

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION**

Financial Statements and
Supplementary Information
Together with Auditor's Report
As of June 30, 2006

BODKIN WILSON & KOZICKI_{PLLC}
CERTIFIED PUBLIC ACCOUNTANTS



Mary Taylor, CPA

Auditor of State

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 North Fourth Street, Second Floor
Steubenville, Ohio 43952-4498

We have reviewed the *Independent Auditor's Report* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by Bodkin Wilson & Kozicki, PLLC, for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 14, 2007

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**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
AUDIT REPORT
JUNE 30, 2006**

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BODKIN WILSON & KOZICKI PLLC
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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee
of the Brooke-Hancock-Jefferson
Metropolitan Planning Commission:

We have audited the accompanying financial statements of the governmental activities and the general fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ), as of and for the year ended June 30, 2006, which collectively comprise BHJ's basic financial statements as listed in the table of contents. These financial statements are the responsibility BHJ's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note 10 to the financial statements, certain capital expenditures that are directly charged to and reimbursed by particular grants, have been charged to expense in the accompanying financial statements. Also, only capital expenditures that have been classified as indirect have been capitalized. In our opinion, all capital expenditures should be capitalized in the Government-Wide Statement of Net Assets and depreciated over their estimated useful lives to conform with accounting principles generally accepted in the United States. The effects on the financial statements of the preceding practices are not reasonably determinable.

In our opinion, except for the effects of the matters discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of BHJ, as of June 30, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund of BHJ, as of June 30, 2006, and the respective changes in financial position, thereof for the year then ending in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2007, on our consideration of BHJ's internal control over financial reporting and on our tests of it compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise BHJ's basic financial statements. The Schedule of Agency Management Expenditures – Indirect Costs, the Schedule of Fringe Benefits, and the Schedule of Contract Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bohdan Uhl + Kojich. LLC

Weirton, West Virginia,
March 30, 2007.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2006

The following Management's Discussion and Analysis (MD&A) provides an overview of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's (BHJ) financial performance and provides an introduction to the financial statements for the year ended June 30, 2006. The information contained in the MD&A should be considered in conjunction with the information presented in BHJ's financial statements and corresponding notes in the financial statements.

Financial Highlights. FY 05 to FY 06 Comparison

- Net assets decreased by \$3,204. The goal of BHJ is to provide the maximum level of service to BHJ members within available funding, while achieving a small increase in net assets each year. The 2006 decrease in net assets was less than 1% of total revenue.
- Liabilities increased by \$3,773 as a consequence of the "accrued and withheld employee benefits" and "due to grantors" categories.
- Revenue in 2006 decreased from \$685,065 to \$616,156. The revenue decrease was primarily due to a federal decrease in federal pass through monies for brownfield work.
- Expenses in 2006 decreased from \$688,561 to \$618,560. The expense decrease matches the percentage decrease in revenue.
- Indirect costs in 2006 were comparable to 2005 costs while the indirect rate remained constant. The leveling of this rate is partially due to the decrease of staff by one employee in fiscal 2006.
- Health insurance decreased 22%. This cost is dynamic and negotiated on an annual basis.

Overview of the Financial Statements

- BHJ's financial statement is prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Revenues for BHJ are recognized when earned and expenses when incurred. Capital assets are capitalized and are depreciated over their useful lives.
- Following this MD&A are the basic financial statements of BHJ together with notes, which are essential to a full understanding of the data contained in the financial statements. Included in the financial statements for BHJ are the following:
- Statement of Net Assets - This statement presents information on all BHJ assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of BHJ is improving or deteriorating.

Overview of the Financial Statements (continued)

- Statement of Revenues, Expenditures, and Changes in Fund Balances - This statement measures the success of operations and can be used to determine whether BHJ successfully recovered all of its costs through federal, state and local government and contracts, members' per capita fees and other contributions and revenues.

Economic Conditions

BHJ relies heavily on federal, state and local grants and contracts along with members' dues to fund its many programs. In the short term, these revenue sources are secure and relatively predicable; however, on a long-term basis, legislative action may alter these revenue streams and BHJ continues to seek diversified revenue sources.

Contacting BHJ

This financial report is designed to provide members, grantors, federal and state oversight agencies and the citizens of the Upper Ohio Valley and Northern Panhandle with a general overview of BHJ's finances and to show BHJ's accountability for the money it receives. Additional financial information may be obtained by contacting the Finance Manager, Brooke-Hancock-Jefferson Metropolitan Planning Commission, 124 North Fourth Street, Steubenville, Ohio 42952.

Financial Position

The following represents BHJ's financial position for the year ended June 30, 2006.

STATEMENT OF NET ASSETS

	2005	2006	Change	% Change
ASSETS	136,819	137,388	569	1%
Cash and cash equivalents	28,139	37,806	9,667	34%
Accounts receivable, net	7,945	18,270	10,325	130%
Grants and contributions receivable	83,359	68,825	-14,534	-18%
Capital Assets	16,876	12,488	-4,388	-26%
LIABILITIES	73,305	77,078	3,773	6%
Accounts payable	9,347	13,908	4,561	49%
Accrued and withheld employee benefits	5,914	10,090	4,176	71%
Accrued payroll	9,120	10,986	1,866	20%
Accrued and withheld payroll taxes	3,299	2,178	-1,121	-34%
Due to grantors	9,920	17,088	7,168	73%
Loan payable	12,261	8,672	-3,589	-29%
Deferred revenue	23,444	14,156	-9,288	-40%
NET ASSETS	63,514	60,310	-3,204	-5%
Investments in capital assets	4,615	3,815	-800	-17%
Unrestricted	58,899	56,495	-2,404	-4%

STATEMENT OF REVENUES, EXPENSES AND NET ASSET CHANGES

	2005	2006	Change	%Change
REVENUE	685,065	616,156	-68,909	-10%
Federal	439,816	411,517	-28,299	-7%
State	150,360	100,525	-49,835	-34%
Per capita dues	90,526	103,785	13,259	15%
Other	4,363	329	-4,034	-92%
EXPENSES	688,561	618,560	-70,001	-10%
Transportation Planning	163,825	145,706	-18,119	-11%
Economic development services	48,181	57,901	9,720	20%
Transit studies and capital planning	28,380	44,510	16,130	57%
Community development projects	62,349	43,072	-19,277	-31%
Environmental protection	163,766	98,615	-65,151	-40%
Agency management and indirect	222,060	228,756	6,696	3%
NET CHANGE IN FUND BALANCE	-3,496	-2,404	1,092	32%

**FINANCIAL
STATEMENT NOTES**

	2005	2006	Change	%Change
CASH DEPOSITS AND CASH ON HAND	40,424	50,132	9,708.00	24%
National City	38,931	50,132	11,201.00	29%
United National Bank	1,493	0	-1,493.00	-100%
Petty Cash	0	0	0.00	0%
 NET CAPITAL ASSETS	 16,876	 12,488	 -4,388.00	 -26%
DUE TO GRANTORS	9,920	17,088	7,168.00	73%
GRANTS RECEIVABLE	83,859	68,825	-14688.00	-18%
DEFERRED REVENUE	23,444	14,156	-9288.00	-40%

**INDIRECT
COSTS**

	2005	2006	Change	%Change
TOTAL INDIRECT COSTS	222,060	224,132	2,072.00	1%
Personnel	83,535	89,130	5,595.00	7%
Travel	61	147	86.00	141%
Fringe Benefits	63,094	57,178	-5,916.00	-9%
Rent	30,000	31,855	1,855.00	6%
Audit/Personal Service Contract	9,104	14,935	5,831.00	64%
Insurance	3,711	3,620	-91.00	-2%
Telephone	5,691	5,285	-406.00	-7%
Equipment Cost	356	377	21.00	6%
Suppliers	8,403	6,530	-1,873.00	-22%
Postage	3,880	2,470	-1,410.00	-36%
Dues and Publications	1,108	407	-701.00	-63%
Other	13,117	12,197	-920.00	-7%
 INDIRECT COST RATE	 138.06	 148.9	 10.84	 8%

FRINGE BENEFITS

	2005	2006	Change	%Change
TOTAL FRINGE BENEFITS	184,303	153,744	-30,559	-17%
Salary Benefits	41,863	33,001	-8,862	-21%
Payroll Benefits	6,193	5,257	-936	-15%
Health Insurance	93,102	72,741	-20,361	-22%
Ohio PERS	43,145	42,746	-399	-1%
FRINGE BENEFIT RATE	75.53	64.152	-11.378	-15%

AUDITED FRINGE, INDIRECT AND COMBINED RATE

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0%
1999	0.5972	1.2882	1.8854	17%
2000	0.5655	1.0942	1.6597	-12%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.0838	1.7149	-9%
2003	0.7325	1.3683	2.1008	22%
2004	0.7020	1.2558	1.9578	-7%
2005	0.7553	1.3806	2.1359	9%
2006	0.6415	1.4890	2.1305	0%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 37,806
Accounts receivable, net	18,270
Grants and contributions receivable	68,825
Capital assets:	
Property, plant, and equipment, net of accumulated depreciation	<u>12,488</u>
TOTAL ASSETS	<u>\$ 137,388</u>
LIABILITIES	
Accounts payable	\$ 13,908
Accrued and withheld employee benefits	10,090
Accrued payroll	10,986
Accrued and withheld payroll taxes	2,178
Due to grantors	17,088
Loan payable	8,672
Deferred revenue	<u>14,156</u>
TOTAL LIABILITIES	<u>\$ 77,078</u>
NET ASSETS	
Investments in capital assets, net of related debt	\$ 3,815
Unrestricted	<u>56,495</u>
TOTAL NET ASSETS	<u>\$ 60,310</u>

The accompanying notes are an integral part of these financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government:			
Transporation planning	\$ 270,500	\$ 229,844	\$ (40,656)
Economic development services	74,088	33,308	(40,780)
Transit studies and capital planning	60,020	31,694	(28,326)
Community development projects	77,075	38,239	(38,836)
Environmental protection projects	137,674	142,597	4,923
TOTAL PRIMARY GOVERNMENT	<u>\$ 619,357</u>	<u>\$ 475,682</u>	<u>\$ (143,675)</u>
General Revenues:			
			\$ 103,785
			36,360
			<u>329</u>
TOTAL GENERAL REVENUES			<u>\$ 140,474</u>
CHANGE IN NET ASSETS			(3,201)
Net Assets, Beginning			<u>\$ 63,511</u>
NET ASSETS, ENDING			<u><u>\$ 60,310</u></u>

The accompanying notes are an integral part of these financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2006

	General Fund
ASSETS	
Cash and cash equivalents	\$ 37,806
Accounts receivable, net	18,270
Grants receivable	68,825
TOTAL ASSETS	\$ 124,901
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 13,908
Accrued and withheld employee benefits	10,090
Accrued payroll	10,986
Accrued and withheld payroll taxes	2,178
Due to grantors	17,088
Deferred revenue	14,156
TOTAL LIABILITIES	68,406
 Fund Balance	
Fund balance - unreserved	56,495
TOTAL FUND BALANCE	56,495
TOTAL LIABILITIES AND FUND BALANCE	\$ 124,901

The accompanying notes are an integral part of these financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

Governmental Fund Balance \$ 56,495

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets of \$35,796 net of accumulated depreciation of \$23,308, are not financial resources and, therefore, are not reported in the fund. 12,487

Long-term liabilities are not due and payable in the current Period and are not reported in the fund. (8,672)

Net Assets of Governmental Activities \$ 60,310

The accompanying notes are an integral part of these financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	General Fund
REVENUES	
Federal grants and projects	\$ 411,517
State financial assistance	100,525
Per capita dues	103,785
Other	329
	329
TOTAL REVENUES	\$ 616,156
EXPENDITURES	
Transportation planning	\$ 145,706
Economic development services	57,901
Transit studies and capital planning	44,510
Community development projects	43,072
Environmental protection projects	98,615
Agency management and indirect costs	228,756
	228,756
TOTAL EXPENDITURES	\$ 618,560
(Deficiency) excess of revenues over expenditures	\$ (2,404)
NET CHANGES IN FUND BALANCE	\$ (2,404)
FUND BALANCE, BEGINNING	58,899
FUND BALANCE, ENDING	\$ 56,495

The accompanying notes are an integral part of these financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2006

Net Change in Fund Balances – Governmental Fund \$ (2,404)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense. This is the amount of depreciation expense in the current period.	(6,900)
Adjustment for the removal of fixed assets no longer in service.	2,513
Governmental funds report debt payments as expenditures. This is the amount of debt payments in the current period.	<u>3,590</u>
Change in Net Assets of Governmental Activities	<u>\$ (3,201)</u>

The accompanying notes are an integral part of these financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

1. Summary Of Significant Accounting Policies

In fiscal year 2004, BHJ adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*; Statement No. 37 *Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This resulted in a change in format and content of the basic financial statements, including the institution of two levels of reporting. The two levels are government-wide financial statements and governmental fund financial statements.

Reporting Entity –

BHJ is a quasi-government agency that provides planning and administrative service to various federal, state, and local governments for the three-county area of Hancock and Brooke Counties of West Virginia and Jefferson County, Ohio. BHJ is as a reporting entity in accordance with GASB No. 14.

BHJ is made up of the Commissioners of Brooke and Hancock counties of West Virginia and Jefferson county of Ohio and all mayors of each city and village in the above three counties. The commissioners then appoint additional members. As such, each of the counties and municipalities is required to pay a per capita contribution to BHJ for each fiscal year.

BHJ maintains its own set of accounting records. Accordingly, the accompanying financial statements include only the accounts and transactions of BHJ. Under the criteria specified in Statement No. 14, BHJ has no component units. BHJ is not financially accountable for any other organization.

Government-Wide and Governmental Fund Financial Statements –

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses have been included as part of program expenses on the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenue. Major individual governmental funds are reported as separate columns in the fund financial statements.

The effect of internal activity has been removed from these statements. BHJ has only one governmental fund (General Fund) which is supported primarily by intergovernmental revenues. There are no business-type activities at BHJ.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

Measurement Focus and Basis of Accounting -

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within ninety days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and similar items are recognized as revenue in the fund financial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

Fund Accounting – The accounts of BHJ are organized on the basis of funds or groups of accounts, each of which is considered a separate accounting entity. BHJ has one fund (General Fund). The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund in this report is reported under the following broad fund category:

Governmental Funds

General Fund – The General Fund is the general operating fund of BHJ. It is used to account for all financial resources.

Revenues – Non-Exchange Transactions –

Non-exchange transactions, in which BHJ receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which BHJ must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to BHJ on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

Expenses/Expenditures –

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Capital Assets –

BHJ capitalizes at cost only non-program specific purchased property and equipment (see Note 10) costing \$500 and greater and with a useful life greater than one year. Capital assets are depreciated using the straight-line method over their estimated useful lives less any salvage value.

Reservations of Fund Balance –

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose or are not available for expenditure in the governmental fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for spending in future periods. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

Net Assets –

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets are reported as restricted when there are legal limitations imposed on their use by external restrictions by creditors, grantors, laws or regulations of other governments.

Allocation of Employee Benefits and Indirect Costs –

BHJ's Employee Benefits and Indirect Costs are allocated based upon direct labor costs. The allocation method is approved by BHJ's oversight agency through acceptance of the Overall Work Plan (OWP) submitted annually.

Cash and Cash Equivalents -

The investment and deposit of BHJ's monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit BHJ to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (Star Ohio) and obligations of the United States government and certain agencies thereof. BHJ may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days.

BHJ is prohibited from investing in any financial instruments, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instruments, contracts, or obligation itself (commonly known as a "derivative"). BHJ is also prohibited from investing in reverse purchase agreements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

Cash and Cash Equivalents (continued) -

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution or may deposit surety company bonds which when executed shall be for an amount in excess of collateral requirements. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in BHJ's name.

Income Taxes -

BHJ is exempt from federal income tax under §501(c)(1) of the Internal Revenue Code of 1954.

Use of Estimates -

The preparation of financial statements in conformity with auditing standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits and Investments

Concentration of Credit Risk

Cash deposits and cash on hand consist of the following at June 30, 2006:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
National City	\$ 50,132	\$ 37,483
Total cash deposits	50,132	37,483
Petty Cash	-	323
Total cash deposits and cash on hand	<u>\$ 50,132</u>	<u>\$ 37,806</u>

BHJ's funds at National City are insured up to the FDIC limit. At June 30, 2006, the agency's balances were not in excess of the FDIC prescribed insured limits. Refer to the Cash and Cash Equivalents section of Note 1 for deposit and investment policies.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

3. Capital Assets

A summary of changes in capital assets for the fiscal year ended June 30, 2006 is as follows:

Governmental Activities:

	<u>Equipment</u>
Balance July 1, 2005	\$ 143,869
Additions	-
Deletions	(108,073)
Balance June 30, 2006	<u>\$ 35,796</u>
Accumulated Depreciation	
Prior Years	(16,408)
Current Year	(6,900)
Net Capital Assets June 30, 2006	<u><u>\$ 12,488</u></u>

4. Due to Grantors

Due to grantors of \$17,088 is comprised of amounts due to the following governmental entities at June 30, 2006:

U.S. Department of Commerce – EDA 2003	\$ 3,356
U.S. Department of Commerce – EDA 2004	6,564
U.S. Department of Commerce – EDA 2005	5,414
U.S. Department of Commerce – ARC 2005	1,754
Total due to grantor	<u><u>\$ 17,088</u></u>

5. Deferred Revenue

Deferred Revenue represents monies advanced to BHJ from grantors for the purpose of carrying on specific grant functions, but is unobligated as of June 30, 2006:

Appalachian Regional Commission	\$ 10,571
Local Per-Capita Revenues	3,585
Total deferred revenue	<u><u>\$ 14,156</u></u>

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

6. Grants Receivable

Grants receivable of \$68,825 is comprised of amounts due from the following governmental entities at June 30, 2006:

WV Department of Transportation – FHWA	\$ 23,077
WV Department of Transportation - FTA Section 8	817
Ohio Department of Transportation - FHWA (Federal)	16,169
Ohio Department of Transportation - FHWA (State)	2,021
Ohio Department of Transportation – Special Trans. Planning	215
Ohio Department of Transportation - FTA Section 8 (Federal)	1,429
Ohio Department of Transportation - FTA Section 8 (State)	<u>179</u>
Total transportation	<u>43,907</u>
New Cumberland Heights/Johnsonville Road Sewer – CDBG	<u>501</u>
Total development block grants	<u>501</u>
Brownsfield, WV – EPA	2,980
Brooke County, WV - Colliers Water – EPA	197
Brooke County, WV - Colliers Sewer – EPA	3,325
Mahans Lane/Eldersville Road – EPA	1,703
McKinley Water Storage Tank – EPA	402
Wellsburg 11th Street Sewer – EPA	1,475
BDC Parcel – EPA	896
Beech Bottom Water – EPA	9,676
BC/HC Transit Study	366
Route 8 Sewer – EPA	<u>3,397</u>
Total EPA	<u>24,417</u>
Total grants receivable	<u>\$ 68,825</u>

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

7. Defined Benefit Pension Plan

All of BHJ's full-time employees participate in a cost sharing, multiple employer defined benefit pension plan.

Ohio Public Employees Retirement System (OPERS) – The following information was provided by the Ohio Public Employees Retirement System (OPERS) to assist BHJ in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: 1. The Traditional Plan is a cost-sharing multiple-employer defined benefit pension plan. 2. The Member-Directed Plan is a defined contribution plan. 3. The Combined Plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

All employees of BHJ, participate in one of the three OPERS pension plans. OPERS provides retirement, disability, survivor and death benefits, an annual cost-of-living adjustments to qualifying members of both the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the OPERS. Interested parties may obtain a copy by making a written request to: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. As of January 1, 2006, the plan members are required to contribute 9% of their annual covered salary and the employer's contribution rate for 2006 was 13.7% of covered payroll. Prior to that date, the required rate for the plan members was 8.5%. Internal Revenue Service law makes it possible for an employer to pay (pick up) employee contributions for members of PERS, and BHJ has opted to contribute 15.85% with plan members contributing 6.85% of covered payroll. BHJ's required contributions for the periods ended June 30, 2006, 2005, and 2004 were \$42,746, \$45,690, and \$47,325, respectively.

Other Post-Employment Benefits – OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan, do not qualify for ancillary benefits, including post-employment health care coverage.

OPERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available under OPERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

7. Defined Benefit Pension Plan (continued)

Other Post-Employment Benefits (continued) - A portion of each employer's OPERS contribution is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority for public employers to fund post-retirement health care through their contributions to OPERS. The number of active contributing participants in the Traditional and Combined Plans was 376,109.

Summary of Assumptions:

Actuarial Review: The following assumptions and calculations were based on the System's latest Actuarial Review performed as of December 31, 2004.

Funding Method: An individual entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actual gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method: All investments are carried at market value. For actuarial purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return: The investment assumption rate for 2004 was 8.00%, compounded annually, for all members and beneficiaries.

Active Employee Total Payroll: An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from .5% to 6.3%. Health care costs were assumed to increase 4.00% annually, beginning in 9 years.

The OPEB's were advance-funded on an actuarially determined basis. The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2004 was \$10.8 billion. The actuarially accrued liability and the unfunded actuarially accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan ("HCPP") with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to rising health care costs. Under the HCPP, retirees that are eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. HCPP will incorporate a cafeteria approach, offering a larger range of health care options that allow recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

8. Contingencies and Concentrations

Federal and State Grants – Under the terms of BHJ’s various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At June 30, 2006, there were no significant questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. Management of BHJ believes there will be no material adjustments to the grants and, accordingly, has not recorded a provision for possible repayments under the above grants.

BHJ receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if such were to occur, would have a material effect on BHJ’s programs and activities.

In the normal course of its business activities, BHJ may become subject to claims and litigation relating to contracts, employment or other matters. In the opinion of management, the resolution of any such claims pending would not likely have a material impact on BHJ’s financial position.

9. Risk Management

BHJ is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omissions, employment matters, injuries to employees and employee theft and fraud.

BHJ participates in the Ohio Bureau of Workers’ Compensation for workers compensation coverage and with the Ohio Department of Job and Family Services for unemployment coverage. BHJ continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in prior years.

10. Departures from GAAP

Capital expenditures classified as direct costs are fully expensed in the Government-Wide Statement of Net Assets. BHJ expenses the total cost of the capital expenditure to the grant that the expenditure directly relates. Only capital expenditures that are classified as indirect costs are capitalized and depreciated over their useful lives. The depreciation expense related to these indirect capital expenditures is incorporated within BHJ’s indirect rate. BHJ applies the indirect rate among various grant awards for billing and reimbursement. The effects on the Statement of Net Assets of the preceding practices are not reasonably determinable. The qualification only impacts the Governmental Activities as fixed assets are expensed at the fund level as required by accounting principles generally accepted in the United States of America.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$ 89,130	\$ -	\$ 89,130
Fringe Benefits	57,178	-	57,178
Travel	147	-	147
Rent	31,855	-	31,855
Audit and personal service contracts	14,935	-	14,935
Insurance	3,620	-	3,620
Telephone	5,285	-	5,285
Equipment costs	377	-	377
Supplies	6,530	-	6,530
Postage	2,470	-	2,470
Dues and publications	407	-	407
Other	<u>12,197</u>	<u>5,421</u>	<u>17,619</u>
 Total, Government-Wide Level	 <u>\$ 224,132</u>	 <u>\$ 5,421</u>	 \$ 229,553
Less: Depreciation			(6,900)
Plus: Adjustment for fixed assets no longer in service			2,513
Plus: Lease principal payments			<u>3,590</u>
 Total, Fund Level			 <u>\$ 228,756</u>

INDIRECT COST RATE COMPUTATION

<u>Total Indirect Costs</u>	<u>\$224,132</u>				
Direct personnel Costs	\$150,526	=			148.8986%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2006

Salary benefits		\$ 33,001
Payroll benefits:		
Social security	\$ 3,538	
Unemployment insurance	238	
Workers compensation	1,481	5,257
Other benefits:		
Health insurance	72,741	
Ohio PERS	42,746	115,486
Total fringe benefits		\$ 153,744

FRINGE BENEFIT RATE COMPUTATION

$$\frac{\text{TOTAL FRINGE BENEFITS}}{\text{TOTAL PERSONNEL COSTS}} = \frac{\$153,744}{\$239,656} = 64.1521\%$$

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2006**

	REVENUE RECORDED				EXPENDITURES				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total
Federal Highway Administration									
Highway Planning & Research									
Ohio Dept of Transportation FY 06	\$ 124,272	\$ 15,532	\$ 15,532	\$ 155,336	\$ 47,219	\$ 30,292	\$ 7,516	\$ 70,309	\$ 155,336
WV Dept of Transportation FY 06	90,040	-	22,510	112,550	35,231	22,601	2,260	52,458	112,550
Federal Transit Administration									
Transit Technical Studies-FTA Section 8									
Ohio Dept of Transportation FY 06	10,526	1,316	1,316	13,157	3,880	2,489	1,102	5,778	13,249
WV Dept of Transportation FY 06	14,916	-	3,729	18,645	6,120	3,926	523	9,113	19,684
Ohio Special Transportation Planning									
Ohio Dept of Transportation FY 06	4,936	-	-	4,936	-	-	4,936	-	4,936
Appalachian Regional Commission									
Appalachian Local Dev. District									
302(a)(1) 07/1/05-12/31/05	16,064	16,064	-	32,129	9,478	6,080	2,458	14,112	32,129
302(a)(1) 01/01/06-06/30/06	22,174	20,295	1,879	44,349	12,957	8,312	3,788	19,292	44,349
U.S. Environmental Protection									
EPA Admin Contract	67,076	-	11,201	78,277	7,522	4,826	56,801	11,201	80,349
U.S. Dept of Commerce - EDA									
07/01/05-12/31/05	33,308	-	33,308	66,616	10,331	6,627	40,943	15,382	73,283
WV Division of Environmental Protection									
Brooke City Colliers Sewer Project	-	801	-	801	286	184	-	426	896
Brooke City Colliers Water Project	-	801	-	801	254	163	-	379	796
Brooke City Mahan Lane/Eldersvl	-	14,412	-	14,412	4,905	3,147	228	7,304	15,584
Hancock City Rt 8 Sewer	-	17,379	-	17,379	5,804	3,723	310	8,642	18,479
Beech Bottom Water Project	-	12,898	-	12,898	4,238	2,719	282	6,310	13,549
Local Contracts and Projects									
BDC of Northern Panhandle - Parcel	-	1,026	-	1,026	41	27	-	62	130
BC/HC Transit Study	28,204	-	-	28,204	2,259	1,449	21,565	3,364	28,638
TOTALS	\$ 411,517	\$ 100,525	\$ 89,475	\$ 601,516	\$ 150,526	\$ 96,566	\$ 142,712	\$ 224,132	\$ 613,936

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2006

BASIS OF PRESENTATION

The accompanying Schedule of Contract Revenues and Expenditures reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs for the year ended June 30, 2006. The Schedule has been prepared in accordance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, using the modified accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

BODKIN WILSON & KOZICKI PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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**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**

To the Executive Committee
Brooke-Hancock-Jefferson
Metropolitan Planning Commission:

We have audited the accompanying financial statements of the governmental activities and the General fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ), as of and for the year ended June 30, 2006, which collectively comprise BHJ's basic financial statements and have issued our report thereon dated March 30, 2007. The report on the governmental activities was qualified because certain capital expenditures that are directly charged to specific programs are expensed in the Statement of Net Assets instead of being capitalized and depreciated over their estimated useful lives. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered BHJ's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect BHJ's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and responses as item 2006-1.

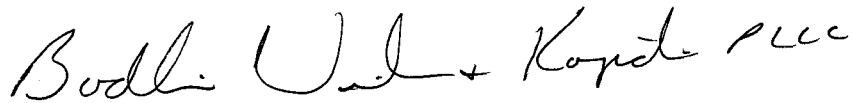
A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether BHJ's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of BHJ in a separate letter dated March 30, 2007.

This report is intended solely for the information and use of the executive committee, management, and the auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.



Weirton, West Virginia,
March 30, 2007.

BROOKE HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2006

SECTION I – FINANCIAL STATEMENT FINDINGS

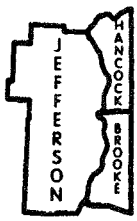
2006-1: Inadequate Recognition of Bank Deposits

Condition and Criteria: During our fieldwork, we noted that the June 2006 bank reconciliation contained a reconciling amount for a deposit that cleared the bank during the month of June, but was not recorded within the general ledger until the subsequent month and period. All deposits and other bank activity need to be recorded in the general ledger in a timely manner, within the period of occurrence. Improper recognition of bank activity prevents the presentation of accurate cash balances within the financial statements.

Cause and Effect: During the course of our audit, we noted that a deposit, clearing the bank account during the month of June, was not recorded into the general ledger until the following fiscal year and period, July 2006. BHJ's cash balance, reported on their unaudited financial statements at the end of fiscal year 2006 was understated.

Auditor's Recommendation: BHJ needs to ensure that bank activity is recorded in the general ledger in the appropriate period. In addition, BHJ also needs to perform monthly bank reconciliations in order to prevent such occurrences.

Auditee's Response: The management of BHJ agrees with the finding and has submitted a corrective action plan.



Brooke-Hancock-Jefferson
Metropolitan Planning Commission
124 North Fourth Street
Second Floor
Steubenville, Ohio 43952-4498

March 31, 2007

Bodkin Wilson & Kozicki PLLC
3600 West Street, Suite 4
Weirton, WV 26062

Re: Corrective Action Plan

Gentlemen:

Brooke-Hancock-Jefferson Metropolitan Planning Commission respectfully submits the following corrective action plan for the year ended June 30, 2006. The finding from the June 30, 2006 schedule of findings and responses is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITION

2006-1: *Inadequate Recognition of Bank Deposits*

Auditor's Recommendation: BHJ needs to ensure that bank activity is inputted into the general ledger within the appropriate period. In addition, BHJ also needs to perform monthly bank reconciliations in order to prevent such occurrences.

Action Taken: We concur with the recommendation, and we will begin this process immediately.

If there are any questions regarding this plan, please call Joan Cresap, Finance Manager, at (740) 282-3685.

Sincerely yours,

Dr. John Brown
Executive Director

(30)

Phone: (740) 282-3685

Fax: (740) 282-1821

E-Mail: bhjmpc@bhjmpc.org

BROOKE HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2006

FINANCIAL STATEMENT FINDINGS

2005-1: Inadequate Billing System Reconciliation

Condition: The finding was a material weakness stating that the system currently maintained by BHJ to accumulate expenditures, allocate the related fringe and indirect costs and ultimately invoice the appropriate funding sources continued to be maintained separately from the general ledger accounting system, without reconciliation performed between the two systems.

Recommendation: The auditor recommended that BHJ needed to develop and maintain a system to reconcile the billing system with the general ledger on a timely basis. Management concurred with the recommendation and indicated that the procedures would be implemented.

Current Status: The recommendation was adopted during the 2006 fiscal year. No similar findings were noted in the fiscal year 2006 audit.

2005-2: Inadequate Enforcement of Controls Over Employee Travel Expenses

Condition: The finding was a reportable condition stating that BHJ did not adequately enforce, monitor and document their internal controls over employee travel expenses, resulting in potential violations of policy that go undetected and uncorrected by management.

Recommendation: The auditor recommended that BHJ needed to establish procedures to enable them to enforce and monitor their comprehensive travel policy, to ensure that all State and Federal requirements regarding the proper procedures for reimbursement of employee travel expenses are in place and properly documented. Management concurred with the recommendation and indicated that the procedures would be implemented.

Current Status: The recommendation was adopted during the 2006 fiscal year. No similar findings were noted in the fiscal year 2006 audit.



Mary Taylor, CPA
Auditor of State

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 27, 2007**