet & Email Expense	70	140	4.00	3,500	(3,360)
Print & Duplication Expense	775	1,567	12.29	12,750	(11,183)
Public Information Expense	50	50	0.74	6,800	(6,750)
Legal Advertising Expense	0	0	0.00	3,500	(3,500)
Insurance Expense	0	0	0.00	175,500	(175,500)
Travel & Meals Expense	0	0	0.00	2,600	(2,600)
Training Expense	0	0	0.00	12,250	(12,250)
Building & Grounds Maint Exp	1,537	3,171	2.35	134,750	(131,579)
Equipment Maint. Exp.	320	895	11.19	8,000	(7,105)
Engineering Expense	0	0	0.00	25,000	(25,000)
Legal Expense	329	1,319	5.07	26,000	(24,681)
Finance Expense	9,475	22,320	13.95	160,000	(137,680)
Personnel Expense	855	1,543	4.23	36,500	(34,957)
Planning Expense	0	0	0.00	100,000	(100,000)
On Demand Svc Contract Exp	0	0	0.00	284,270	(284,270)
Mobility Mgt. Events	800	800	8.00	10,000	(9,200)
Veterans Mat & Svcs Exp	33	17,844	59.48	30,000	(12,156)
Employee Events	110	269	3.59	7,500	(7,231)
Membership Dues Exp	454	5,579	41.79	13,350	(7,771)
Bank Fees	322	782	13.72	5,700	(4,918)
Interest & Penalties	0	86	0.00	0	86
Election Expense	0	0	0.00	3,500	(3,500)
Radio Tech Expense	0	0	0.00	3,500	(3,500)
Other Contract Services Exp	9,615	12,423	18.77	66,200	(53,777)
Computer & Software Expense	995	1,752	6.19	28,300	(26,548)
Cleaning Supplies Exp	387	669	18.33	3,650	(2,981)
Office Supplies Expense	1,075	1,969	10.76	18,300	(16,331)
Safety Supplies Expense	6	79	1.23	6,400	(6,321)
Publications & Subscriptions	1,025	1,025	271.16	378	647
Postage & Shipping	0	0	0.00	1,600	(1,600)
Employee Recognition	0	100	2.50	4,000	(3,900)
Shop Supplies	410	1,532	0.00	0	1,532
Office Equipment	2,455	2,455	0.00	0	2,455
Clothing & Gear Expense	1,048	7,866	42.83	18,364	(10,498)
Basin Connect - South	1,284	8,776	7.63	115,044	(106,268)
Basin Connect - North	0	0	0.00	57,086	(57,086)

Basin Transit Service
For the Two Months Ending August 31, 2025
Materials & Services

	Current Month	Year to Date	% of Budget	Annual Budget	Over (Under) Budget
Tools & Equipment Exp	517	4,041	40.41	10,000	(5,959)
FR Parts & Components Exp	2,996	10,147	22.55	45,000	(34,853)
FR Fuel Expense	0	0	0.00	129,373	(129,373)
FR Oil Lube Antifreeze Exp	1,062	1,361	24.75	5,500	(4,139)
FR Tire & Wheel Exp	0	3,403	18.53	18,360	(14,957)
FR Vendor Repair	0	0	0.00	59,288	(59,288)
BL Parts & Components Exp	1,466	1,888	13.55	13,936	(12,048)
BL Fuel Expense	0	0	0.00	42,030	(42,030)
BL Oil Lube Antifreeze Exp	30	30	5.56	540	(510)
BL Tire & Wheel Exp	0	0	0.00	4,500	(4,500)
BL Vendor Repair	75	75	0.37	20,212	(20,137)
Bus Stop / Shelter Repair	0	520	14.71	3,535	(3,015)
Other Material & Supplies Exp	53	52	0.41	12,548	(12,496)
Total Materials/Services Expenditures	**43,874**	**124,700**	**6.85**	**1,821,314**	**(1,696,614)**

Basin Transit Service
Klamath Falls, Oregon
For the Two Months Ending August 31, 2025
Capital Expenditures

	Current Month	Year to Date	% of Budget	Annual Budget	Over (Under) Budget
Motorized Vehicle Expense	219,392	219,392	34.52	635,538	(416,146)
Office Equipment Expense	0	0	0.00	0	0
Shop Equipment Expense	0	0	0.00	0	0
PC & Comm. Equip. Expense	0	0	0.00	0	0
Bus Stop & Shelter Expense	7,837	7,837	3.36	233,056	(225,219)
Land & Building Expense	0	0	0.00	40,000	(40,000)
Other Capital Outlay Exp	0	0	0.00	0	0
Total Capital Expenditures	**227,229**	**227,229**	**25.01**	**908,594**	**(681,365)**

BOARD OF DIRECTORS MEETING
SEP 2025

"On the go for you..." BTS

INFORMATION

Public Comment

CONSENT AGENDA

All item(s) listed below are considered to be routine by the Board and will be enacted by one motion. Request approval - Board of Directors Meeting Minutes for August 2025 and Budget Statement for August 2025.

Exit Conference & Findings

7 of 10 areas with no deficiencies:

- Program Management
- Financial Management
- Operations Management
- Use/Maintenance of Project Equipment
- ADA Compliance
- Charter & School Bus Regulations
- Monitoring of Lower-Tier Subrecipients

General Manager Report

Exit Conference & Findings

3 10 areas with non-critical observations:

- Procurement: Policy not fully aligned with FTA guidelines
  - Advisory: Use SAM.gov for contractor eligibility
- Civil Rights: Title VI notices missing on buses (due to shipment issue)
- STIF: No formal record retention policy (6-year minimum required)

"On the go for you..." BTS

General Manager Report

Status of Findings Correction Status

TASK	PRIORITY	STATUS	START DATE	DUE DATE	% COMPLETE
PROCUREMENT POLICY ALLIGNMENT W/FTA	Normal	In Progress	9/23/2025	10/23/2025	75%
ESTABLISH & IMPLEMENT SAM.GOV CONTRACTOR ELIGIBILITY CHECK	Normal	In Progress	9/23/2025	10/23/2025	75%
POST TITLE VI NOTICES ON ALL FLEET	Normal	In Progress	9/23/2025	10/23/2025	75%
RECORD RETENTION POLICY ALLIGNMENT W/FTA	Normal	In Progress	9/23/2025	10/23/2025	75%

“On the go for you…” BTS

General Manager Report

Commendations

Recognized strengths:

- Strong preparation & coordination with ODOT
- Leadership, cohesion, and commitment to service quality

Staff recognition:

- Crystal Entriken: Resolved 8 issues, avoided findings
- Michelle Carpenter: Led financial compliance efforts
- Other staff commended for contributions

“BTS ranked among best agencies evaluated” – RLS Reviewer

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BASIN TRANSIT SERVICE
KLAMATH FALLS, OREGON

MEMORANDUM FOR RECORD

Date: September 9, 2025
Subject: BTS Compliance Review Final Executive Summary

On September 8–9, 2025, representatives from RLS (Michelle Perales and Morgan Robinson) and Jovi Arellano, ODOT Region 4 Regional Transit Coordinator, conducted a Compliance Review of Basin Transit Service (BTS). The review assessed the District's adherence to applicable federal and state laws, rules, regulations, and programmatic requirements governing public transportation services.

The Compliance Review Program aims to both enhance regulatory compliance and strengthen the management capacity of transit agency staff.

All compliance reviews consist of two components:

1. A **desk review** conducted by consultants using documentation submitted by the agency.
2. A **site visit** (typically one to two days), during which the consultants assess operations and conduct interviews.

Exit Conference and Findings

An exit conference was held at the conclusion of the review, attended by BTS staff and Board Member Karen Bailey. Reviewers assessed ten core areas of compliance related to federal and state regulations. The following **seven areas were found to have no deficiencies or observations**:

- Program Management
- Financial Management
- Operations Management
- Use and Maintenance of Project Equipment
- Americans with Disabilities Act (ADA)
- Charter and School Bus Regulations
- Monitoring of Lower-Tier Subrecipients

Advisory: Reviewers recommended that BTS and the Senior Center coordinate to unify messaging and standards for programs and transportation service delivery.

Areas with Non-Critical Observations

While no critical deficiencies were identified, the reviewers noted minor observations in the following areas:

1. Procurement

- **Observation:** Procurement policy is not fully aligned with current FTA guidelines.
- **Advisory:** Ensure use of SAM.gov to verify contractor eligibility during the procurement process.

2. Civil Rights

- **Observation:** Title VI notices were not posted on buses. Notices were reordered due to incorrect sizing in the initial shipment.

3. Statewide Transportation Improvement Fund (STIF)

- **Observation:** A formal record retention policy outlining the six-year minimum retention requirement needs to be developed and implemented.

Commendations

The RLS team commended BTS, stating that the District ranks among the best they have evaluated. The team highlighted BTS's strong preparation, close coordination with ODOT, leadership, staff cohesion, and demonstrated commitment to high-quality public transportation services.

Furthermore, Crystal Entriken was recognized for successfully resolving eight issues identified during the Compliance Review, helping the District avoid additional findings. Michelle Carpenter was also commended for her commitment to fostering a culture of financial compliance and for effectively prioritizing requirements while addressing potential financial risks. Several other staff members were acknowledged as well for their valuable contributions in support of the District's mission.

Next Steps

BTS management intends to address the identified observations before the final report is issued. The completed Compliance Review Report will be shared with the Board of Directors upon receipt.

ADRIAN MATEOS | GENERAL MANAGER
1130 Adams Street
Klamath Falls, OR 97601

“On the go for you...” BTS

General Manager Report

BTS Compliance Review
Executive Summary

Purpose of Review

- Conducted by RLS & ODOT Region 4 (Sept 8–9, 2025)
- Goal: Ensure compliance with **federal/state laws, rules, and regulations**
- Review consisted of:

  Desk review of submitted documentation
  Site visit (1–2 days, including interviews and operations review)

ACTION ITEM

FY 2022 Single Audit Findings Corrective Action Plan Approval

Finding 2022-001: Segregation of Duties

- **Condition: Inadequate entity-level controls.**
- **Cause: Insufficient segregation of duties.**
- **Corrections:**
  - **Finance & Grant Manager and Accountant hired.**
  - **Controls implemented starting January 2023.**

RESOLVED

Finding 2022-002: Prior Period Adjustments

- **Condition: Incorrect amounts in FY2021 statements.**
- **Cause: Internal controls failed to detect issues.**
- **Corrections**
  - **Correcting journal entries posted May 27, 2025.**
  - **Training with auditors improved oversight.**

RESOLVED

Finding 2022-003: Equipment & Property Management

- **Condition: Missing federal award details in records.**
- **Cause: Lack of internal controls for Uniform Guidance.**
- **Corrections:**
  - **Implement Capital Asset Policy + SOPs.**
  - **Use SAGE 50 & FAS to track funding and compliance**
  - **Implementation by Dec 10, 2025 (Board of Directors Meeting).**

IN PROGRESS

PROPERTY CONTROL FORM

Department:_________________ Signature: _______________________(Preparer) Date: _______________

- ❐ **ADDITION** – Capital Asset over $2,500.00, and all licensed vehicles.
- ❐ **MISCELLANEOUS** changes (include tag# and changes)
- ❐ **TRANSFER** – include tag #, indicate where transferred to and date transferred in boxes marked "T".
- ❐ **DISPOSAL** – include tag # and complete boxes marked "D".

ASSET NUMBER ____________________

LOCATION ____________________

ORIG. RESOURCE ____________________

NEW RESOURCE ____________________

COST $ ____________________

INVENTORY DATE ____________________

PURCHASE DATE ____________________

EQUIP OR VEH # ____________________

FED PARTICIPATION RATE 0.00%

FED AWARD ID # ____________________

ITEM NAME ______________________________

MANUFACTURER ______________________________

VENDOR ______________________________

SERIAL # ______________________________

MODEL # ______________________________

SIZE ______________________________

COLOR ______________________________

DESCRIPTION ◉ NEW ○ USED

____

____

YEAR & LIC # __________________________

DEPRECIABLE LIFE__________________

MILEAGE DATE ____________MILEAGE _________

DATE OF TRANSFER _________________

TITLE HOLDER ___________________________

DATE OF DISPOSAL * _________________

DISPOSITION OF PROPERTY: ____

____ D/T

* Disposition must be completed and signed (attach surplus property disposition form and signed resolution)

_______________________________ Signature of Operations Manager

_______________________________ Signature of Finance Manager

_______________________________ Signature of General Manager

Signatures required for:
Disposals & Transfers

September 24, 2025

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for Basin Transit Service Transportation District

Basin Transit Service Transportation District (the District) respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2022. The audit was completed by the independent auditing firm KDP Certified Public Accountants LLP and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on September 24, 2025, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe.

Financial Statement Finding – Material Weakness

2022-001 Segregation of Duties and Fiduciary Oversight

Condition: This deficiency results in inadequate entity level controls associated with supervision and review.

Cause: Inadequate segregation of duties within significant processes.
Auditor Recommendation: We recommend that the District adequately staff the accounting department and segregation of duties and other controls associated with supervision and review are put in place.

Plan of Action: In April 2020, the District's Board of Directors approved a new Finance and Grant Manager position, and additionally, in June of 2022 approved hiring a professional Accountant. The Finance and Grant Manager will be responsible for implementation of accounting controls across all areas of finance and appropriate supervision and review measures.

Date of implementation: The first person, hired in November of 2021 for the Finance and Grant Manager position, resigned in June of 2022 after serving 6 months on active military duty. Michelle Carpenter was hired to fill the role in October 2022. Theresa O'Connor was hired in April 2023 to fill the Accountant position. After a 3-month review of finances and controls in place at that time, Michelle began implementing appropriate controls and supervision levels in January 2023.

Financial Statement Finding – Significant Deficiency

2022-002 – Prior Period Adjustments

Condition: The District had various incorrect amounts recorded in its June 30, 2021 statements.

Cause: Internal controls did not detect all adjustments necessary to properly record year-end balances in the prior year.

Auditor Recommendations - Management has already taken appropriate action by posting correcting journal entries.

Plan of Action: Record appropriate general journal entries to correct prior year balances. Work closely with auditors to review and understand needed adjustments before issuance of Annual Financial Report.

Date of implementation: On May 27, 2025, a correcting entry was posted to correct beginning balances for FYE 2022. Discussions with auditors leading up to this entry identified this need and educated the Finance and Grant Manager as to what is necessary when reviewing and approving entries made.

<u>Federal Awards Finding – Material Noncompliance/Material Weakness</u>

2022-003 Equipment and Real Property Management
Formula Grants for Rural Areas (ALN#21.509)

Condition: Equipment records do not include the source of funding which includes the federal award identification number, who holds the title, the federal participation rate, and the location, use and condition of the asset to be in accordance with the Uniform Guidance.

Cause: This condition appears to be the result of a lack of internal controls designed to ensure compliance with Uniform Guidance.

Auditor Recommendation: We recommend that the District develop policies to ensure that assets acquired with federal funds are properly identified in capital assets records.

Plan of Action: The District's plan is a two-pronged approach to ensure that appropriate policies and procedures are in place and that recording of assets whose resources include federal funds will clearly indicate the federal award identification number, who holds the title, the participation rate, the location, use, and condition that the asset is to be put to in accordance with uniform guidance.

A. The District will implement a robust Capital Asset Policy to be reviewed and approved by the District's Board of Directors. Standard Operating Procedures will accompany the policy and will be the standard guidelines in which all capital assets will be treated, regardless of where the funding resources are generated from.
B. The District plans to use it's accounting software, SAGE 50, and capital asset software, FAS, to document funding resources, which should include all the required information as noted in Uniform Guidance. Additionally, capital asset invoices will include proper documentation showing the funding resources and required information.

Date of implementation: The policies and procedures will be reviewed by the Board of Directors no later than December 10, 2025, and will be retroactive to July 1, 2025, in order to consistently apply the policy and procedures to FY 2026. The District, if time will allow, may retroactively apply the policy to prior Fiscal Years.

If there are any questions regarding this plan, please contact Michelle Carpenter by email at mcarpenter@basintransit.com or by phone at 541-851-2830.

Erik Nobel, Board Chair Signature	Date
Michelle Carpenter, Finance & Grant Mgr Signature	Date
Adrian Mateos, General Mgr Signature	Date

ACTION ITEM

BTS Transit Advisory Committee Members reappointment and appointment of new member

"On the go for you..." BTS

TRANSIT ADVISORY COMMITTEE

Michelle Carson, new term: 7/1/2024-6/30/2027
Michelle Carpenter, First term: 7/1/2024-6/30/2027
Sabrina Garcia, First Term: 7/1/2024-6/30/2027
Jeremy Morris, new term: 7/1/2024-6/30/2027

New Appointment replacing Jackie Reed (see application):
Karen Root, First Term: 7/1/2025-6/30/2028

BASIN TRANSIT SERVICE TRANSPORTATION DISTRICT
APPLICATION FOR TRANSIT ADVISORY COMMITTEE POSITION

Name: Karen Root		Date: 7/30/25
Present Address: 1006 Main Street		
City/State/Zip: Klamath Falls, OR 97601		
Work Phone: 541-883-7547	Home Phone:	Cell Phone:
Email: Karen.Root@spokesunlimited.org		
Years in Klamath Falls: 15	Years at this Address: 12	
Occupation: Independent Living Specialist		
Education: Associates		
Registered Voter: yes		

Why you want to apply?

To represent persons with disabilities in the community

What experience / expertise/ interest do you have for this committee?

12 years working with PWD

When you apply, it is understood that you will be volunteering to attend all meeting and to actively participate. Transit Advisory Committee meets at least one time and could meet two or three times in the afternoon or evening.

Signature: [signature]	Date: 7/30/25

NEW BUSINESS

"On the go for you..."

BTS

BOARD OF DIRECTORS MEETING

SEP 2025