



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE

March 31, 2020

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released an audit report on the City of West Union, Iowa.

FINANCIAL HIGHLIGHTS:

The City's receipts totaled \$4,223,916 for the year ended June 30, 2019, a less than 1% increase over the prior year. Disbursements for the year ended June 30, 2019 totaled \$4,050,192, a 1.2% increase over the prior year.

AUDIT FINDINGS:

Sand reported five findings related to the receipt and disbursement of taxpayer funds and two findings pertaining to the blended component units. They are found on pages 48 through 52 of this report. The findings address issues such as a lack of segregation of duties, the lack of detailed accounting records for the Friends of the West Union Parks and Recreation for the purpose of tracking receipts, disbursements and fund balance, disbursements exceeding budgeted amounts and the inappropriate use of TIF collections for disbursements not representing certified debt obligations. Sand provided the City with recommendations to address each of the findings.

Five of the findings discussed above pertaining to the City and two of the findings pertaining to the blended component units are repeated from the prior year. The City Council and the component unit management have a fiduciary responsibility to provide oversight of the City's and the component unit operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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CITY OF WEST UNION
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2019

City of West Union



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Rob Sand
Auditor of State

March 25, 2020

Officials of the City of West Union
West Union, Iowa

Dear Honorable Mayor and Members of the City Council:

I am pleased to submit to you the financial and compliance audit report for the City of West Union, Iowa for the year ended June 30, 2019. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the City of West Union throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized and written in a cursive-like font.

Rob Sand
Auditor of State

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City of West Union

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Adam Keller	Mayor	Jan 2020
Cameron Granger	Council Member	Jan 2020
Kennon Gumm	Council Member	Jan 2020
Andrew Smith	Council Member	Jan 2020
Neal Bentley	Council Member	Jan 2022
Isaiah Stansbery	Council Member	Jan 2022
Nick McIntyre	City Clerk/Administrator	Indefinite
Amie Johansen	Deputy City Clerk	Indefinite
Jeremiah White	Attorney	Indefinite

City of West Union



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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of West Union, Iowa, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements 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 the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 U.S. generally accepted auditing standards 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 City'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 City'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified audit opinions.

Opinions

Basis for Qualified Opinion on the Aggregate Remaining Fund Information

The financial statements do not include financial data for the Friends of the Library of West Union a legally separate entity which should be reported as a blended component unit. The amounts by which this omission would affect the receipts, disbursements and cash balances of the aggregate remaining fund information have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter discussed in the “Basis for Qualified Opinion on the Aggregate Remaining Fund Information” paragraph, the financial statements referred to above present fairly, the financial position of the aggregate remaining fund information of the City of West Union as of June 30, 2019, and the changes in its cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities and each major fund of the City of West Union as of June 30, 2019, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

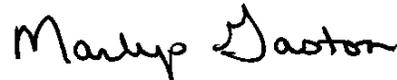
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Union’s basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2018 (which are not presented herein) and expressed unmodified opinions on the financial statements of the governmental activities, the business type activities and each major fund which were prepared on the basis of cash receipts and disbursements. We expressed a qualified opinion on the financial statement of the aggregate remaining fund information due to the omission of the Friends of the Library of West Union. We also previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the six years ended June 30, 2016 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The financial statements for the year ended June 30, 2010 (which are not presented herein) were audited by another auditor who expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and cash disbursements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information 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 U.S. generally accepted auditing standards. In our opinion, except for the effects of not including the financial data of the Friends of the Library of West Union as described in the “Basis for Qualified Opinion on the Aggregate Remaining Fund Information” paragraph on the preceding page, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions on pages 30 through 36, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2020 on our consideration of the City of West Union'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 City'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 City of West Union's internal control over financial reporting and compliance.



Marlys K. Gaston, CPA
Deputy Auditor of State

March 25, 2020

City of West Union

Basic Financial Statements

City of West Union

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2019

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety	\$ 495,149	97,783	52,855	-
Public works	616,327	156,352	347,607	-
Culture and recreation	481,420	116,154	73,287	-
Community and economic development	216,930	-	41,470	-
General government	144,939	-	-	-
Debt service	360,095	-	-	-
Capital projects	472,621	-	-	272,457
Total governmental activities	2,787,481	370,289	515,219	272,457
Business type activities:				
Water	404,530	391,285	-	-
Sewer	858,181	769,326	-	-
Total business type activities	1,262,711	1,160,611	-	-
Total	\$ 4,050,192	1,530,900	515,219	272,457
General Receipts and Transfers:				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Unrestricted interest on investments				
Note proceeds				
Sale of capital assets				
Commercial/industrial tax replacement				
Miscellaneous				
Transfers				
Total general receipts and transfers				
Change in cash basis net position				
Cash basis net position beginning of year				
Cash basis net position end of year				
Cash Basis Net Position				
Restricted:				
Nonexpendable:				
Cemetery				
Expendable:				
Streets				
Capital projects				
Debt service				
Other purposes				
Unrestricted				
Total cash basis net position				

See notes to financial statements.

Net (Disbursements) Receipts and
Changes in Cash Basis Net Position

Governmental Activities	Business Type Activities	Total
(344,511)	-	(344,511)
(112,368)	-	(112,368)
(291,979)	-	(291,979)
(175,460)	-	(175,460)
(144,939)	-	(144,939)
(360,095)	-	(360,095)
(200,164)	-	(200,164)
(1,629,516)	-	(1,629,516)
-	(13,245)	(13,245)
-	(88,855)	(88,855)
-	(102,100)	(102,100)
(1,629,516)	(102,100)	(1,731,616)

954,930	-	954,930
244,548	-	244,548
56,753	-	56,753
212,509	-	212,509
19,733	853	20,586
-	266,411	266,411
2,500	-	2,500
135,087	-	135,087
570	11,446	12,016
46,797	(46,797)	-
1,673,427	231,913	1,905,340
43,911	129,813	173,724
1,918,101	1,149,288	3,067,389
\$ 1,962,012	1,279,101	3,241,113

\$ 99,902	-	99,902
195,707	-	195,707
212,326	527,067	739,393
103,227	210,805	314,032
527,756	11,838	539,594
823,094	529,391	1,352,485
\$ 1,962,012	1,279,101	3,241,113

City of West Union

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2019

	Special		
	General	Road Use Tax	Employee Benefits
Receipts:			
Property tax	\$ 687,122	-	202,713
Tax increment financing	-	-	-
Other city tax	64,593	-	502
Local option sales tax	-	-	-
Licenses and permits	52,634	-	-
Use of money and property	78,098	-	-
Intergovernmental	130,588	321,720	23,846
Charges for service	252,343	-	-
Miscellaneous	77,967	-	-
Total receipts	<u>1,343,345</u>	<u>321,720</u>	<u>227,061</u>
Disbursements:			
Operating:			
Public safety	371,371	-	93,031
Public works	254,871	315,467	45,989
Culture and recreation	384,250	-	56,446
Community and economic development	71,727	-	101
General government	109,320	-	35,619
Debt service	-	-	-
Capital projects	-	-	-
Total disbursements	<u>1,191,539</u>	<u>315,467</u>	<u>231,186</u>
Excess (deficiency) of receipts over (under) disbursements	<u>151,806</u>	<u>6,253</u>	<u>(4,125)</u>
Other financing sources (uses):			
Sale of capital assets	2,500	-	-
Transfers in	21,251	-	-
Transfers out	(60,456)	(91,830)	-
Total other financing sources (uses)	<u>(36,705)</u>	<u>(91,830)</u>	<u>-</u>
Change in cash balances	115,101	(85,577)	(4,125)
Cash balances (deficits) beginning of year	891,294	281,284	212,599
Cash balances end of year	<u>\$ 1,006,395</u>	<u>195,707</u>	<u>208,474</u>
Cash Basis Fund Balances			
Nonspendable - Cemetery	\$ -	-	-
Restricted for:			
Debt service	-	-	-
Streets	-	195,707	-
Capital projects	-	-	-
Other purposes	183,301	-	208,474
Assigned for:			
Library	28,926	-	-
Park	3,527	-	-
Cemetery	22,284	-	-
Unassigned	768,357	-	-
Total cash basis fund balances	<u>\$ 1,006,395</u>	<u>195,707</u>	<u>208,474</u>

See notes to financial statements.

<u>Revenue</u>				
Urban Renewal Tax Increment	Debt Service	Capital Projects	Nonmajor	Total
-	243,963	-	-	1,133,798
56,753	-	-	-	56,753
-	585	-	-	65,680
-	-	-	212,509	212,509
-	-	-	-	52,634
-	-	-	1,247	79,345
2,818	28,678	272,457	-	780,107
-	-	-	750	253,093
-	-	-	70,209	148,176
<u>59,571</u>	<u>273,226</u>	<u>272,457</u>	<u>284,715</u>	<u>2,782,095</u>
-	-	-	30,747	495,149
-	-	-	-	616,327
-	-	6,000	34,724	481,420
145,102	-	-	-	216,930
-	-	-	-	144,939
-	360,095	-	-	360,095
-	-	472,621	-	472,621
<u>145,102</u>	<u>360,095</u>	<u>478,621</u>	<u>65,471</u>	<u>2,787,481</u>
<u>(85,531)</u>	<u>(86,869)</u>	<u>(206,164)</u>	<u>219,244</u>	<u>(5,386)</u>
-	-	-	-	2,500
-	151,747	343,544	-	516,542
-	-	(104,950)	(212,509)	(469,745)
-	151,747	238,594	(212,509)	49,297
<u>(85,531)</u>	<u>64,878</u>	<u>32,430</u>	<u>6,735</u>	<u>43,911</u>
<u>188,758</u>	<u>(64,878)</u>	<u>179,896</u>	<u>229,148</u>	<u>1,918,101</u>
<u>103,227</u>	<u>-</u>	<u>212,326</u>	<u>235,883</u>	<u>1,962,012</u>
-	-	-	99,902	99,902
103,227	-	-	-	103,227
-	-	-	-	195,707
-	-	212,326	-	212,326
-	-	-	135,981	527,756
-	-	-	-	28,926
-	-	-	-	3,527
-	-	-	-	22,284
-	-	-	-	768,357
<u>103,227</u>	<u>-</u>	<u>212,326</u>	<u>235,883</u>	<u>1,962,012</u>

City of West Union

City of West Union

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2019

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 391,285	769,326	1,160,611
Miscellaneous	6,635	4,811	11,446
Total operating receipts	397,920	774,137	1,172,057
Operating disbursements:			
Business type activities	267,610	272,239	539,849
Excess of operating receipts over operating disbursements	130,310	501,898	632,208
Non-operating receipts (disbursements):			
Interest on investments	853	-	853
Note proceeds	-	266,411	266,411
Debt service	(88,050)	(53,172)	(141,222)
Capital projects	(48,870)	(532,770)	(581,640)
Net non-operating receipts (disbursements)	(136,067)	(319,531)	(455,598)
Excess (deficiency) of receipts over (under) disbursements	(5,757)	182,367	176,610
Transfers out	-	(46,797)	(46,797)
Change in cash balances	(5,757)	135,570	129,813
Cash balances beginning of year	524,515	624,773	1,149,288
Cash balances end of year	\$ 518,758	760,343	1,279,101
Cash Basis Fund Balances			
Restricted for:			
Capital projects	\$ 172,240	354,827	527,067
Debt service	208,790	2,015	210,805
Meter deposits	11,838	-	11,838
Unrestricted	125,890	403,501	529,391
Total cash basis fund balances	\$ 518,758	760,343	1,279,101

See notes to financial statements.

City of West Union

Notes to Financial Statements

June 30, 2019

(1) Summary of Significant Accounting Policies

The City of West Union is a political subdivision of the State of Iowa located in Fayette County. It was first incorporated in 1879 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of West Union has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements present the City of West Union (the primary government) and its component units, except the Friends of the Library of West Union. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Blended Component Units

The West Union Volunteer Firefighters Incorporated has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate for charitable purposes to assist the West Union Community Fire Service. The Corporation is governed by not less than five nor more than ten members. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Corporation meets the definition of a component unit which should be blended. The financial activity of the component unit has been blended as a Special Revenue Fund of the City.

The Friends of the West Union Parks and Recreation has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate for charitable purposes for the promotion of community improvement and to assist in completing projects for the betterment of the West Union Parks and Recreation. The Corporation is governed by a three-member Board of Trustees. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Corporation meets the definition of a component unit which should be blended. The financial activity of the component unit has been blended as a Special Revenue Fund of the City.

Excluded Component Unit

The Friends of the Library of West Union, Iowa was established under Chapter 504 of the Code of Iowa, is legally separate from the City, but has the potential to provide specific benefits to or impose specific financial burdens on the City. The Friends of the Library of West Union's Board of Directors consist of five members. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Friends of the Library of West Union meets the definition of a component unit which should be presented as a blended component unit. The Friends of the Library of West Union is excluded from the City's financial statements because their financial information was not made available for audit purposes.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Fayette County Assessor's Conference Board, Fayette County Solid Waste Management Commission, Fayette County Emergency Management Commission, Fayette County Joint 911 Service Board, Fayette County Economic Development Board, Upper Explorerland Regional Housing Authority and West Union Industrial Development Corporation. The Upper Explorerland Regional Housing Authority was discontinued in August 2018.

The City also shares dispatch services with the Fayette County Sheriff's office pursuant to a 28E agreement between the City of West Union and Fayette County.

B. Basis of Presentation

Government-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental receipts are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories:

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balances be maintained permanently by the City, including the City's Permanent Funds.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. \$527,067 is restricted by enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Employee Benefits Fund is used to account for property tax and other receipts to be used for payment of employee benefits.

The Urban Renewal Tax Increment Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

The Debt Service Fund is utilized to account for property tax and other receipts to be used for the payment of interest and principal on the City's general long-term debt.

The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities, with the exception of those financed through proprietary funds.

The City reports the following major proprietary funds:

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

C. Measurement Focus and Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the City Council authorized the City Administrator to assign for use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. At June 30, 2019, disbursements exceeded the amounts budgeted in the public works and culture and recreation functions. Also, during the fiscal year, disbursements in the public safety, community and economic development and capital projects functions exceeded the amounts budgeted prior to the budget amendment.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Bonds and Notes Payable

Annual debt service requirements to maturity for general obligation bonds/notes and water revenue bonds are as follows:

Year Ending June 30,	General Obligation Bonds		General Obligation Note		Water Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 270,000	48,120	36,000	-	50,000	35,825	356,000	83,945
2021	240,000	41,483	36,000	-	55,000	34,200	331,000	75,683
2022	245,000	34,667	36,000	-	55,000	32,413	336,000	67,080
2023	255,000	27,458	36,000	-	60,000	30,213	351,000	57,671
2024-2028	620,000	34,185	165,000	-	335,000	111,690	1,120,000	145,875
2029-2031	-	-	-	-	245,000	25,789	245,000	25,789
Total	\$ 1,630,000	185,913	309,000	-	800,000	270,130	2,739,000	456,043

General Obligation Sewer Improvement Note

On January 2, 2018, the City entered into a general obligation sewer improvement loan agreement with Allamakee-Clayton Electric Cooperative, Inc. for the issuance of a \$360,000 general obligation sewer improvement note to assist in financing improvements and extensions to the municipal sanitary sewer system. The interest free note was issued pursuant to Chapter 384.24A of the Code of Iowa and requires monthly payments of \$3,000, beginning February 1, 2018 through January 11, 2028. During the year ended June 30, 2019, the City paid \$36,000 on the note, leaving a balance of \$309,000 at June 30, 2019.

Water Revenue Bonds

The City has pledged future water customer receipts, net of specified operating disbursements, to repay \$1,175,000 of water revenue bonds issued in August 2011. Proceeds from the bonds provided financing for the construction of water main improvements and extensions. The bonds are payable solely from water customer net receipts and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 67% of net receipts. The total principal and interest remaining to be paid on the bonds is \$1,070,130. For the current year, principal and interest paid and total customer net receipts were \$87,450 and \$130,310, respectively.

The resolution providing for the issuance of the water revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the fund.
- (b) Sufficient monthly transfers shall be made to a separate water revenue bond sinking account within the Enterprise, Water Fund for the purpose of making the bond principal and interest payments when due.
- (c) A reserve account of \$92,663 shall be established. This account is restricted for the purpose of paying, at maturity, principal or interest on the bonds when insufficient money shall be available in the sinking account.
- (d) User rates shall be established at a level which produces and maintains net receipts at a level not less than 125% of the amount of principal and interest on the bonds falling due in the same year.

Sewer Revenue Bonds

On January 19, 2018, the City entered into a State Revolving Fund (SRF) loan and disbursement agreement with the Iowa Finance Authority for the issuance of up to \$319,000 of sewer revenue bonds with interest at 1.75% per annum. The agreement also requires the City to annually pay a 0.25% servicing fee. At June 30, 2019, the City had drawn \$193,140 on the bond. The bonds were issued pursuant to the provisions of Chapters 384.24A and 384.83 of the Code of Iowa to pay the cost of construction of certain wastewater treatment facilities. An initiation fee of \$1,595 (.50% of the authorized borrowing for the sewer revenue bonds) was charged by the Iowa Finance Authority and was withheld from the first proceeds of the sewer revenue bonds drawn. The bonds are payable solely from sewer customer net receipts and the City has pledged future sewer customer receipts, net of specified operating disbursements to repay the bonds. A repayment schedule has not yet been adopted for these bonds.

The resolution providing for the issuance of the sewer revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the fund.
- (b) Sufficient monthly transfers shall be made to a separate sewer revenue bond sinking account within the Enterprise, Sewer Fund for the purpose of making the bond principal and interest payments when due.
- (c) User rates shall be established at a level which produces and maintains net receipts at a level not less than 110% of the amount of principal and interest on the bonds falling due in the same year.

Sewer Revenue Loan and Disbursement Anticipation Project Note

On May 21, 2018, the City issued an interest free sewer revenue loan and disbursement agreement anticipation project note to the Iowa Finance Authority for up to \$430,000 to pay the costs of planning, designing and constructing improvements and extensions to the municipal sewer system. The note was issued pursuant to the provisions of Chapters 76.13 and 384.24A of the Code of Iowa in anticipation of the receipt of, and is payable from, the proceeds of an authorized loan agreement and a corresponding issuance of sewer revenue bonds in an amount sufficient to repay the note. At June 30, 2019, the City had drawn \$266,411 against the anticipation project note. The note matures on June 8, 2021.

(4) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age, which is generally at age 55. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll for a total rate of 15.73%. Protection occupation members contributed 6.81% of covered payroll and the City contributed 10.21% of covered payroll, for a total rate of 17.02%.

The City’s contributions to IPERS for the year ended June 30, 2019 totaled \$68,733.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a liability of \$388,676 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the City’s proportion was 0.006142%, which was a decrease of 0.000079% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City’s pension expense, deferred outflows of resources and deferred inflows of resources totaled \$73,029, \$150,193 and \$98,180, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as follows:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated March 24, 2017.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	6.01%
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's proportionate share of the net pension liability	\$ 794,451	388,676	48,491

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(5) Other Postemployment Benefits (OPEB)

Plan Description – The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and the plan members range from from \$614 for single coverage to \$1,534 for family coverage. Currently, 11 employees pay \$294 per month for family coverage health benefits while the other 2 do not pay a monthly amount for coverage. For the year ended June 30, 2019, the City contributed \$172,793 and plan members eligible for benefits contributed \$36,040 to the plan. At June 30, 2019, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by the City of West Union and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy.

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of services. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	<u>13</u>
Total	<u>13</u>

(6) Employee Health/Dental/Vision Insurance Plan

The City provides health benefit through Wellmark Blue Cross and Blue Shield of Iowa with a plan deductible of \$1,500 for single coverage and \$3,000 for family coverage.

The City also reimburses each employee up to \$1,000 per calendar year for eligible dental or vision claims.

The City pays employees for the eligible claims from the Special Revenue, Employee Benefits and the Enterprise, Water and Sewer Funds. During the year ended June 30, 2019, the City paid \$6,357 to employees for claims.

(7) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and floating holiday hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and floating holiday hours payable to employees at June 30, 2019, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 31,000

This liability has been computed based on rates of pay in effect at June 30, 2019.

(8) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales Tax	\$ 21,251
Debt Service	Capital Projects	104,950
	Enterprise:	
	Sewer	46,797
		<u>151,747</u>
Capital Projects	General	60,456
	Special Revenue:	
	Road Use Tax	91,830
	Local Option Sales Tax	191,258
		<u>343,544</u>
Total		<u>\$ 516,542</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(9) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Rebate Agreements

The City has entered into nine rebate agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the participating companies in exchange for the construction or improvement of buildings. The incremental property tax to be received by the City under Chapter 403.19 of the Code of Iowa from the participating companies will be rebated for a period of up to 15 years beginning with the tax year in which the property tax on the completed value of the improvements are first paid. Certain agreements also require the company to certify specific employment requirements have been met. The total to be paid by the City under the agreements is not to exceed \$746,543. During the year ended June 30, 2019, the City rebated \$69,488 of incremental property tax to the participating companies. The total cumulative amount rebated since inception of the agreements is \$298,317. The estimated outstanding principal balance of the rebate agreements at June 30, 2019 is approximately \$556,608.

The above agreements are not general obligations of the City. However, the agreements are subject to the constitutional debt limitation of the City.

One of the agreements is subject to an annual appropriation and only the amount payable in the succeeding year is subject to the constitutional debt limitation. The remaining eight agreements do not include annual appropriation clauses and, accordingly, the entire outstanding principal balance of these agreements is subject to the constitutional debt limitation.

(11) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax receipts to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2019, the City abated \$27,555 of property tax under the urban renewal and economic development agreements.

(12) City of West Union Revolving Loan Account

The Revolving Loan Account was established within the General Fund during the year ended June 30, 2017. The purpose of the account is to promote economic development in the City of West Union. During the year ended June 30, 2015, the City contributed \$5,000 to the account and West Union Community Economic Development contributed \$75,000. During the year ended June 30, 2017, the City received a \$79,500 grant to be used for economic development loans. The total of \$159,500 was subsequently loaned to businesses in the City.

Upon receipt of loan payments from the businesses, the funds remain in the Revolving Loan Fund for subsequent loans to other businesses. If the program is dissolved, all monies and interest earned will revert to the City. During the year ended June 30, 2019, the City made one new loan totaling \$15,000.

Outstanding loans receivable of the Revolving Loan Account at June 30, 2019 are as follows:

<u>Loaned to</u>	<u>Date of Loan</u>	<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Term of Loan</u>	<u>Balance June 30, 2019</u>
Antiques and Gifts on Vine	April 14, 2016	\$ 79,750	4.5%	7 years	\$ 46,736
Dairy Queen	May 17, 2016	79,750	4.5	7 years	45,718
Stolen Brothers	Nov 1, 2017	25,000	5.0	5 years	17,738
Reicks	April 30, 2018	27,000	5.0	7 years	23,427
Woodland Eye Clinic	April 9, 2019	15,000	5.0	7 years	14,703
Total					<u>\$ 148,322</u>

(13) Contractual Commitments

The City has entered into various construction contracts totaling approximately \$1,116,724. The unpaid contract balance as of June 30, 2019 totaled \$827,154, which will be paid as work on the projects progress.

(14) Litigation

The City is a defendant in three lawsuits for which the probability and amount of loss, if any, is indeterminable.

(15) Subsequent Event

On March 2, 2020, the City entered into a contract with Gridor Construction for \$7,586,632 for the City's wastewater treatment plant project. The City plans to fund this project through a combination of receipts generated from the capital improvement fee included in resident's water bills, community development block grant receipts and proceeds from a sewer revenue loan.

Other Information

City of West Union
 Budgetary Comparison Schedule
 of Receipts, Disbursements, and Changes in Balances –
 Budget and Actual – All Governmental Funds and Proprietary Funds

Other Information

Year ended June 30, 2019

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 1,133,798	-	-
Tax increment financing	56,753	-	-
Other city tax	278,189	-	-
Licenses and permits	52,634	-	-
Use of money and property	79,345	853	337
Intergovernmental	780,107	-	-
Charges for service	253,093	1,160,611	-
Miscellaneous	148,176	11,446	70,209
Total receipts	<u>2,782,095</u>	<u>1,172,910</u>	<u>70,546</u>
Disbursements:			
Public safety	495,149	-	30,747
Public works	616,327	-	-
Culture and recreation	481,420	-	34,724
Community and economic development	216,930	-	-
General government	144,939	-	-
Debt service	360,095	-	-
Capital projects	472,621	-	-
Business type activities	-	1,262,711	-
Total disbursements	<u>2,787,481</u>	<u>1,262,711</u>	<u>65,471</u>
Excess (deficiency) of receipts over (under) disbursements	(5,386)	(89,801)	5,075
Other financing sources, net	49,297	219,614	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	43,911	129,813	5,075
Balances beginning of year	<u>1,918,101</u>	<u>1,149,288</u>	<u>100,688</u>
Balances end of year	<u>\$ 1,962,012</u>	<u>1,279,101</u>	<u>105,763</u>

See accompanying independent auditor's report.

Total	Budgeted Amounts		Final to Total Variance
	Original	Final	
1,133,798	1,204,887	1,204,887	(71,089)
56,753	60,450	60,450	(3,697)
278,189	250,616	250,616	27,573
52,634	50,625	50,625	2,009
79,861	39,666	63,166	16,695
780,107	708,252	722,296	57,811
1,413,704	1,211,000	1,438,330	(24,626)
89,413	56,150	43,150	46,263
<u>3,884,459</u>	<u>3,581,646</u>	<u>3,833,520</u>	<u>50,939</u>
464,402	474,922	474,922	10,520
616,327	874,650	615,223	(1,104)
446,696	438,960	438,960	(7,736)
216,930	93,250	249,575	32,645
144,939	200,711	200,711	55,772
360,095	379,297	379,297	19,202
472,621	232,300	565,200	92,579
<u>1,262,711</u>	<u>1,280,701</u>	<u>1,280,701</u>	<u>17,990</u>
<u>3,984,721</u>	<u>3,974,791</u>	<u>4,204,589</u>	<u>219,868</u>
(100,262)	(393,145)	(371,069)	270,807
<u>268,911</u>	<u>400,000</u>	<u>400,000</u>	<u>(131,089)</u>
168,649	6,855	28,931	139,718
<u>2,966,701</u>	<u>2,709,334</u>	<u>2,709,334</u>	<u>257,367</u>
<u>3,135,350</u>	<u>2,716,189</u>	<u>2,738,265</u>	<u>397,085</u>

City of West Union

Notes to Other Information – Budgetary Reporting

June 30, 2019

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the blended component units. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, the Permanent Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, two budget amendment increased budgeted disbursements by \$229,798. The budget amendments are reflected in the final budgeted amounts.

At June 30, 2019, disbursements exceeded the amounts budgeted in the public works and culture and recreation functions. Also, during the fiscal year, disbursements in the public safety, community and economic development and capital projects functions exceeded the amounts budgeted prior to the budget amendment.

City of West Union
Schedule of the City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Five Years*
(In Thousands)

Other Information

	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.006142%	0.006221%	0.006702%	0.006785%	0.006538%
City's proportionate share of the net pension liability	\$ 389	414	422	335	259
City's covered payroll	\$ 683	667	657	681	678
City's proportionate share of the net pension liability as a percentage of its covered payroll	56.95%	62.07%	64.23%	49.19%	38.20%
IPERS' net position as a percentage of the total pension liability	83.62%	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

City of West Union
Schedule of City Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Other Information

	2019	2018	2017	2016
Statutorily required contribution	\$ 69	63	62	60
Contributions in relation to the statutorily required contribution	(69)	(63)	(62)	(60)
Contribution deficiency (excess)	\$ -	-	-	-
City's covered payroll	\$ 712	683	667	657
Contributions as a percentage of covered payroll	9.69%	9.22%	9.30%	9.13%

* The City's covered payroll information was not readily available. Therefore, contributions as a percentage of covered payroll could not be calculated.

See accompanying independent auditor's report.

2015	2014	2013	2012	2011	2010
63	63	59	53	45	46
(63)	(63)	(59)	(53)	(45)	(46)
-	-	-	-	-	-
681	678	655	620	589	*
9.25%	9.29%	9.01%	8.55%	7.64%	*

City of West Union

Notes to Other Information – Pension Liability

Year ended June 30, 2019

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

Supplementary Information

City of West Union

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2019

	Special Revenue		
	Local Option Sales Tax	West Union Volunteer Firefighters Incorporated	Friends of the West Union Parks and Recreation
Receipts:			
Local option sales tax	\$ 212,509	-	-
Use of money and property	-	5	332
Charges for service	-	-	-
Miscellaneous	-	48,758	21,451
Total receipts	<u>212,509</u>	<u>48,763</u>	<u>21,783</u>
Disbursements:			
Operating:			
Public safety	-	30,747	-
Culture and recreation	-	-	34,724
Total disbursements	<u>-</u>	<u>30,747</u>	<u>34,724</u>
Excess (deficiency) of receipts over (under) disbursements	212,509	18,016	(12,941)
Other financing sources (uses):			
Transfers out	<u>(212,509)</u>	<u>-</u>	<u>-</u>
Change in cash balances	-	18,016	(12,941)
Cash balances beginning of year	<u>30,218</u>	<u>34,499</u>	<u>66,189</u>
Cash balances end of year	<u>\$ 30,218</u>	<u>52,515</u>	<u>53,248</u>
Cash Basis Fund Balances			
Nonspendable - Cemetery	\$ -	-	-
Restricted for other purposes	<u>30,218</u>	<u>52,515</u>	<u>53,248</u>
Total cash basis fund balances	<u>\$ 30,218</u>	<u>52,515</u>	<u>53,248</u>

See accompanying independent auditor's report.

<u>Permanent</u>		
<u>Cemetery</u>	<u>Cemetery</u>	
<u>Perpetual</u>	<u>Mausoleum</u>	<u>Total</u>
<u>Care</u>		
-	-	212,509
801	109	1,247
750	-	750
-	-	70,209
<u>1,551</u>	<u>109</u>	<u>284,715</u>
-	-	30,747
-	-	34,724
-	-	65,471
1,551	109	219,244
-	-	<u>(212,509)</u>
1,551	109	6,735
87,541	10,701	229,148
<u>89,092</u>	<u>10,810</u>	<u>235,883</u>
89,092	10,810	99,902
-	-	135,981
<u>89,092</u>	<u>10,810</u>	<u>235,883</u>

City of West Union
Schedule of Indebtedness
Year ended June 30, 2019

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation bonds:			
Downtown redevelopment project	Nov 3, 2010	0.75 - 3.50%	\$ 2,665,000
Fire department equipment, sewer system land acquisition and City Hall parking lot	Apr 4, 2017	1.20 - 2.70	560,000
Total			
General obligation note:			
Sewer Improvement	Jan 2, 2018	0.00%	\$ 360,000
Revenue bonds:			
Water	Aug 16, 2011	3.25 - 5.25%	\$ 1,175,000
Sewer	Jan 19, 2018	1.75 *	193,140
Total			
Revenue loan anticipation project note			
Sewer	May 21, 2018	0.00%	\$ 266,411

* The agreement also requires the City to annually pay a 0.25% servicing fee on the outstanding principal balance.

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
1,490,000	-	190,000	1,300,000	45,802
445,000	-	115,000	330,000	8,793
<u>\$ 1,935,000</u>	-	<u>305,000</u>	<u>1,630,000</u>	<u>54,595</u>
345,000	-	36,000	309,000	-
850,000	-	50,000	800,000	37,450
180,140	-	13,000	167,140	4,172
<u>1,030,140</u>		<u>63,000</u>	<u>967,140</u>	<u>41,622</u>
<u>\$ -</u>	<u>266,411</u>	<u>-</u>	<u>266,411</u>	

City of West Union

City of West Union
Bond and Note Maturities
June 30, 2019

General Obligation Bonds					
Year Ending June 30,	Corporate Purpose, Series 2010 Issued Nov 3, 2010		Corporate Purpose, Series 2017 Issued Apr 4, 2017		Total
	Interest Rates	Amount	Interest Rates	Amount	
2020	2.75%	\$ 195,000	1.70%	\$ 75,000	270,000
2021	3.00	205,000	1.90	35,000	240,000
2022	3.10	210,000	2.00	35,000	245,000
2023	3.20	220,000	2.10	35,000	255,000
2024	3.30	230,000	2.20	35,000	265,000
2025	3.50	240,000	2.35	35,000	275,000
2026		-	2.55	40,000	40,000
2027		-	2.70	40,000	40,000
Total		<u>\$ 1,300,000</u>		<u>\$ 330,000</u>	<u>1,630,000</u>

General Obligation Note		
Year Ending June 30,	Sewer Improvement Issued Jan 2, 2018	
	Interest Rates	Amount
2020	0.00%	\$ 36,000
2021	0.00	36,000
2022	0.00	36,000
2023	0.00	36,000
2024	0.00	36,000
2025	0.00	36,000
2026	0.00	36,000
2027	0.00	36,000
2028	0.00	21,000
Total		<u>\$ 309,000</u>

Revenue Bonds		
Year Ending June 30,	Water Issued Aug 16, 2011	
	Interest Rates	Amount
2020	3.25%	\$ 50,000
2021	3.25	55,000
2022	4.00	55,000
2023	4.00	60,000
2024	4.00	60,000
2025	4.50	65,000
2026	4.50	65,000
2027	4.50	70,000
2028	5.00	75,000
2029	5.00	80,000
2030	5.25	80,000
2031	5.25	85,000
Total		<u>\$ 800,000</u>

See accompanying independent auditor's report.

City of West Union

Schedule of Receipts By Source and Disbursements By Function -
All Governmental Funds

For the Last Ten Years

	2019	2018	2017	2016
Receipts:				
Property tax	\$ 1,133,798	1,136,559	1,051,435	1,031,418
Tax increment financing	56,753	78,022	51,946	62,724
Other city tax	278,189	205,561	236,514	226,028
Licenses and permits	52,634	50,759	47,052	45,975
Use of money and property	79,345	25,785	20,759	34,323
Intergovernmental	780,107	730,557	804,079	785,530
Charges for service	253,093	265,921	250,178	246,351
Miscellaneous	148,176	200,730	140,034	101,286
Total	\$ 2,782,095	2,693,894	2,601,997	2,533,635
Disbursements:				
Operating:				
Public safety	\$ 495,149	595,607	529,181	610,797
Public works	616,327	635,336	534,737	442,371
Health and social services	-	-	-	-
Culture and recreation	481,420	430,762	434,841	448,892
Community and economic development	216,930	180,465	65,254	259,619
General government	144,939	169,503	132,122	149,804
Debt service	360,095	357,197	228,943	227,003
Capital projects	472,621	424,774	690,731	517,881
Total	\$ 2,787,481	2,793,644	2,615,809	2,656,367

See accompanying independent auditor's report.

2015	2014	2013	2012	2011	2010
1,036,930	1,089,462	1,108,806	1,062,966	733,575	749,031
113,102	115,370	86,403	161,930	212,149	108,250
245,522	220,597	214,583	223,283	220,684	184,786
52,922	37,761	6,726	6,879	8,360	6,255
19,167	18,404	23,112	23,953	19,496	23,960
935,486	1,700,053	3,203,699	3,222,738	476,870	250,641
230,800	228,464	212,999	245,055	212,746	201,360
295,499	120,294	132,805	192,662	110,978	425,427
2,929,428	3,530,405	4,989,133	5,139,466	1,994,858	1,949,710
495,766	455,640	415,650	355,167	331,157	369,303
455,923	434,144	448,580	623,289	457,949	513,331
-	-	-	-	-	396
545,930	659,739	568,297	562,778	358,602	524,056
99,115	68,694	162,853	143,280	308,356	107,027
142,686	161,434	146,692	141,128	109,730	120,497
224,642	253,329	250,089	251,515	64,236	26,602
463,122	1,345,797	3,426,349	2,895,476	2,071,268	423,717
2,427,184	3,378,777	5,418,510	4,972,633	3,701,298	2,084,929



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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 Honorable Mayor and Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards 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 governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of West Union, Iowa, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2020. Our report expressed a qualified opinion on the aggregate remaining fund information due to the omission of the Friends of the Library of West Union. Our report expressed unmodified opinions on the financial statements of the governmental activities, the business type activities and each major fund of the City of West Union which are prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of West Union's internal control over financial reporting to determine the audit procedures 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 City of West Union's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Union'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 have not been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control we consider to be a material weakness and a deficiency we consider to be a significant deficiency.

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 a material misstatement of the City of West Union's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in the Schedule of Findings as item (A) to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the Schedule of Findings as item (B) to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Union's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in the Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2019 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

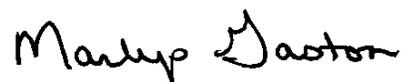
The City of West Union's Responses to the Findings

The City of West Union's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City of West Union's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of West Union during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


Marlys K. Gaston, CPA
Deputy Auditor of State

March 25, 2020

City of West Union

Schedule of Findings

Year ended June 30, 2019

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City's and the blended component unit financial statements.

Condition –

We noted one or two individuals have control over each of the following areas for the City:

- (1) Accounting system – performing all general accounting functions, including journal entries, and having custody of the City's assets.
- (2) Cash – handling petty cash, collecting, depositing, reconciling, posting and signing checks.
- (3) Bank reconciliations – preparing, reviewing and approving.
- (4) Long-term debt – maintaining agreements, reconciling and signing checks.
- (5) Receipts – collecting and recording.
- (6) Utility receipts – billing, collecting and posting.

For the West Union Volunteer Firefighters, we noted that one individual has control over the following areas:

- (1) Cash collection and deposit preparation are performed by the same individual who records and accounts for cash.
- (2) The individual who signs checks also records cash receipts and prepares checks.

For Friends of the West Union Parks and Recreation, we noted that one individual has control over the following areas:

- (1) Cash collection and deposit preparation are performed by the same individual who records and accounts for cash.
- (2) The individual who signs checks also records cash receipts and prepares checks.

Cause – The City, the West Union Volunteer Fire Fighters and the Friends of the West Union Parks and Recreation have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

City of West Union

Schedule of Findings

Year ended June 30, 2019

Effect – Inadequate segregation of duties could adversely affect the City's and its component unit's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City and its component units should review their operating procedures to obtain the maximum internal control possible under the circumstances. The City should utilize current personnel, including elected officials, to provide additional control through review of financial transactions reconciliations and reports. Such reviews should be performed by independent persons and should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

City – The City has implemented review by the Deputy City Clerk and the City Clerk and signatures from each where needed. Mayor Keller reviews and signs all accounts payable invoices and the City Council reviews and approves all reporting monthly.

West Union Volunteer Firefighters – We have implemented cross checks as recommended.

Friends of the West Union Parks and Recreation – We have added another review and signature as recommended.

Conclusions – Responses accepted.

(B) Friends of the West Union Parks and Recreation

Criteria – In order to maintain effective internal controls over receipts and disbursements, accounting records should be maintained and reconciled to the bank balance monthly. Also, pre-numbered receipts should be issued for all collections.

Condition – The Friends of the West Union Parks and Recreation does not maintain detailed accounting records to track receipts, disbursements and fund balance and to reconcile book activity to bank balances. Also, pre-numbered receipts are not issued for collections.

Cause – Policies and procedures have not been established for maintaining accounting records for tracking financial activity. Also, policies have not been established to require the use of pre-numbered receipts for collections.

Effect – Inadequate tracking of financial activity and the lack of monthly bank reconciliations and pre-numbered receipts could adversely affect the ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis.

City of West Union

Schedule of Findings

Year ended June 30, 2019

Recommendation – Friends of the West Union Parks and Recreation should develop and maintain accounting records to ensure all financial transactions are properly recorded. In addition, procedures should be established to ensure those records are reconciled to the bank account and investment balances monthly. Variances, if any, should be reviewed and resolved timely. An independent person should review the bank reconciliations and document the review by signing or initialing and dating the monthly bank reconciliation. Also, pre-numbered receipts should be issued for all collections.

Response – The Park and Recreation Board will implement as recommended.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

City of West Union

Schedule of Findings

Year ended June 30, 2019

Findings Related to Required Statutory Reporting:

- (1) Certified Budget – At June 30, 2019, disbursements exceeded the amounts budgeted in the public works and culture and recreation functions. Also, during the fiscal year, disbursements in the public safety, community and economic development and capital projects functions exceeded the amounts budgeted prior to the budget amendment. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

Recommendation – The budget should have been amended in sufficient amounts in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budgeted amounts.

Response – We will make the changes in amendments as recommended.

Conclusion – Response accepted.

- (2) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- (4) Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Cameron Granger, City Council member, owner of Granger Construction	Construction projects,	\$ 664
Cameron Granger, City Council member, wife is owner of Signs by Design	City signs and vehicle decals	197
Kennon Gumm, City Council member, salesman for Nutrien Ag	Chemicals for grass	295

In accordance with Chapter 362.5(3)(k) of the Code of Iowa, the transactions with Granger Construction, Signs by Design and Nutrien Ag do not appear to represent a conflict of interest since the total transactions were less than \$2,500 during the fiscal year.

- (5) Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) City Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.

City of West Union

Schedule of Findings

Year ended June 30, 2019

- (8) Revenue Notes – No instances of non-compliance with the revenue note resolutions were noted.
- (9) Annual Urban Renewal Report – The Annual Urban Renewal Report (AURR) was approved and certified to the Iowa Department of Management before December 1. However, the amounts reported for receipts, disbursements and ending fund balances do not agree with City records.

Recommendation – The City should ensure the Annual Urban Renewal Report agrees with the City’s records.

Response – The City will review with the County Auditor for correct reporting in the future.

Conclusion – Response accepted.

- (10) Payment of the General Obligation Sewer Improvement Note – The general obligation sewer improvement note was paid from the Enterprise, Sewer Fund. Chapter 384.4 of the Code of Iowa states, in part “Moneys pledged or available to service general obligation bonds, and received from sources other than property tax, must be deposited in the debt service fund.”

Recommendation – The City should transfer from the Enterprise, Sewer Fund to the Debt Service Fund for future funding contributions. Payments on the notes should then be disbursed from the Debt Service Fund.

Response – Transfers from the Sewer Fund to the Debt Service Fund were started immediately to correct this error.

Conclusion – Response accepted.

- (11) Tax Increment Financing (TIF) Indebtedness Certification – Chapter 403.19 of the Code of Iowa provides a municipality shall certify indebtedness to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness and, as such, the County Auditor shall provide available incremental property tax in subsequent fiscal years without further certification until the amount of certified indebtedness is paid to the City. Indebtedness incurred is to be certified to the County Auditor and then the divided property tax is to be used to pay the principal of and interest on the certified indebtedness.

During the year ended June 30, 2019, the City disbursed directly from the TIF Fund \$70,385 related to various projects and fees. In addition, during the year ended June 30, 2018, the City paid \$325 of fees directly from the TIF fund. These costs do not represent TIF debt obligations and, accordingly, are not an allowable use of tax increment financing receipts.

Recommendation – The City should reimburse the TIF fund from an allowable fund, such as the General Fund, for the \$70,710 of unallowable costs paid in the current and prior year. If disbursements are for a qualified TIF project, the City may approve an advance (interfund loan) from the General Fund to the TIF Fund and certify the advance to the County Auditor as a TIF obligation for future collection of TIF receipts and reimbursement to the General Fund to repay the advance.

Response – This has been corrected in fiscal year 2020 with the County Auditor.

Conclusion – Response corrected.

City of West Union

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Deputy
Suzanne R. Dahlstrom, CPA, Manager
Erin J. Sietstra, Senior Auditor
Terry J. Erlbacher, Staff Auditor
Bianca M. Cleary, Assistant Auditor
Ethan M. Snedigar, Assistant Auditor