

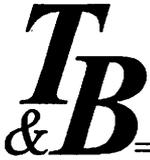
**PARKING AUTHORITY OF THE
CITY OF CLARKSBURG
CLARKSBURG, WEST VIRGINIA**

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

FOR THE YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parking Authority of the City of Clarksburg
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, a component unit of the City of Clarksburg, West Virginia as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Authority'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, as of June 30, 2013, 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, 2013, the Parking Authority of the City of Clarksburg adopted new accounting guidance, GASB 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53* and GASB 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of the Parking Authority of the City of Clarksburg'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 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 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's internal control over financial reporting and compliance.

Tetuck & Bartlett, PLLC

November 25, 2013

PARKING AUTHORITY OF THE CITY OF CLARKSBURG
STATEMENT OF NET POSITION
JUNE 30, 2013

Assets

Current Assets

Cash	\$ 57,246	
Due to/from other funds	<u>6,637</u>	
Total current assets		\$ 63,883

Capital Assets

Land	2,543,901	
Buildings	5,967,787	
Machinery and equipment	278,135	
Parking lots and improvements	259,496	
Less: Accumulated depreciation	<u>(2,476,364)</u>	
Total capital assets		<u>6,572,955</u>

Total assets		\$ <u>6,636,838</u>
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Liabilities

Current Liabilities (payable from current assets)

Accounts payable	\$ 1,126	
Accrued compensated absences	2,702	
Accrued post employment benefits payable	<u>33,156</u>	
Total liabilities		\$ <u>36,984</u>

Net Position

Net investment in capital assets	6,572,955	
Unrestricted	<u>26,899</u>	
Total net position		\$ <u>6,599,854</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

Operating Revenues			
Charges for services			\$ 194,251
Operating Expenses			
Heat, light and power	\$ 30,111		
General government	109,598		
Depreciation	<u>97,383</u>	<u>237,092</u>	
Operating income (loss)			(42,841)
Nonoperating Revenues (Expenses)			
Interest	88		
Miscellaneous income	<u>35</u>	<u>123</u>	
Change in net position			(42,718)
Total net position – beginning			<u>6,642,572</u>
Total net position – ending			\$ <u>6,599,854</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

Cash Flows From Operating Activities		
Receipts from customers	\$ 194,828	
Payments to suppliers	(93,261)	
Payment to employees	(55,689)	
Net cash provided by operating activities		\$ 45,878
Cash Flows From Capital and Related Financing Activities		
Repayment of obligation under capital lease	(7,416)	
Net cash (used in) capital and related financing activities		(7,416)
Cash Flows From Investing Activities		
Interest on investments	<u>88</u>	
Net cash provided by investing activities		<u>88</u>
Net increase in cash		38,550
Cash at beginning of year		<u>18,696</u>
Cash at end of year		\$ <u>57,246</u>
Reconciliation of operating (loss) to net cash provided by operating activities		
Operating (loss)		\$ (42,841)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation and amortization		97,383
Miscellaneous income		35
(Increase) decrease in:		
Accounts receivable		3,275
Due to/from other funds		(8,597)
Increase (decrease) in:		
Accounts payable		(1,771)
Accrued compensated absences		144
Accrued post employment benefits payable		948
Deferred revenues		<u>(2,698)</u>
Net cash provided by operating activities		\$ <u>45,878</u>

The accompanying independent auditor's report and notes are integral parts of this statement.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Significant Accounting Policies

The Parking Authority of the City of Clarksburg's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Authority are discussed below.

During the year ended June 30, 2013, the Authority adopted the following GASB statements:

GASB 60 – Accounting and Financial Reporting for Service Concession Arrangements –
The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public – private or public – public partnership. This statement had no effect on the accompanying financial statements.

GASB 61 – The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 – This Statement modifies certain requirements for inclusion of component units in the financial reporting entities financial statements.

GASB 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements – The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations.
2. Accounting Principles Board Opinions.
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Principles.

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in that Statement for enterprise funds and business-type activities to apply post November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position – The purpose of this Statement was to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53 – The purpose of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and the hedge accounting should continue to be applied. This statement had no effect on the accompanying financial statements.

GASB 65 – Items Previously Reported as Assets and Liabilities – The purpose of this Statement was to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources, certain items that were previously reported as assets and liabilities.

Reporting Entity

The Authority complies with GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". This statement established standards for defining and reporting component units in the financial statements of the reporting entity. It defines component units as legally separate organizations for which the component unit not only has a fiscal dependency on the reporting entity but also a financial benefit or burden relationship must be present between the reporting entity and the entity that is to be included as a component unit. In addition, an entity may be included as a component unit in the financial statements of the reporting entity, if the reporting entity's management determines that it would be misleading to exclude them.

The Authority considered all potential component units in determining what entities should be included in the Authority's financial statements. Based on these criteria, there are no component units to include in the Authority's financial statements.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

Basis of Accounting

The Parking Authority of the City of Clarksburg's financial statements are presented as prescribed by accounting principles generally accepted in the United States of America. The accompanying financial statements are accounted for using the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

Cash, Cash Equivalents and Investments

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash and cash equivalent in the accompanying financial statements.

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: (a) obligations of the United States or any agency thereof, (b) certificates of deposit (which mature in less than one year), (c) general and direct obligations of the State of West Virginia, (d) obligations of the Federal National Mortgage Association, (e) indebtedness secured by first lien deed of trust for property situated within the State if the payment is substantially insured or guaranteed by the federal government, (f) pooled mortgage trusts (subject to limitations), (g) indebtedness of any private corporation that is properly graded as in the top two or three highest rating grades, (h) interest earning deposits which are fully insured or collateralized, and (i) mutual funds registered with the Security and Exchange Commission which have fund assets over three hundred million dollars. State statute limitations concerning the aforementioned investments include the following:

- (1) at no time can investment portfolios consist of more than seventy-five percent of the indebtedness of any private corporations 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.
- (2) at no time may more than nine percent of the portfolio be invested in securities issued by a single private corporation or association.
- (3) at no time can more than sixty percent of the portfolio be invested in equity mutual funds.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

Investment risk is categorized as follows:

Interest rate risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

Credit risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial credit risk – The risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Cash

For purpose of the statement of cash flows, the Parking Authority considers cash to be cash and cash equivalents.

Capital Assets

Capital assets are recorded at cost which includes labor, materials, services and interest on funds used during construction and other indirect costs. Depreciation of all exhaustible capital assets used by the Parking Authority of the City of Clarksburg is charged as an expense against operations and accumulated depreciation is reported on the Parking Authority's balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives are as follows:

Buildings	25-50 years
Improvements	10-20 years
Equipment	5-25 years

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual sick and accrued vacations. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payment upon termination are included.

The Parking Authority accounts for compensated absences in accordance with accounting principles generally accepted in the United States of America.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

Pension Plans

All eligible employees are covered under the West Virginia Public Employee Retirement System due to the City's electing to be a participating public employer.

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.

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

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

2. Deposits and Investments

The Parking Authority considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Deposits

It is the Parking Authority's policy for deposits to be 100% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Parking Authority's deposits are categorized to give an indication of the level of risk assumed by the Parking Authority at June 30, 2013. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 – Uncollateralized.

<u>Non-Pooled Deposits</u>	<u>Bank</u> <u>Balance</u>	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Amount</u>
Cash	\$ <u>56,353</u>	\$ <u>2,387</u>	\$ <u>54,466</u>	\$ <u>-0-</u>	\$ <u>57,246</u>

The Parking Authority of the City of Clarksburg has no investments at June 30, 2013.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

3. Employees Retirement System

The Parking Authority of the City of Clarksburg, elected to become a participating public employer under the West Virginia Public Employees Retirement System effective July 1, 1963 for the coverage of all eligible employees. The Parking Authority's contribution to the West Virginia Public Employees Retirement System for the year ended June 30, 2013 was:

<u>Percentage of Payroll</u>	<u>Total Wages</u>	<u>Covered Wages</u>	<u>Amount</u>
Employer share - 14.0%	\$ 55,689	\$ 24,429	\$ 3,420
Employee share - 4.5%	\$ 55,689	\$ 24,429	\$ 1,099

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

<u>Public Employees' Retirement System (PERS)</u>	
Eligibility to participate	All Municipality full-time employees, except those covered by other pension plans
Authority establishing contribution obligations and benefit provisions	State Statute
Plan member's contribution rate	4.50%
Municipality's contribution rate	14.00%
Period required to vest	Five Years
Benefits and eligibility for distribution	A member who has attained age 50 and has earned 5 years or more of contribution 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 10) 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

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
 NOTES TO THE FINANCIAL STATEMENTS (CONTD)
 FOR THE YEAR ENDED JUNE 30, 2013**

Trend Information

Public Employees' Retirement System (PERS)

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2013	\$ 3,420	100%
2012	\$ 3,487	100%
2011	\$ 2,901	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, Building 5, Room 1000, 1900 Kanawha Boulevard East, Charleston, WV 25305.

Other Post Employment Benefits

Plan Description:

The Parking Authority of the City of Clarksburg contributes to the West Virginia Retiree Health Benefits Trust Fund (RHBT), a cost-sharing, multiple-employer defined benefit post-employment health care plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia 25305-0170.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

Authority Establishing the Plan and Fund Policy:

Chapter 5, Article 16D of the West Virginia State Code assigns the authority to establish and amend benefits and provisions to the RHBT. Participating employers are contractually required to contribute at a rate assessed each year by RHBT. The RHBT board sets the employer contribution rate based on the annual required contributions of the plan (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Funding Policy: The Authority's contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2013, the Authority contributed \$-0- to the plan. Employees are not required to make contributions for basic life insurance.

Annual OPEB Cost: The Authority's annual OPEB cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information follow in the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONTD)
FOR THE YEAR ENDED JUNE 30, 2013**

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the Plans, and changes in the Authority's net OPEB obligations, as well as the assumptions used to calculate the net OPEB obligation for the covered active and retired employees.

Annual required contribution	\$ 948
Interest on net OPEB obligation	-0-
Adjustment to annual required contribution	<u>-0-</u>
Annual OPEB cost	948
Contributions made	<u>-0-</u>
Increase (decrease) in net OPEB obligation	948
Net OPEB obligation (asset) beginning of year	<u>32,208</u>
Net OPEB obligation (asset) end of year	\$ <u>33,156</u>
Actuarial valuation date	6/30/2010
Actuarial cost method	Entry age
Amortization method	Level dollar
Asset valuation method	Smoothed market approach
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.50%
Projected rate increase	4.60% - 5.60%

The accompanying independent auditor's report is an integral part of these notes.

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2013**

Three-Year Trend Information

<u>Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
June 30, 2013	\$ 948	0%	\$ 33,156
June 30, 2012	\$ 9,528	0%	\$ 32,208
June 30, 2011	\$ 11,009	0%	\$ 22,680

GASB Statement No. 45 was applied prospectively.

5. Restatement of Net Position

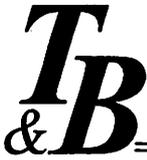
It was determined during this examination that the beginning net position of the Parking Authority required restatement as follows:

Net position as previously reported	\$ 6,638,054
Restatement:	
Overstatement of accumulated depreciation	<u>4,518</u>
Net position restated	\$ <u>6,642,572</u>

6. Subsequent Events

The Parking Authority of the City of Clarksburg has considered all subsequent events through November 25, 2013, the date the financial statements were made available.

The accompanying independent auditor's report is an integral part of these notes.



Tetrick & Bartlett, PLLC
*Certified Public Accountants
Consultants*

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**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
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, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Parking Authority of the City of Clarksburg's basic financial statements, and have issued our report thereon dated November 25, 2013.

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'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parking Authority of the City of Clarksburg's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-01 to be a material weakness.

Compliance and Other Matters

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

Parking Authority of the City of Clarksburg's Response to Findings

Parking Authority of the City of Clarksburg's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Parking Authority of the City of Clarksburg's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Tetush & Bartlett, PLLC

November 25, 2013

**PARKING AUTHORITY OF THE CITY OF CLARKSBURG
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013**

2013-01 Segregation of Duties

Condition: Responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction should be assigned to different individuals.

Criteria: Internal control should be implemented to the degree possible to assign to different individuals the responsibility for approving, executing and recording transactions and custody of the resulting asset arising from the transaction.

Cause: Responsibilities for approving, executing, and recording transactions and custody of the resulting asset arising from the transaction are not assigned to different individuals.

Effect: The lack of complete segregation of duties increases the risk that errors or irregularities in recording, processing, summarizing and reporting financial data could occur and not be detected in a timely manner.

Recommendation: Responsibilities of approval, executing, recording and custody be distributed amount the accounting staff to the degree possible. We recommend that the board of directors should remain involved in the financial affairs of the Parking Authority to provide oversight and independent review function.

Entity's Response: To the extent possible, the Authority has segregated its duties. Any further segregation of duties would not be economically feasible