

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA**

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

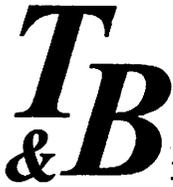
	Page
Schedule of Funds Included in Report	1
Independent Auditor's Report	2-4
Statement of Net Position	5-6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8-9
Notes to Financial Statements	10-32
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	33
Schedule of Authority Contributions	34
Notes to Required Supplementary Information	35
Schedule of Proportionate Share of the Net OPEB Liability	36
Schedule of Authority Contributions – OPEB	37
Notes to Required Supplementary Information – Net OPEB Liability	38
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 <i>Government Auditing Standards</i>	39-40

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF FUNDS INCLUDED IN REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

PROPRIETARY FUND TYPE

Major Fund

Parking Authority



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parking Authority of the City of Clarksburg, West Virginia
Clarksburg, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Parking Authority of the City of Clarksburg, West Virginia (a component unit of the City of Clarksburg, West Virginia) as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Parking Authority of the City of Clarksburg, West Virginia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Parking Authority of the City of Clarksburg, West Virginia, as of June 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements for the year ended June 30, 2018, the Parking Authority of the City of Clarksburg, West Virginia adopted new accounting guidance, GASB 85 – *Omnibus 2017* and GASB 86 – *Certain Debt Extinguishment Issues*. Our opinion is not modified with respect to these matters.

Also, as discussed in Note A, the financial statements present only the Parking Authority of the City of Clarksburg, West Virginia and do not purport to, and do not present fairly the financial position of the City of Clarksburg, West Virginia as of June 30, 2018, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability, schedule of Authority's contributions, notes to required supplementary information, schedule of proportionate share of the net OPEB liability, schedule of authority contributions – OPEB and notes to required supplementary information – net OPEB liability on pages 33 thru 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2019, on our consideration of the Parking Authority of the City of Clarksburg, West Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Parking Authority of the City of Clarksburg, West Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parking Authority of the City of Clarksburg, West Virginia's internal control over financial reporting and compliance.

J. Patrick . Baskin . Phd

Clarksburg, West Virginia
January 19, 2019

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2018**

ASSETS

Current Assets

Cash	\$ <u>13,937</u>
Total current assets	<u>13,937</u>

Capital Assets

Land	2,543,901
Buildings	7,644,604
Structures and improvements	453,583
Machinery and equipment	338,301
Less: Accumulated depreciation	<u>(4,673,582)</u>
Net capital assets	<u>6,306,807</u>

Total assets	<u>6,320,744</u>
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**LIABILITIES, DEFERRED INFLOW OF RESOURCES
AND NET POSITION**

Current Liabilities (payable from current assets)

Note payable	\$ 3,154
Accounts payable	<u>3,932</u>
Total current liabilities (payable from current assets)	<u>7,086</u>

Long-Term Liabilities (payable from current portion)

Other postemployment benefits payable	<u>16,015</u>
Total long-term liabilities (payable from current portion)	<u>16,015</u>

Total liabilities

23,101

Deferred Inflows of Resources

Net difference between expected and actual experience – OPEB	54
Net difference between expected and actual investment earnings on OPEB investments	256
Changes in proportion and differences between employer contributions and proportionate share of contributions – OPEB	<u>1,719</u>
Total deferred inflows of resources	<u>2,029</u>

Net Position

Net investment in capital assets	6,287,638
Unrestricted	<u>7,976</u>
Total net position	\$ <u>6,295,614</u>

See accompanying notes and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

Operating Revenues	
Charges for services	\$ <u>138,178</u>
Total operating revenues	<u>138,178</u>
Operating Expenses	
Personal services	61,852
Contractual services	1,500
Administrative and general	732
Liability insurance	5,136
Materials and supplies	7,580
Utilities	37,089
Depreciation	109,940
Maintenance	<u>9,887</u>
Total operating expenses	<u>233,716</u>
Operating income (loss)	(<u>95,538</u>)
Nonoperating Revenues (Expenses)	
Interest	91
Interest and fiscal charges	(<u>514</u>)
Total nonoperating revenues (expenses)	(<u>423</u>)
Change in net position	(95,961)
Total net position – beginning – restated	<u>6,391,575</u>
Total net position – ending	\$ <u>6,295,614</u>

See accompanying notes and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

Cash Flows from Operating Activities	
Receipts from customers	\$ 138,178
Payments to suppliers	(70,691)
Payments to employees	(50,527)
Net cash provided by operating activities	<u>16,960</u>
Cash Flows from Capital and Related Financing Activities	
Repayment of notes payable	(12,453)
Interest expense	(514)
Net cash (used in) capital and related financing activities	<u>(12,967)</u>
Cash Flows from Investing Activities	
Interest on investments	<u>91</u>
Net cash provided by investing activities	<u>91</u>
Net increase in cash	4,084
Cash at beginning of year	<u>9,853</u>
Cash at end of year	\$ <u>13,937</u>

See accompanying notes and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
STATEMENT OF CASH FLOWS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (95,538)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	109,940
(Increase) decrease in:	
Deferred outflows of resources – net difference between projected and actual investment earnings on pension plan investments – WVPERS	723
Deferred outflows of resources – employer contributions subsequent to measurement period – WVPERS	547
Deferred outflows of resources – differences between expected and actual experience – pension plan – WVPERS	192
Deferred outflows of resources – changes in proportion and differences between employer contributions and proportionate share of contributions – pension plan – WVPERS	34
Increase (decrease) in:	
Accounts payable	3,786
Accrued postemployment benefits payable	(2,340)
Net pension obligation	(2,300)
Deferred inflows of resources – changes in assumptions – pension – WVPERS	(112)
Deferred inflows of resources – changes in proportion and differences between employer contributions and proportionate share of contributions – pension – WVPERS	(1)
Deferred inflows of resources – differences between expected and actual experience – OPEB	54
Deferred inflows of resources – net difference between projected and actual investment earnings on OPEB investments	256
Deferred inflows of resources – changes in proportion and differences between employer contribution and proportionate share of contributions – OPEB	<u>1,719</u>
Net cash provided by operating activities	\$ <u>16,960</u>

See accompanying notes and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

I. Summary of Significant Accounting Policies

The accounting policies of the Parking Authority of the City of Clarksburg, West Virginia (the Authority) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of significant accounting policies:

(a) Reporting Entity

The Authority, a component unit of the Municipality of Clarksburg, is governed by five Board members who are approved by the Municipality of Clarksburg elected Council. The Authority is a legally separate organization for which elected officials of the primary government are financially accountable. The Authority is a discretely presented component unit of the primary government based upon the criteria stipulated in the Governmental Accounting Standard Board Statement No. 14 (as amended by GASB Statement No. 39 and GASB Statement No. 61).

(b) Fund Financial Statements

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information on all of the activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Business-type activities rely to a significant extent on fees and charges for support.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The 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.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

The government reports the following major proprietary fund:

The Parking Authority of the City of Clarksburg, West Virginia serves all the citizens of the Municipality of Clarksburg and addresses parking issues for the Municipality of Clarksburg. The rates for user charges and bond issuance authorizations are approved by the government's elected council.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the fund is charges to customers for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition. For purposes of the Statement of Cash Flows, restricted assets may be considered cash equivalents based on liquidity.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the government reports its investments at fair value, except for non-participating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in fair value of investments, are recognized as revenue in the operating statement. Fair value is determined by quoted market prices.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

Short-term investments are reported at cost, which approximates fair value.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of underlying securities. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

State statutes authorize the government to invest in the State Investment Pool or the Municipal Bond Commission or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit (which mature in less than one year), general and direct obligations of the state of West Virginia; obligations of the federal mortgage association; indebtedness secured by first lien deeds of trust for property situated within this state if the payment is substantially insured or guaranteed by the federal government; pooled mortgage trusts (subject to limitations); indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades; interest earning deposits which are fully insured or collateralized; and mutual funds registered with the S.E.C. which have fund assets over three hundred million dollars.

State statute limitations concerning the aforementioned investments include the following: at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporation nor can the portfolio have over twenty-five percent of its portfolio consisting of the indebtedness of a private corporation's debt which matures in less than one year; at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association; and at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

2. Receivables and Payables

Interfund Transactions

Activity between the primary government and the Parking Authority of the City of Clarksburg, West Virginia are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as “due to/from other primary government.”

3. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the Statement of Net Position. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and estimated to have a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is not reflected in the capitalized value of the asset constructed, net of interest earned on the investment proceeds during the same period.

The government’s capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements	10-20
Equipment	5-25

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

4. Compensated Absences

The government's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

When a permanent full time employee retires, the employee may elect to have any accrued sick leave converted to insurance benefits based on the formula of two days sick leave for one month single coverage insurance premium or three days sick leave for one month family coverage insurance premium. A liability has been accrued for all employees who have actually retired at June 30, 2018, converted accrued sick leave to insurance premiums, and the actual costs to the government has been calculated.

5. Long-Term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

7. Change in Accounting Principle

During the fiscal year ended June 30, 2018 the Authority adopted the following GASB statements.

GASB 85 – *Omnibus 2017* – This Statement establishes accounting and reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits). The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017.

GASB 86 – *Certain Debt Extinguishment Issues* – This Statement improves consistency in accounting and financial reporting for in substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for reporting periods beginning after June 15, 2017 and had no effect on the accompanying financial statements.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements).

The following are recent GASB Pronouncements for which the Authority has not adopted as of June 30, 2018:

GASB 83 – *Certain Asset Retirement Obligations* – This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain Asset Retirement Obligations (AROs), including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. This statement is effective for reporting periods beginning after June 15, 2018.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

GASB 84 – *Fiduciary Activities* – This Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2018.

GASB 87 – *Leases* – This Statement's objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the rights to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. This statement is effective for reporting periods beginning after December 15, 2019.

GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* – This Statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period – This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 90 – Majority Equity Interests – The requirements of the Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

8. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of the resources related to pensions, and pension expense, information about the fiduciary net position of the Parking Authority of the City of Clarksburg, West Virginia's Public Employee Retirement System (PERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

9. Equity Classification

Net Position Classifications:

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position – divided net position for Government-wide net position into three components:

- a. Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- b. Restricted net position – consists of net position that is restricted by the Authority's creditors (for example through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- c. Unrestricted – all other net position is reported in this category

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles 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.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

II. Detailed Notes on All Funds

A. Deposits and Investments

At year end, the government had no investments

Custodial Credit Risk

For deposits, the Authority could be exposed to risk in the event of a bank failure where the Authority's deposits may not be returned. The Authority's policy for custodial credit risk is to ensure amounts exceed the F.D.I.C. coverages are fully collateralized. At year end, the Authority's bank balances were \$13,937, that was fully collateralized with securities held by the pledging financial institution's trust department or agent but in the Authority's name.

B. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-Type Activities				
Nondepreciable Assets				
Land	\$ <u>2,543,901</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>2,543,901</u>
Total nondepreciable assets	<u>2,543,901</u>	<u>-0-</u>	<u>-0-</u>	<u>2,543,901</u>
Depreciable Assets				
Buildings	7,644,604	-0-	-0-	7,644,604
Structures and improvements	453,583	-0-	-0-	453,583
Machinery and equipment	<u>338,301</u>	<u>-0-</u>	<u>-0-</u>	<u>338,301</u>
Total at historical cost	8,436,488	-0-	-0-	8,436,488
Less: Accumulated depreciation	<u>4,563,642</u>	<u>(109,940)</u>	<u>-0-</u>	<u>4,673,582</u>
Total depreciable assets – net	<u>3,872,846</u>	<u>(109,940)</u>	<u>-0-</u>	<u>3,762,906</u>
Business-type activities capital assets – net	\$ <u>6,416,747</u>	\$ <u>(109,940)</u>	\$ <u>-0-</u>	\$ <u>6,306,807</u>

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

Depreciation expense was charged to the funds of the government as follows:

Business-type activities:

Parking Authority of the City of Clarksburg, West Virginia	\$ <u>109,940</u>
Total depreciation expense – business-type activities	\$ <u>109,940</u>

C. Long-Term Debt

The following is a summary of long-term debt at June 30, 2018:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Amounts</u> <u>Due After</u> <u>One Year</u>
Bonds and Notes Payable						
West Union Bank Note	\$ <u>15,607</u>	\$ <u>-0-</u>	\$ <u>12,453</u>	\$ <u>3,154</u>	\$ <u>3,154</u>	\$ <u>-0-</u>
Total bonds and notes payable	<u>15,607</u>	<u>-0-</u>	<u>12,453</u>	<u>3,154</u>	<u>3,154</u>	<u>-0-</u>
Other Long-Term Debt						
Net pension obligation	2,300	-0-	2,300	-0-	-0-	-0-
Net other postemployment benefit obligation	<u>18,355</u>	<u>-0-</u>	<u>2,340</u>	<u>16,015</u>	<u>-0-</u>	<u>16,015</u>
Total other long-term debt	<u>20,655</u>	<u>-0-</u>	<u>4,640</u>	<u>16,015</u>	<u>-0-</u>	<u>16,015</u>
Total long-term debt	\$ <u>36,262</u>	\$ <u>-0-</u>	\$ <u>17,093</u>	\$ <u>19,169</u>	\$ <u>3,154</u>	\$ <u>16,015</u>

West Union Bank

3.10%; installment obligation; payable in quarterly installments of \$3,202; maturing 7/15/18; secured by parking pay stations.

\$ 3,154

The future debt maturities based on current financing arrangements is as follows:

<u>For the Year Ended June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ <u>3,181</u>	\$ <u>3,154</u>	\$ <u>27</u>

D. Subsequent Events

The Board has considered all subsequent events through January 19, 2019, the date the financial statements were made available.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

III. Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with Commercial Insurance for umbrella (general liability) insurance for these various risks.

Workers' Compensation Fund (WCF): Private insurance companies could begin to offer workers compensation coverage to government employers beginning July 1, 2010. Workers compensation coverage is provided for this entity by Brick Street.

Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

IV. Employees Retirement Systems and Plans

Plan Descriptions Contribution Information and Funding Policies

Public Employees Retirement System (PERS)

The Parking Authority of the Clarksburg, West Virginia participates in a state-wide, cost sharing, multiply-employer defined benefit plan on behalf of employees. The system is administered by agencies of the State of West Virginia and funded by contributions from participants, employers, and State appropriations, as necessary.

The following is a summary of eligibility factors, contribution methods, and benefit provisions:

Public Employees' Retirement System (PERS)

Eligibility to participate	All Authority full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

Public Employees' Retirement System (PERS)

Plan member's contribution rate	4.50% and 6.00%
Municipality's contribution rate	11.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 60 and has earned 5 years or more of contributing service or age 55 if the sum of his/her age plus years of credited service is equal to or greater than 80. The final average salary (three highest consecutive years in the last 15) times the years of service times 2% equals the annual retirement benefit.
Deferred retirement portion	No
Provisions for:	
Cost of living	No
Death benefits	Yes

Trend Information

Public Employees Retirement System (PERS)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2018	\$ -0-	100%
2017	\$ 547	100%
2016	\$ 3,589	100%

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees Retirement System, 4101 MacCorkle Ave S.E., Charleston, WV 25304.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

The Parking Authority of the Municipality of Clarksburg, West Virginia elected to become a participating employer under the West Virginia Employees Retirement System (PERS plan).

General Information about the Plan

The plan is a defined benefit plan and provides pensions for all participating employees of the Authority. The PERS plan is a statewide, cost-sharing, multiple-employer, defined benefit retirement plan for public employees established on July 1, 1961. All employees of the State of West Virginia and any political subdivision whose governing body elects to participate are required (with certain exceptions) to become members. The PERS Plan is managed by a Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: for residents of the State who are not participants in the retirement plans, one State and one non-state employee participant in PERS, and one participant each from TRS, SPDDRS, SPRS, DSRS, EMSRS, MPFRS, and TDCRS.

Participants in the PERS Plan who retire at age 60 with at least five years of credited service or at least age 55 with their age plus service equal to 80 or greater are entitled to a retirement benefit, payable monthly for life, equal to 2% of average salary multiplied by years of service. Average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their benefits at age 62. The PERS Plan also provides death and disability benefits.

Employees covered by benefit terms are all active employees.

Contribution rates for the PERS Plan are subject to Chapter 5, Article 10 of the West Virginia State Code. For the year ended June 30, 2017, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 12.0 percent of the member's compensation into the plan. For the year ended June 30, 2018, active members contributed 4.5 and 6.0 percent of their salary, and employers contributed 11.0 percent of the member's compensation into the plan.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018 the Authority reported a liability of \$-0- for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and rolled forward to June 30, 2017 using the actuarial assumption and methods described in the appropriate section of the notes. The Authority's portion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating public employers actuarially determined.

At June 30, 2018, the Authority reported the following proportions and increases/decreases from its proportion measured as of June 30, 2017:

Amount for proportionate share of net pension liability	\$	-0-
Percentage for proportionate share of net pension liability		0%
Increase (decrease) % from prior proportion measured		-0.00025%

For the year ended June 30, 2018, the Authority recognized pension expense of \$(917) on its government wide financial statements. At June 30, 2018, the Board reported no deferred outflows of resources or deferred inflows of resources related to pensions.

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.0 percent
Salary increases:	3.0 – 6.0 percent, including inflation
Investment rate of return:	7.5 percent, net of pension plan investment expenses, including inflation.

Mortality rates were based on the following:

- Healthy Males: 110% of RP – 2,000 Non-Annuitant, Scale AA
- Healthy Females: 101% of RP – 2,000 Non-Annuitant, Scale AA
- Disabled Males: 96% of RP – 2,000 Disable Annuitant, Scale AA
- Disabled Females: Revenue Rule 107% of RP – Disable Annuitant, Scale AA

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	30.0%	7.00%
International Equity	30.0%	7.70%
Fixed Income	<u>40.0%</u>	2.70%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assuming that employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease</u> <u>(6.50%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.50%)</u>	<u>1% Increase</u> <u>(8.50%)</u>
Authority's proportionate share of the net pension liability	\$ -0-	\$ -0-	\$ -0-

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report available at the Consolidated Public Retirement Board's website at www.wvretirement.com. That information can also be obtained by writing to the West Virginia Consolidated Public Retirement Board, 4101 MacCorkle Avenue SE, Charleston, WV 25304.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

V. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan Description. The Authority contributes to the West Virginia Other Postemployment Benefit Plan (the Plan), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan. The financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and RHBT management with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration cabinet secretary serves as Chairman of the Board. Four members represent labor, education, public employees and public retirees. The four remaining members represent the public at large. The Plan had approximately 43,000 policyholders and 63,000 covered lives at June 30, 2017. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov. You can also submit your questions in writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE, Suite 2, Charleston, WV 25304.

Benefits provided. The Plan provides medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: 1) Self-Insured Preferred Provider Benefit Plan (primarily for non-Medicare-eligible retirees and spouses) and 2) External Managed Care Organizations (primarily for Medicare-eligible retirees and spouses).

Contributions. Paygo premiums are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidized the retirees' health care by approximately \$150 million for both fiscal years ending June 30, 2016 and June 30, 2017.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At fiscal year-end, the Authority reported a liability of \$16,015 for its proportionate share of the net OPEB liability. The net OPEB liability, deferred inflows and outflows of resources and OEPB expense were determined by an actuarial valuation date as of June 30, 2016, rolled forward to June 30, 2017, which is the measurement date. The Municipality's proportion of the net OPEB liability was based on a projection of the government's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2017, the government's proportion was .000651%, which was a decrease of 13.52% from its proportion measured as of June 30, 2017.

For this fiscal year, the Authority recognized OPEB expense of \$(311). The government reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ -0-	\$ 54
Net difference between expected and actual investment earnings on OPEB plan investments	-0-	256
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>-0-</u>	<u>1,719</u>
Total	\$ <u>-0-</u>	\$ <u>2,029</u>

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

The amount reported as deferred outflows of resources related to OPEB resulting from Municipality contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,

2019	\$(508)
2020	(507)
2021	(507)
2022	<u>(507)</u>
Total	<u>\$(2,029)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate:	2.75%
Salary Increases:	Dependent upon pension system, ranging from 3.0% to 6.5%, including inflation
Investment Rate of Return:	7.15%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Rates:	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.50% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the excise tax.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2018**

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Healthy Annuitant Mortality Table projected to 2025 with Scale BB for Troopers A and B. Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2000 Non-Annuitant Mortality Table projected to 2020 with Scale BB for Troopers A and B.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015.

The long-term rates on an OPEB plan investments are determined using a building-block method in which estimates of expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTI. Best estimates of long-term geometric rates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%
Cash	0.0%

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

Discount rate. The discount rate used to measure the OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the discount rate. The following chart presents the Authority's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u> (6.15%)	<u>Discount Rate</u> (7.15%)	<u>1% Increase</u> (8.15%)
Net OPEB liability	\$ 18,648	\$ 16,015	\$ 13,827

Sensitivity of the Authority's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following chart presents the Authority's proportionate share of the net OPEB liability, as well as what the proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates described in the actuarial assumptions:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 13,453	\$ 16,015	\$ 19,978

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report available at the West Virginia Public Employee Insurance Agency's website at peia.wv.gov. That information can also be obtained by writing to the West Virginia Public Employee Insurance Agency, 601 57th. Street, Suite 2, Charleston, WV 25304.

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2018**

VI. Restatement of Net Position

It was determined during this audit that the beginning net position of the Parking Authority Fund required restatement as follows:

Net position as previously stated	\$ 6,369,520
Restatement: Implementation of adoption of GASB 75	<u>22,055</u>
Net position beginning as restated	\$ <u>6,391,575</u>

REQUIRED SUPPLEMENTARY INFORMATION

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Fiscal Year Ended June 30, 2018</u>	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>
Authority's proportion of the net pension liability (asset)	0%	0.03%	0.19%	0.20%
Authority's proportionate share of the net pension liability (asset)	\$ -0-	\$ 2,300	\$ 10,759	\$ 7,533
Authority's covered – employee payroll	\$ -0-	\$ 4,558	\$ 26,585	\$ 25,021
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered – employee payroll	0%	50.46%	40.47%	30.11%
Plan fiduciary net position as a percentage of the total pension liability	93.67%	86.11%	91.29%	93.98%

The information presented in the schedule of the proportionate share of the net pension liability is the only years available as of June 30, 2018. The Authority will be adding additional years to the accompanying schedule as information is available.

See accompanying notes and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF AUTHORITY CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Fiscal Year Ended June 30, 2018</u>	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>
Contractually required contribution	\$ -0-	\$ 547	\$ 3,589	\$ 3,628
Contributions in relation to the contractually required contribution	<u>-0-</u>	<u>547</u>	<u>3,589</u>	<u>3,628</u>
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Authority's covered – employee payroll	\$ -0-	\$ 4,558	\$ 26,585	\$ 25,021
Contributions as a percentage of covered – employee payroll	11.00%	12.00%	13.50%	14.00%

The information presented in the schedule of contributions is the only years available as of June 30, 2018. The Authority will be adding additional years to the accompanying schedule as information is available.

See accompanying notes and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

Change of Assumptions

Actuarial Revisions

Subsequent to the issuance of the West Virginia Consolidated Public Retirement Board's June 30, 2017 Comprehensive Annual Financial Report, certain actuarial amounts from the actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 were revised. The amounts revised as of June 30, 2017 were used to prepare these schedules and are described below:

Total Pension Liability	\$ 6,816,742,000
Plan Fiduciary Net Position	(6,385,097,000)
Net Pension Liability	\$ <u>431,645,000</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	93.67%

<u>Sensitivity of Discount Rate</u>	<u>1% Decrease</u> (6.5%)	<u>Current</u> <u>Discount Rate</u> (7.5%)	<u>1% Increase</u> (8.5%)
Total Net Pension Liability (Asset)	\$ 1,194,983,000	\$ 431,645,000	\$ 213,751,000

See independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Public Employees Insurance Agency
Two Fiscal Years***

	<u>2018</u>	<u>2017</u>
Authority's proportion of the net OPEB liability	0.000651%	0.000739%
Authority's proportionate share of the net OPEB liability	\$ 16,015	\$ 18,355
Authority's covered-employee payroll	\$ 18,823	\$ 19,957
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	85.08%	108.73%
Plan fiduciary net position as a percentage of the total OPEB liability	25.10%	21.64%

* - Applicable information was available for two years for this schedule.

This schedule presents the only years available at June 30, 2018. Additional years will be presented as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
SCHEDULE OF AUTHORITY CONTRIBUTIONS - OPEB
JUNE 30, 2018**

**Public Employees Insurance Agency
Two Fiscal Years***

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,493	\$ 1,341
Contributions in relation to the contractually required contribution	(1,493)	(1,341)
Contribution deficiency (excess)	\$ <u>-0-</u>	\$ <u>-0-</u>
Authority's covered-employee payroll	\$ 18,823	\$ 19,957
Contributions as a percentage of covered-employee payroll	7.93%	6.72%

* - Applicable information was available for two years for this schedule.

This schedule presents the only years available at June 30, 2018. Additional years will be presented as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG, WEST VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
NET OPEB LIABILITY
JUNE 30, 2018**

Change of Assumptions

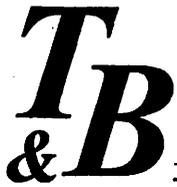
Actuarial Revisions

Subsequent to the issuance of the State of West Virginia's June 30, 2017 West Virginia Retiree Health Benefit Trust Fund's Report, certain actuarial amounts from the actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 were revised. The amounts revised as of June 30, 2017 were used to prepare these schedules and are described below:

Total OPEB Liability	\$ 3,282,900,408
Plan OPEB Net Position	(823,911,315)
Net OPEB Liability	\$ <u>2,458,989,093</u>
Plan OPEB Net Position as a percentage of the total pension liability	111.82%

	<u>1% Decrease</u> (6.15%)	<u>Current</u> <u>Discount Rate</u> (7.15%)	<u>1% Increase</u> (8.15%)
<u>Sensitivity of Discount Rate</u>			
Net OPEB Liability (Asset)	\$ 2,863,210,522	\$ 2,458,989,093	\$ 2,122,968,119
		<u>Health Care</u> <u>Cost Trend</u> <u>Rates</u>	
<u>Sensitivity to Health Care Trends</u>	<u>1% Decrease</u>	<u>1% Increase</u>	
Net OPEB Liability	\$ 2,065,585,627	\$ 2,458,989,093	\$ 2,940,143,149

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

**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***

To the Board of Directors
Parking Authority of the City of Clarksburg, West Virginia
Clarksburg, West Virginia

We have audited, in accordance with the 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, the financial statements of the business-type activities of the Parking Authority of the City of Clarksburg, West Virginia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Parking Authority of the City of Clarksburg, West Virginia's basic financial statements and have issued our report thereon dated January 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parking Authority of the City of Clarksburg, West Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parking Authority of the City of Clarksburg, West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parking Authority of the City of Clarksburg, West Virginia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Parking Authority of the City of Clarksburg, West Virginia'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Detrick B. Burchett, PCA

Clarksburg, West Virginia
January 19, 2019