

ITEM 12-B

(64 PAGES)

**POTOMAC AND RAPPAHANNOCK  
TRANSPORTATION COMMISSION**

**RESOLUTION**

**MOTION:** \_\_\_\_\_

**RESOLUTION NO. 07-01-\_\_\_\_  
OFFICIAL COMMISSION MEETING  
JANUARY 4, 2007**

**SECOND:** \_\_\_\_\_

**RE: AUTHORIZATION TO ACCEPT THE FY06 AUDITED FINANCIAL STATEMENTS, REQUIRED COMMUNICATION TO THE COMMISSIONERS, AND THE MANAGEMENT LETTER PRESENTED BY THE ACCOUNTING FIRM OF PBGH LLP**

**WHEREAS**, the accounting firm of PBGH LLP has completed the audit of the Potomac and Rappahannock Transportation Commission for FY06; and

**WHEREAS**, PBGH LLP has determined that the financial statements present fairly, in all material respects, the financial position of the Potomac and Rappahannock Transportation Commission as of June 30, 2006, and PBGH LLP noted no matters that it considered to be material weaknesses; and

**WHEREAS**, PBGH LLP has presented the required communication to the Commissioners about the audit, which is required under auditing standards generally accepted in the United States; and

**WHEREAS**, PBGH LLP has presented a management letter, which includes suggestions for PRTC's consideration and to which management has prepared a response.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby accept the FY06 audited financial statements, required communication to the Commissioners, and the management letter as presented by the accounting firm of PBGH LLP.

January 4, 2007

TO: Chairman Gibbons and Commissioners

FROM: Alfred H. Harf  
Executive Director

RE: FY06 Audited Financial Statements, Required Communication to the  
Commissioners, and Management Letter

---

Recommendation:

That the Potomac and Rappahannock Transportation Commission (PRTC) accept the FY06 audited financial statements, required communication to the Commissioners, and management letter as presented by the accounting firm of PBGH LLP.

Background:

The accounting firm of PBGH LLP was awarded a contract at the May 4, 2006 Commission meeting to perform auditing services. In accordance with prior direction from the Board, PBGH LLP met with the Executive Committee on December 7, 2006, to go over the audited financial statements (attachment one) for the year ended June 30, 2006. As noted in the Independent Auditor's Report, the financial statements present fairly, in all material respects, the financial position of PRTC as of June 30, 2006. PBGH LLP noted no matters that it considered to be material weaknesses.

Also attached is the required communication to the Commissioners about the audit (attachment two), which is required under auditing standards generally accepted in the United States. This communication includes a summary of the two audit adjustments that were made. The management letter (attachment three) includes suggestions for PRTC's consideration. Management has prepared a response to the management letter (attachment four).

Fiscal Impact:

Not applicable.