BALLSTON PUBLIC PARKING GARAGE FUND

(An Enterprise Fund of Arlington County, Virginia)

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

Board of Directors
Ballston Public Parking Garage

Report on the Financial Statements

We have audited the accompanying financial statements of the Ballston Public Parking Garage (Parking Garage), an enterprise fund of Arlington County, Virginia, which collectively comprise the statement of net position, as of June 30, 2018, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parking Garage, as of June 30, 2018, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Parking Garage as of June 30, 2017, were audited by other auditors whose report dated October 31, 2017, expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Ballston Public Parking Garage, an enterprise fund of Arlington County, Virginia, and do not purport to, and do not present fairly the financial position of the Arlington County, 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 elected to omit Management's Discussion and Analysis (MD&A) 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 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Parking Garage's basic financial statements. The Combining Supplemental Schedule of Cash Receipts, Disbursements and Changes in Cash and Cash Equivalents – Restricted Funds/Accounts (Schedule) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018, on our consideration of the Parking Garage'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 Garage'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 Garage's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
October 30, 2018

BALLSTON PUBLIC PARKING GARAGE FUND
(An Enterprise Fund of Arlington County, Virginia)

STATEMENT OF NET POSITION
June 30, 2018 and 2017

ASSETS

	2018	2017
CURRENT ASSETS:		
Unrestricted -		
Cash and cash equivalents	$3,238,595	$7,222,499
Restricted -		
Investments - bond indenture	-	3,348,370
Investments - O&M reserve	-	2,000,297
Total current assets	3,238,595	12,571,166
CAPITAL ASSETS:		
Building and improvements	22,344,767	22,344,767
Furniture, fixture & equipment	1,652,860	1,652,860
Construction in progress	5,995,924	1,008,084
Less-accumulated depreciation	(15,576,646)	(14,915,975)
Net capital assets	14,416,905	10,089,736
Total assets	$17,655,500	$22,660,902

The notes to the financial statements are an intergral part of this statement.

BALLSTON PUBLIC PARKING GARAGE FUND
(An Enterprise Fund of Arlington County, Virginia)

STATEMENT OF NET POSITION
June 30, 2018 and 2017

LIABILITIES AND NET POSITION

	2018	2017
CURRENT LIABILITIES:		
Interest payable - ground lease and mortgage	$31,697,561	$29,646,312
Accounts payable	374,081	1,147,142
Mortgage payable	3,429,679	3,429,679
Ground lease liability	18,115,607	15,235,615
Revenue bonds payable	-	4,600,000
Total current liabilities	53,616,928	54,058,748
Total liabilities	53,616,928	54,058,748
NET POSITION:		
Net investment in capital assets	10,987,226	2,060,057
Unrestricted (deficit)	(46,948,654)	(33,457,903)
Total net position	($35,961,428)	($31,397,846)

The notes to the financial statements are an intergral part of this statement.

BALLSTON PUBLIC PARKING GARAGE FUND
(An Enterprise Fund of Arlington County, Virginia)

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Years Ended June 30, 2018 and 2017

	2018	2017
OPERATING REVENUES:		
Parking garage	$3,290,127	$3,272,841
OPERATING EXPENSES:		
Contractual services	1,498,654	1,544,048
Property taxes	363,180	349,759
Materials and supplies	388,419	388,068
Depreciation	660,671	660,671
Rent	2,879,992	1,279,992
Other operating charges	18,000	-
Total operating expenses	5,808,916	4,222,538
Operating loss	(2,518,789)	(949,697)
NON-OPERATING REVENUES (EXPENSES):		
Interest income	21,992	25,231
Interest expense and financial charges	(2,066,785)	(1,995,709)
Total non-operating revenues (expenses)	(2,044,793)	(1,970,478)
Change in net position	(4,563,582)	(2,920,175)
Net position, beginning of year	(31,397,846)	(28,477,671)
Net position, end of year	($35,961,428)	($31,397,846)

The notes to the financial statements are an intergral part of this statement.

BALLSTON PUBLIC PARKING GARAGE FUND
(An Enterprise Fund of Arlington County, Virginia)

STATEMENT OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers	$3,290,127	$3,272,841
Cash paid to suppliers	(3,041,314)	(1,341,045)
Cash received for refund of working capital advance	-	187,880
Net cash provided by operating activities	248,813	2,119,676
Cash flows from investing activities:		
Interest income received	21,992	25,231
Net cash provided by investing activities	21,992	25,231
Cash flows from capital and related financing activities:		
Purchase of capital assets	(4,987,840)	(991,084)
Principal payment on bonds	(4,600,000)	(1,200,000)
Interest and other financing charges paid	(15,536)	(116,860)
Letter of credit draw downs	6,467	41,288
Letter of credit repayments	(6,467)	(41,288)
Net cash used for capital and related financing activities	(9,603,376)	(2,307,944)
Net decrease in cash and cash equivalents	(9,332,571)	(163,037)
Cash and cash equivalents at beginning of year	12,571,166	12,734,203
Cash and cash equivalents at end of year	$3,238,595	$12,571,166
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	($2,518,789)	($949,697)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	660,671	660,671
Accrued rent liability	2,879,992	1,279,992
Effects of changes in operating assets and liabilities:		
Accounts payable	(773,061)	940,830
Refund of working capital advance	-	187,880
Net cash provided by operating activities	$248,813	$2,119,676

The notes to the financial statements are an intergral part of this statement.

BALLSTON PUBLIC PARKING GARAGE FUND
(An Enterprise Fund of Arlington County, Virginia)

NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

1. ORGANIZATION AND BUSINESS CONDITIONS

In August 1984, Arlington County, Virginia, (the "County"), entered into various agreements to acquire an existing parking garage, to lease the adjacent land, and to construct a new garage. The Ballston Public Parking Garage Fund (the "Fund") was established to account for the acquisition, construction, and operations of the parking garage. The Fund is an Enterprise Fund of the County.

The Ballston Public Parking Garage (the "BPPG") commenced operations in 1986 and has generated sufficient positive cash flow since inception to meet its operating and revenue bond debt service requirements. However, when considering certain liabilities (deferred rent and a mortgage payable) and depreciation, the garage has a deficiency in net position of $35,961,428 and $31,397,846 at June 30, 2018 and 2017, respectively. The deferred rent and mortgage payable are liabilities, but are to be paid only when certain net operating income circumstances are met. The deficit has been caused by slower than anticipated commercial development of the areas adjacent to the garage and limitations on parking rates. Under the agreement with the May Company (Center Mark Properties, Inc. and successors), the County was initially precluded from increasing some key parking rates. Management of the County believes subsequent rate increases in future fiscal years, coupled with the completion of adjacent development projects, will result in the eventual achievement of profitable operations. The County's general fund provided required capital contributions in the form of a general fund transfer equal to the garage's real estate taxes until FY 2000. In July 2005, the May Company was acquired by Federated Departments Stores, Inc. (FDS).

2. SUMMARY OF ACCOUNTING POLICIES

<u>Measurement Focus and Basis of Accounting</u>

The Fund's financial statements have been prepared following the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues which include interest and other investment income on invested fund are recorded at the time they are earned. Expenses are recorded when the related liability is incurred.

<u>Capital Assets and Construction in Progress</u>

Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of three years. Capital assets are stated at cost and consist of the constructed building cost, the purchased facility mentioned in Notes 4 and 5, and equipment. Depreciation is calculated using the straight-line method over a 45-year life for buildings and an average 10-year life for equipment.

<u>Use of Estimates</u>

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

3. CASH AND INVESTMENTS

A. Cash and Cash Equivalents

As of June 30, 2018, and 2017, the Fund had cash and cash equivalents of $3,238,595 and $7,222,499. For the purposes of the Statement of Cash Flows, restricted investments are classified as cash and cash equivalents.

B. Custodial Credit Risk Investments

No specific disclosure is necessary for custodial credit risks since the Fund requires that all investments be clearly marked as to ownership and to be registered in the name of the Fund.

C. Investment Policy

In accordance with State statutes, the County's and the Fund's investment policy permit it to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, commercial paper, bankers' acceptances, repurchase agreements, corporate notes, mutual funds and the Virginia Local Government Investment Pool (a 2a-like pool). As of June 30, 2017, and 2018, the total investments balance was $3,348,370 and $0 respectively.

D. Credit Risk

The County's and the Fund's policy limits investment in commercial paper to those issues with "prime quality" rating by at least two of the following: by Moody's Investors Service, Inc., rating of prime 1, by Standard & Poor's, Inc., rating of A-1, by Fitch Investor's Services, Inc., rating of F-1. Corporate notes are limited to issues that have been rated at least AA by Standard and Poor's Inc. and at least AA by Moody's Investors Services.

E. Concentrations of Credit Risk

The County's and the Fund's policy does not set a limit on the amount that may be invested in any single Federal Agency issue.

4. REVENUE BONDS

Revenue Bonds of $22,300,000 were issued by the County in 1984 to provide for the acquisition and construction of a public parking garage facility. The bonds issued in the form of Variable Rate Revenue Bonds to mature on August 1, 2017, are subject to redemption as a whole or in part, at any time, at the principal amount thereof, plus accrued interest at the County's discretion. The bonds are not general obligations of the County and are payable solely from gross revenues arising from the operations of the garage facilities, an irrevocable direct pay letter of credit in the initial principal amount of $25,648,055, and other funds which may be available to the project. The County has a "moral" obligation to consider appropriating funds should a shortfall in revenues affect the payments to the bondholders.

Under the terms of an Amendment Agreement to the Letter of Credit and Reimbursement Agreement between the County and Citibank N.A., dated September 1, 1998, the County agreed to exercise its option under Section 4.01 of the Indenture to redeem the Revenue Bonds in the cumulative amount of at least $1,000,000 by the end of fiscal year 1996, at least $2,000,000 by the end of the fiscal year 1997, at least $3,000,000 by the end of the fiscal year 1998, and at minimum an additional $500,000 by the end of each of the County's fiscal years from 1999 through 2004. In 2004 a new Letter of Credit was issued by Bank of America to support the $22.3 million revenue bonds. This replaced the LOC issued by Citibank and was valid for five years.

Debt service payments on the bonds are further secured by a deed of trust on the garage facilities and related assets. The interest rate on the bonds is determined weekly, using a Variable Interest Index, calculated under the terms of the bond issuance agreements. The rate may be converted to a fixed interest rate at the discretion of the County during the term of the bonds. The initial interest rate was 6.9%, at no time can exceed 15%, and weekly interest averaged 0.9300% and 0.7419% % during the years ended June 30, 2018 and 2017, respectively. Interest is payable quarterly prior to conversion to a fixed interest rate, and on June 1 and December 1 of each year thereafter until maturity, purchase, or earlier redemption. The direct pay letter of credit is substantially collateralized by the assignment of the land lease and other agreements. On September 22, 2011, a three-year Letter of Credit (LOC) was issued by PNC Bank, N.A. On August 5, 2014, the LOC was signed to extend the expiration date to August 6, 2017.

Interest on drawings is payable at an interest rate publicly announced by the bank. When interest is due to the bondholders, the direct pay letter of credit pays the bondholders by drawing down on the letter of credit and then immediately seeking reimbursement from garage revenues. During fiscal years 2018 and 2017, the County drew from the letter of credit $6,467 and $41,288, respectively, to pay the interest accrued on the revenue bonds. The letter of credit draw-downs were repaid by the County from garage revenues in the fiscal year of the draw-downs. The fee associated with the letter of credit were $7,942 and $59,398 for fiscal years 2018 and 2017, respectively.

The revenue bond that was issued in 1984 has matured and the last debt payment was made on August 1, 2017. As of June 30,2017, the bond liability was $4,600,000. All rights and obligations under the indenture of trust ceased upon payment of the final maturity. The trustee held debt service reserve account, operating and maintenance reserve account and operating account at U.S Bank are liquidated in September of 2017 with the maturity of the bonds. The total balance remaining in these accounts was transferred to the Wells Fargo operating account.

5. MORTGAGE PAYABLE

The County entered into an agreement (the “Agreement”) with the May Company (Center Mark Properties, Inc.), dated August 1, 1984, for the purchase of an existing parking garage facility at a total purchase price of $3,929,679. An initial payment of $500,000 was made on October 22, 1986 with the remaining balance of $3,429,679 payable in installments with 8% interest per annum. Principal and interest are payable solely from revenues derived from Garage operations, at $275,000 for the first 10 years and $375,000 for each of the next 17 years. In any year that there is not sufficient cash flow (as defined), payments and Interests under the note are deferred; however, the note is due and payable in full 45 years from the date of the note. At June 30, 2018 and 2017, all payments and interests have been deferred.

6. COMMITMENTS

<u>Ground Lease</u>

The County entered into a lease agreement, dated August 1, 1984, for approximately 4.41 acres of land to be used for construction and operation of the BPPG. The term of the lease is 45 years. Lease payments were due upon the garage opening and are payable from operations of the BPPG. If BPPG operations do not provide sufficient cash flow, the lease payment may be deferred. Additional annual rental up to a maximum amount of $100,000 may be added to the base rent, upon the completion of a specified percentage of “Point Phase” and “Glebe Phase” projects. The specified phases of these projects were completed between fiscal years 2000 and 2005. Based on this agreement, in fiscal year 2018 an additional base rent of $1,600,000 was calculated and accrued. These additional amounts would be payable solely from available sources of the BPPG operations and not to be applied for any fiscal year commencing after the earlier of the thirty third year or the fiscal year when the bonds are fully paid which is fiscal year 2018. Beginning in the thirty-fourth year of the lease term, and continuing through expiration, a fixed portion of the available revenues from the BPPG operations ranging from 17.1% to 29.0% will be payable to the lessor as additional annual rent. These additional annual rent amounts would be payable solely from available sources of the BPPG operations.

The schedule of future minimum lease payments for each of the following years ending June is as follows.

Fiscal years	Annual base rent
2019	1,279,992
2020	1,279,992
2021	1,279,992
2022	1,279,992
2023	1,279,992
2024-2028	6,399,960
2029	1,279,992
Total	**14,079,912**

As of June 30, 2018, and 2017, all lease payments including the additional rent have been deferred. Accordingly, liabilities of $18,115,607 and $15,235,615 have been accrued in the June 30, 2018 and 2017 financial statements.

7. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2018 and 2017:

	Beginning Balance July 1, 2017	Increases	Decreases	Ending Balance June 30, 2018
Capital assets, being depreciated				
Parking garage	$22,344,767	$-	$-	$22,344,767
Garage equipment	1,652,860	-	-	1,652,860
Construction in progress	1,008,084	4,987,840	-	5,995,924
Total capital assets	25,005,711	4,987,840	-	29,993,551
Less accumulated depreciation for:				
Parking garage	14,620,177	496,631	-	15,116,808
Garage equipment	295,798	164,040	-	459,838
Total accumulated depreciation	14,915,975	660,671	-	15,576,646
Capital assets, net	$10,089,736	$4,327,169	$-	$14,416,905

	Beginning Balance July 1, 2016	Increases	Decreases	Ending Balance June 30, 2017
Capital assets, being depreciated				
Parking garage	$22,344,767	$-	$-	$22,344,767
Garage equipment	1,652,860	-	-	1,652,860
Construction in progress	17,000	991,084	-	1,008,084
Total capital assets	24,014,627	991,084	-	25,005,711
Less accumulated depreciation for:				
Parking garage	14,123,546	496,631	-	14,620,177
Garage equipment	131,758	164,040	-	295,798
Total accumulated depreciation	14,255,304	660,671	-	14,915,975
Capital assets, net	$9,759,323	$330,413	$-	$10,089,736

BALLSTON PUBLIC PARKING GARAGE FUND

(An Enterprise Fund of arlington County, Virginia)

EXHIBIT 1

COMBINING SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH AND CASH EQUIVALENTS - RESTRICTED FUNDS/ACCOUNTS
YEAR ENDED JUNE 30, 2018

	REVENUE ACCOUNT	INTEREST ACCOUNT	PRINCIPAL ACCOUNT	RESERVE ACCOUNT	MAINTENANCE ACCOUNT	2018 TOTAL
Cash receipts:						
Interest income	$15,993	$-	$-	$5,999	$-	$21,992
Letter of credit draw downs	-	6,467	-	-	-	6,467
Operating revenues, net	248,813	-	-	-	-	248,813
Total cash receipts	264,806	6,467	-	5,999	-	277,273
Cash disbursements:						
Bonds principal payment	-	-	4,600,000	-	-	4,600,000
Repayment of letter of credit draw downs	-	6,467	-	-	-	6,467
Letter of credit fees	7,942	-	250	-	-	8,192
Other operating expenses	4,995,184	-	-	-	-	4,995,184
Total cash disbursements	5,003,126	6,467	4,600,250	-	-	9,609,843
Net increase (decrease) before transfers	(4,738,320)		(4,600,250)	5,999	-	(9,332,571)
Transfer in (out)						
Transfer to principal account	5,354,666	-	4,600,250	(3,354,369)	(2,000,297)	4,600,250
Transfer of excess balance	(4,600,250)	-	-	-	-	(4,600,250)
Total transfer in (out)	754,416	-	4,600,250	(3,354,369)	-	-
Net change in cash and cash equivalents	(3,983,904)	-	-	(3,348,370)	(2,000,297)	(9,332,571)
Cash and cash equivalents per bank, July 1	7,222,499	-	-	3,348,370	2,000,297	12,571,166
Cash and cash equivalents per bank, June 30	$3,238,595	$-	$-	$-	$-	$3,238,595

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor 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*

Board of Directors
Ballston Public Parking Garage

We have audited, 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, the financial statements of the Ballston Public Parking Garage (Parking Garage), an enterprise fund of Arlington County, Virginia, as of and for the year ended June 30, 2018, and have issued our report thereon dated October 30, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Parking Garage'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Parking Garage's internal control. Accordingly, we do not express an opinion on the effectiveness of the Parking Garage'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 Garage's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 Parking Garage'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 Parking Garage's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
October 30, 2018