



CITY OF DEWITT, IOWA
FINANCIAL STATEMENTS
June 30, 2009



TABLE OF CONTENTS

	PAGE
OFFICIALS	1
INDEPENDENT AUDITOR’S REPORT	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
EXHIBIT	
BASIC FINANCIAL STATEMENTS	17
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash Basis A	18
Governmental Fund Financial Statements:	
Statement of Cash Receipts, Disbursements and Changes	
in Cash Balances..... B	20
Reconciliation of the Statement of Cash Receipts, Disbursements	
and Changes in Cash Balances to the Statement of Activities	
and Net Assets C	22
Proprietary Fund Financial Statements:	
Statement of Cash Receipts, Disbursements and Changes	
in Cash Balances..... D	23
Reconciliation of the Statement of Cash Receipts, Disbursements	
and Changes in Cash Balances to the Statement of Activities	
and Net Assets E	25
Notes to Financial Statements.....	26
REQUIRED SUPPLEMENTAL INFORMATION	41
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in	
Balances - Budget and Actual (Cash Basis) - All Governmental Funds and	
Proprietary Funds	42
Notes to Required Supplemental Information - Budgetary Reporting	44
OTHER SUPPLEMENTAL INFORMATION	45

TABLE OF CONTENTS
(CONTINUED)

OTHER SUPPLEMENTAL INFORMATION (CONTINUED)	PAGE
	SCHEDULE
Nonmajor Governmental Funds:	
Combining Schedule of Cash Receipts, Disbursements and Changes in Cash Balances	1.....46
Nonmajor Proprietary Funds:	
Combining Schedule of Cash Receipts, Disbursements and Changes in Cash Balances	2.....50
Schedule of Indebtedness	3.....52
Bond and Note Maturities	4.....53
Schedule of Receipts by Source and Disbursements by Function - All Governmental Funds	5.....56
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	57
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	59
Schedule of Expenditures of Federal Awards	61
Schedule of Findings and Questioned Costs	62
Summary Schedule of Prior Federal Audit Findings.....	66
Corrective Action Plan for Federal Audit Findings.....	67

CITY OF DEWITT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Donald J. Thiltgen	Mayor	January 1, 2010
Verlyn Scheckel	Mayor Pro Tem	January 1, 2012
Steven Hasenmiller	Council Member	January 1, 2010
Peggy McAvan	Council Member	January 1, 2010
Carole Dunkin	Council Member	January 1, 2012
Kurt Ketelsen	Council Member	January 1, 2012
Verlyn Scheckel	Council Member	January 1, 2012
Steven M. Lindner	City Administrator	Appointed
Deanna Rodriguez	Director of Finance/Treasurer	Appointed
Robert J. McGee	City Attorney	Appointed
Matt Proctor	Director of Public Works	Appointed
Gary "Gene" Ellis	Chief of Police	Appointed
Cathie Benthin	City Clerk/Safety Coordinator	Appointed
Kevin Lake	Director of Parks & Recreation	Appointed
Giles Looney	Building Official	Appointed
Kevin Rice	City Forester	Appointed

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

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 DeWitt, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of DeWitt's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, each major fund and the aggregate remaining fund information of the City of DeWitt as of June 30, 2009, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2009 on our consideration of the City of DeWitt's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 4 through 16 and 42 through 44 are not required parts of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of DeWitt's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2008 (none of which are presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. Other supplemental information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clifton Henderson LLP

Clinton, Iowa
November 11, 2009

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

This discussion and analysis is intended to be an easily readable analysis of the City of DeWitt's financial activities for the fiscal year ended June 30, 2009 based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the City's financial statements that begin on page 17.

Basis of Accounting

The City has elected to present its financial statements on a cash basis of accounting. The cash basis of accounting is a basis other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses and their related assets and liabilities. Under the City's cash basis of accounting, revenues and expenses are recorded when they result from cash transactions. As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Report Layout

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34. GASB 34 implements a model of financial reporting for state and local governments designed to enhance the usefulness of the City's annual report. Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, combining schedules of non-major funds and supplemental information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, and capital projects. Business-type activities are water, sewer, garbage and recycling collection, and storm water utility.

Statement of Activities and Net Assets

The focus of the Statement of Activities and Net Assets is to present the major program costs and match major resources with each. To the extent a program's cost is not recovered by grants, donations and direct charges, it is paid from general taxes and other resources. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Following the Statement of Activities and Net Assets is a section containing fund financial statements. In the Statement of Cash Receipts, Disbursements and Changes in Cash Balances the City's major funds are presented in their own column and the remaining funds are combined into a column titled "Non-major Governmental Funds." Readers who wish to obtain information on non-major funds can find it in the Combining Schedules of Non-major Funds. Finally, completing the document is a series of other financial schedules and the reports by the independent certified public accountants as required by statute.

The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years.

City as a Whole

Government-Wide Financial Statements

To aid in the understanding of the Statement of Activities and Net Assets, some additional explanation is given. First all receipts and disbursements are categorized as either governmental activities or business-type activities. These are defined as follows:

Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The City's major governmental funds are the General Fund, DeWitt Economic Development TIF Special Revenue Fund, Debt Service Fund, DeWitt Economic Development TIF Debt Service Fund, and the 6th Avenue Reconstruction Capital Project Fund. All other governmental funds are aggregated in a single column entitled Non-major governmental funds. Governmental funds are further broken down into the following activities:

Public Safety - This category includes police operations including reserves, civil service commission, emergency management, fire protection, ambulance service, building inspections, and animal control services.

Public Works - This category includes roads, bridges, and sidewalks, equipment replacement, street lighting, traffic safety, snow removal, and compost facility.

Health and Social Services - This category includes welfare assistance and referral building maintenance.

Culture and Recreation - This category includes library services, parks, recreation, aquatic center operations, cemetery, community center, and fitness center operations.

Community and Economic Development - This category includes community betterment, trees forever, economic development, housing, TIF, planning and zoning, and community activities.

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

General Government - This category includes mayor/administrator, city council, director of finance/city clerk, elections, legal services, city hall, insurance, and safety program.

Debt Service - This category includes general, TIF, and road use debt service.

Capital Projects - This category includes the 6th Ave. reconstruction project, the 2008 Homeownership Grant, the 2008 Owner-occupied Grant, the Westbrook Baseball Diamond Improvements, the Skate Park project, the Springbrook Road/17th Street project, the Silver Creek Trail project, the Inflow/Infiltration project and other Stimulus projects.

Business-type (Proprietary) Funds - When the City charges customers for the services it provides, these services are generally reported in business-type or proprietary funds. These are self-sufficient funds. The City's business-type funds are water, sewer, storm water utility, and garbage and recycling collection. This also includes all debt service and capital projects associated specifically with the above listed utilities.

Second, of particular interest is the format that is significantly different than a typical Statement of Receipts, Disbursements, and Changes in Cash Balance. You will notice that disbursements are listed in the first column with receipts from that particular program reported to the right. The result is a Net (Disbursement)/Receipt. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general receipts or if it is self-financing through fees and grants or contributions. All other governmental receipts are reported as general. It is important to note that all taxes and bond proceeds are classified as general receipts even if restricted for a specific purpose.

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Governmental Activities

Net assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities decreased from a year ago, decreasing from \$7,553,524 to \$6,810,001. The analysis that follows focuses on the changes in cash balances for governmental activities.

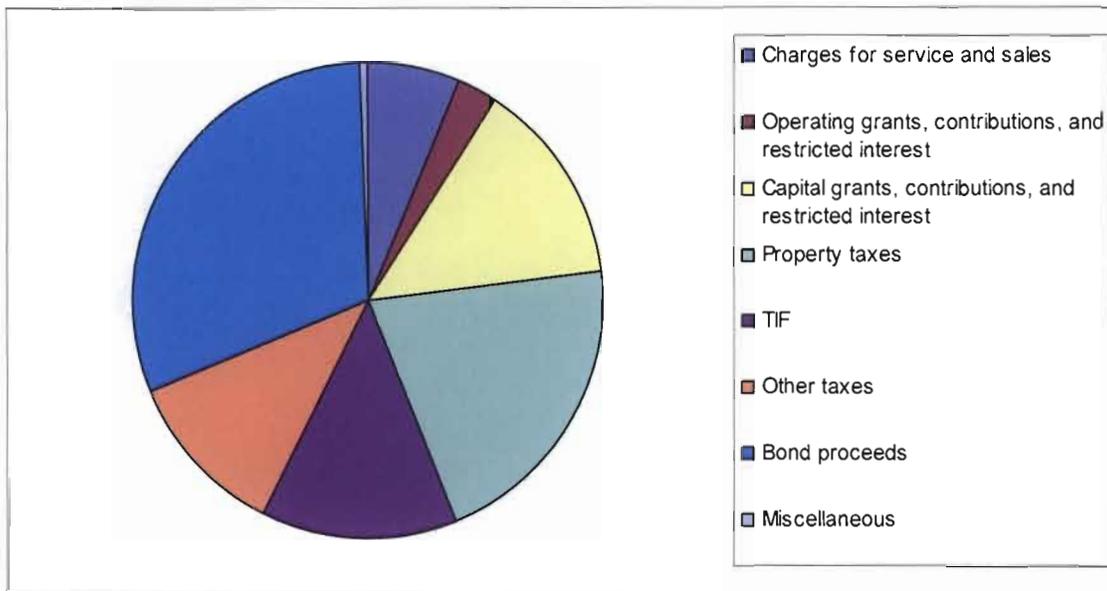
Changes in Cash Basis Net Assets of Governmental Activities

	<u>2009</u>	<u>2008</u>
Receipts and transfers:		
Program receipts:		
Charges for service	\$ 610,216	\$ 574,388
Operating grants, contributions, and restricted interest	273,728	422,259
Capital grants, contributions, and restricted interest	1,339,061	275,787
General receipts:		
Property tax	3,303,576	3,228,019
Utility excise tax	76,475	75,555
Hotel/motel tax	20,614	22,407
Local option sales tax	581,001	449,719
Road use tax	418,914	432,561
Unrestricted interest on investments	14,817	23,533
Bond proceeds	2,976,213	5,879,165
Miscellaneous	10,950	11,306
Sale of capital assets	2,104	4,936
Transfers	<u>22,947</u>	<u>-</u>
Total receipts and transfers	<u>9,650,616</u>	<u>11,399,635</u>
Disbursements:		
Public safety	1,132,015	1,125,368
Public works	602,196	825,780
Health and social services	12,782	9,925
Culture and recreation	922,503	850,541
Community and economic development	86,565	99,167
General government	498,590	315,742
Debt service	3,758,890	3,259,523
Capital projects	<u>3,380,588</u>	<u>612,324</u>
Total disbursements	<u>10,394,129</u>	<u>7,098,370</u>
Increase (decrease) in cash basis net assets	(743,513)	4,301,265
Cash basis net assets, beginning of year	<u>7,553,524</u>	<u>3,252,259</u>
Cash basis net assets, end of year	<u>\$6,810,011</u>	<u>\$7,553,524</u>

For the year ended June 30, 2009, the City's governmental activities were funded as follows:

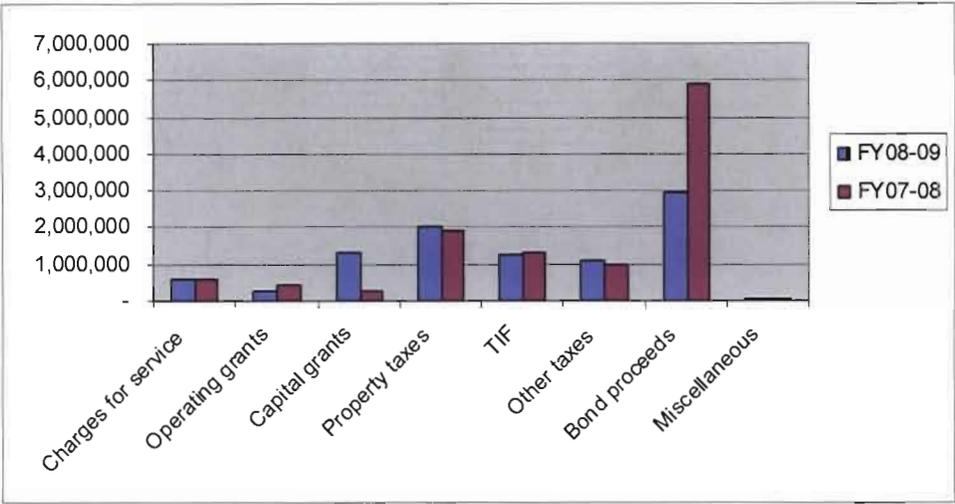
**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Sources of Funds for Governmental Activities

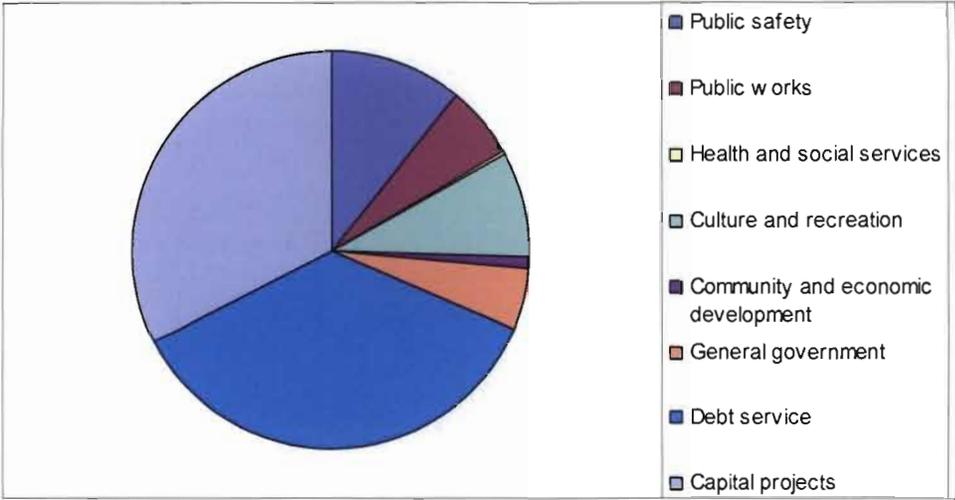


Governmental program receipts changed as compared to the prior year in several areas. Receipts overall decreased by approximately \$1.8 million mostly due to the amount of bond proceeds received last year. Major differences by receipt source are outlined below. Charges for service receipts increased slightly due to rate increases. Operating grants, contributions, and restricted interest receipts decreased over 35% from last fiscal year. The difference in public works is in large part due to FEMA reimbursements for ice storms the previous winter. The large difference in culture and recreation is due mostly to the receipt of a donation for over \$100,000 to the library endowment fund left in a will last fiscal year. The high decrease in community and economic development is due to donations received for the Hausbarn project which slowed down as compared to last fiscal year. Capital grants, contributions, and restricted interest increased by over \$1 million as compared to the previous year. These change annually depending on what projects are in process and where they are in the process. This is largely attributable to the 6th Avenue Reconstruction project for which grant funds received this year totaled \$1,261,717 as compared to \$86,336 last fiscal year. The reimbursements on the 2006 housing grant received last year totaled \$184,714 as compared to \$74,199 for the 2008 housing grants this year. Property tax receipts were up about 2.3% due to valuation growth and new development. TIF receipts were down about 3%. Other tax receipts increased by over \$130,000. Local option sales tax receipts increased significantly while road use tax receipts decreased slightly. Local option sales tax receipts are highly dependent on the economy. Bond proceeds decreased from \$5,879,165 to \$2,976,213 because two large bond issues were completed in the last fiscal year. These were for upcoming/current capital projects and one of these new issues included amounts to refund the 2002 general obligation bonds. The current fiscal year also included two bond issues including refinancing the 2003 general obligation bonds but they were for smaller amounts in total. Miscellaneous receipts decreased about 41% due to receipt of fewer donations. Total governmental receipts this year as compared to last fiscal year are shown in the following graph.

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**



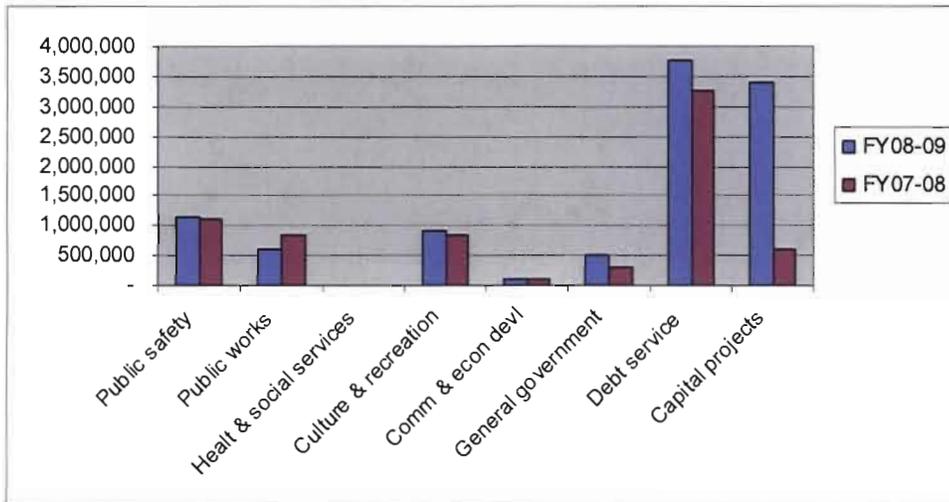
Uses of Funds in Governmental Activities



Governmental program disbursements are about 45% more in total as compared to the prior year however, the category breakdown of the disbursements has changed significantly. Public safety disbursements increased only very slightly. Public works disbursements decreased by over 27%. This is due to the fact that the street and alley maintenance work approved for fiscal year 2007 was not complete or paid for by the end of the fiscal year; therefore both FY07 and FY08 street work was done last fiscal year. In contrast, the FY09 was not all completed this current year. In addition due to abnormal weather and the sand shortage, snow disbursements were more than twice as high as normal last fiscal year. Disbursements for health and social services increased by 28% due to repairs done at the Referral Center. Culture and recreation disbursements increased about 8%. Community and economic development disbursements decreased by over \$12,000. This was due a donation last year to the DeWitt Opera House

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Theatre and decrease in planning engineering costs for subdivisions. The general government disbursements increased by about 57% due to the purchase of the REC building and related disbursements which are not normal annual disbursements. Debt service disbursements increased by about 15% due to the refunding of the 2003 general obligation bond issue in the current fiscal year and the call and prepayment of the 1997 WWTP general obligation bonds. Capital project disbursements increased dramatically over the previous year. This was mainly due to the 6th Avenue Reconstruction project but was also affected by the 17th St/18th Ave project, inflow/infiltration project, Silver Creek Trail extension project, 11th stimulus project and both of the 2008 housing grants. The 6th Avenue phase II project was nearly complete by the end of the fiscal year. Most of these rest of the projects were started or in process during the current year. The FY08 projects did not get started as quickly as expected so many of these disbursements fell in the current fiscal year. The total governmental disbursements this year as compared to last fiscal year are shown in the graph below.



**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Business-type Activities

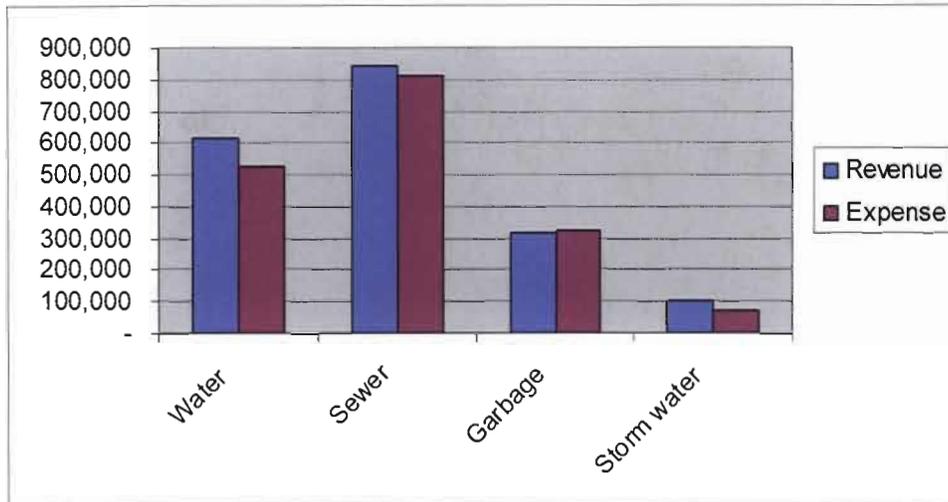
Changes in Cash Basis Net Assets of Business Type Activities

	2009	2008
Receipts and transfers:		
Program receipts:		
Charges for service:		
Water	\$ 596,014	\$ 581,332
Sewer	811,707	761,738
Garbage and recycling collection	319,046	244,768
Storm water utility	94,204	93,801
Operating grants, contributions, and restricted interest	54,317	104,320
General receipts:		
Bond proceeds	-	51,180
Transfers	(22,947)	-
	1,852,341	1,837,139
 Disbursements:		
Water	525,578	628,779
Sewer	809,705	802,283
Garbage and recycling collection	320,905	240,310
Storm water utility	71,808	73,451
	1,727,996	1,744,823
 Increase in cash balance	 124,345	 92,316
 Cash basis net assets, beginning of year	 <u>2,391,166</u>	 <u>2,298,850</u>
 Cash basis net assets, end of year	 <u>\$2,515,511</u>	 <u>\$2,391,166</u>

Total business type activities receipts for the fiscal year were \$1,852,341 compared to \$1,837,139 last year. Total disbursements for the fiscal year decreased by 1% to a total of \$1,727,996.

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

For the year ended June 30, 2009, the City's business-type activities, receipts, and disbursements were as follows:



The water receipts are down about \$7,900 as compared to last fiscal year. This is due to both increased metered sales revenue in the current year and repayment by the Springbrook Country Club for part of a watermain extension that was received last fiscal year. Water rates were increased. Conversely, water disbursements decreased by over 19%. The meter repair and installation (\$76,182 last year and \$37,811 this year) is a multiple year project to replace existing meters with radio-read meters. This was estimated to take four to five years to complete. This was the sixth year of this project. This is nearly complete with the exception of larger than normal meters at a few businesses/apartment buildings that will be complete in the upcoming year. We have purchased the meters already. Water debt service remained about the same. The sewer fund receipts and disbursements increased. Sewer rates were increased so charges for services increased. However the number of new house permits issued with sewer tap on fees decreased as compared to last year. The increase in disbursements is due largely to the fact that the SCADA system required updating. Sewer debt service disbursements remained about the same. The garbage and recycling collection fund receipts and disbursements increased with both increase in fees and increase in households. Garbage fees were increased significantly to cover an increase in the cost of our garbage contract. The storm water has now been in place for seven years. Receipts stayed about the same. The disbursements increased very slightly.

Budgetary Highlights

City Council approved two budget amendments during the year. The first amendment was to increase receipts and disbursements for capital projects and grants that carried over into fiscal 2008-2009 and were newly funded, to add disbursements such as screener, land purchase and SCADA upgrade costs that were not known of at the time the original budget was adopted, to adjust 1% sales tax receipts and project donations. The second budget amendment also included adjustments for capital projects and grants that were not known about previously or for

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

which the timetable needed adjustment. It also increased various receipts such as bond proceeds, FEMA reimbursement and donations. Disbursement adjustments include additional payment to the county law center, fire department disbursements, and increases for bonding costs.

For the year ended June 30, 2009, total actual receipts including other financing sources were \$966,549 under the final budget while total actual disbursements were \$3,921,380 under the final budget. The main difference for receipts is grant receipts that will be received in the new fiscal year. The large difference between budgeted and actual disbursements is mostly due to the fact that several large capital projects were not completed and will therefore carryover into the new fiscal year.

Capital Assets and Debt Administration

As of June 30, 2009, the City had fund balances on hand of \$6,803,269 in governmental fund types and \$2,510,620 in business-type funds. The fund balances for government fund types decreased by \$742,706 while the fund balances for business-type funds increased by \$124,775 during fiscal year 2008-2009. The main reasons for the decrease of funds on hand in governmental fund types are the disbursements of bond proceeds for capital projects and large equipment purchases that were received in prior years, as well as, a choice by city council to use accumulated TIF tax receipts in order to call and prepay TIF debt. In business-type funds the small increase is due to increases in utility fees to cover operational disbursements and necessary set-asides for future needs.

Debt Outstanding

As of year-end, the City had \$16,578,214 in debt outstanding compared to \$17,081,000 in 2008.

Outstanding Debt at Year End

	Totals	
	<u>2009</u>	<u>2008</u>
Governmental		
General obligation	\$12,280,000	\$12,233,000
Tax increment	-	250,000
Road use refunding	1,290,000	1,385,000
DNR loan	31,214	-
Subtotal	<u>13,601,214</u>	<u>13,868,000</u>
Business-type		
Water revenue	861,000	914,000
Sewer revenue	2,116,000	2,299,000
Subtotal	<u>2,977,000</u>	<u>3,213,000</u>
Total	<u>\$16,578,214</u>	<u>\$17,081,000</u>

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

There were two new bonds issued during the year. The first is the General Obligation and Refunding Bonds Series 2009A and the second is the General Obligation Urban Renewal Bonds, Series 2009B. The City is at 78.25% of its bonding capacity down slightly from 78.8% at June 30, 2008. For more detailed information on the City's debt and amortization terms refer to Schedules 3 and 4 and Note 3 which is on pages 29 - 37.

TIF Rebates

The City has four TIF rebate agreements with four industries/developers. The agreements each require a specific amount of taxes to be paid in order to receive the whole rebate amount. Taxes to be paid are based on an estimate of taxable value added at the time of development or expansion. Any underpayment of taxes results in a dollar for dollar reduction in the rebate to be paid to the industry. One of the agreements is an upfront grant that must be repaid to the City by the industry if incremental taxes fall below the amount agreed to in the development agreement. The agreement for the current year had the requirements met. Therefore, the industry did not have to make any repayment to the City. The other three have not yet started. Each agreement is written so that each year stands alone.

Economic Factors

While property taxes are important to the City, they represent approximately 24% of total program resources excluding other financing sources. Property taxes were just slightly less than expected due to unpaid taxes. TIF revenues comprised just over 15% of revenues. The largest resource, at just over 26%, comes from fees and charges for services and includes utility charges. Intergovernmental revenue was higher this year at over 21%. The City monitors all of its resources and determines the need for program adjustment or fee increases accordingly. During fiscal year 2008-2009 the City increased sewer utility fees, water utility fees, garbage fees and several other miscellaneous fees and charges. Interest revenues have been down. Utility and gasoline drastic rate increases have adversely affected the City's operating disbursements. The extreme weather over the past two years has also adversely affected the City's operating costs. Ice storms, excessive snows, and strong winds required much more labor and materials costs than normal. Our county had one declared disaster this year and two last year.

CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Next Year's Budget and Rates

For the year ending June 30, 2010, the general fund has been budgeted fairly consistently with this year. However, the budget does include an increase in hours for the administrative assistant at the police department, addition of a new part-time library employee, new circulation/catalog software, parks gator replacement, painting and window replacement at the aquatic center, tiling at the community center, fitness center new weight equipment and several improvements to the fitness center including lights, doors, showers, and splitting the spin room. The City is also expecting to increase the allocation to DeWitt Development, advertise for the Hausbarn, make security improvements at city hall and purchase a mounted projector for the Council Chambers. Additional marketing in conjunction with DeWitt Development Company is included. SSMID receipts and disbursements were increased including \$14,891 from the general fund. Salt budget is more than doubled due to the last couple of winters and the depletion of salt supply on hand. The emergency tax levy is being utilized. \$40,000 is budgeted for additional architect fees for the future library expansion and \$2,500 for marketing/public relations regarding the expansion. Capital projects being budgeted in governmental activities for next year include 6th Ave. reconstruction phase II, Springbrook Road/17th Street, inflow/infiltration project, extension of Silver Creek park trail, Westbrook baseball diamond improvements, stimulus projects, and both the 2008 owner-occupied rehabilitation and homeownership assistance grants.

Legislative changes passed the last couple of years already have and will continue to negatively impact the city's budget. Property tax credit reimbursements and machinery and equipment reimbursements continue to be funded at less than 100%. The state consolidated payment was eliminated completely. Bank franchise fee revenue has been eliminated completely. Utility tax replacement revenue has been negatively impacted by a state settlement with Alliant Energy which reduced revenue. Consolidation and service sharing issues continue to be discussed at the state level with some proposals giving incentives and others giving sanctions to those cities that cannot meet participation levels. The rollback and other taxation issues such as reclassification of specific types of property continue to erode the tax base for cities. Much discussion also continues in regard to TIF and other economic development issues. Union rights will also continue to be discussed with several proposals that would have a very negative impact on cities.

The business-type activities include a completion of the radio read meter change out project in the water utility with replacement of Guardian's meter. This budgeted amount however has decreased from \$75,000 in FY08 to \$42,000 in FY09, to only \$8,000 in FY10 for the final year of the project and just normal annual replacement. The water utility budget also includes a \$15,000 shop addition, \$25,000 to pull, inspect and install stainless at well #7, \$20,000 towards a new truck, and money for GIS equipment needed. The sewer utility budget includes \$25,000 to rebuild various manholes and deal with root problems, \$11,000 to sandblast and paint effluent clarifier, \$20,000 towards a new truck. Money is also budgeted for part of GIS survey equipment/truck and plotter. The sewer plant expansion/sludge solution project is complete. Storm water utility budget includes \$50,000 for costs for 11th Street East improvements. The council does not want work to begin however until they determine the way in which they want the improvements to be done. The garbage budget is higher than last years' budget. The new

**CITY OF DEWITT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

garbage contract costs increased significantly when rebid. The new costs were effective July 1, 2008 and increase each year. The garbage rate has already been increased to partially offset the increase in costs but the rest will be covered with existing fund balance. It is expected that the garbage rate will be increased again in Spring 2010. Water, sewer and storm drainage rates have not been increased.

Financial Contact

The City's financial statements are designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City's Director of Finance at 510 9th Street, P.O. Box 407, DeWitt, Iowa 52742 or telephone 563-659-3811.

Deanna Rodriguez
Director of Finance

BASIC FINANCIAL STATEMENTS

CITY OF DEWITT
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS
As of and for the Year Ended June 30, 2009

	<u>Disbursements</u>	<u>Program Receipts</u>		
		<u>Charges for Service and Sales</u>	<u>Operating Grants, Contributions, and Restricted Interest</u>	<u>Capital Grants, Contributions, and Restricted Interest</u>
FUNCTIONS/PROGRAMS				
Governmental activities:				
Public safety	\$ 1,132,015	\$ 110,322	\$ 50,704	\$ -
Public works	602,196	7,778	24,805	-
Health and social services	12,782	2,400	533	-
Culture and recreation	922,503	444,626	112,053	-
Community and economic development	86,565	3,952	12,595	-
General government	498,590	41,138	774	-
Debt service	3,758,890	-	15,890	-
Capital projects	3,380,588	-	56,374	1,339,061
Total governmental activities	<u>10,394,129</u>	<u>610,216</u>	<u>273,728</u>	<u>1,339,061</u>
Business-type activities:				
Water	525,578	596,014	18,500	-
Sewer	809,705	811,707	28,302	-
Garbage and recycling collection	320,905	319,046	378	-
Storm water utility	71,808	94,204	7,137	-
Total business-type activities	<u>1,727,996</u>	<u>1,820,971</u>	<u>54,317</u>	<u>-</u>
Total	<u>\$ 12,122,125</u>	<u>\$ 2,431,187</u>	<u>\$ 328,045</u>	<u>\$ 1,339,061</u>

General receipts:
Property tax levied for:
 General purposes
 Tax increment financing
Utility excise tax
Hotel/motel tax
Local option sales tax
Road use tax
Unrestricted investment earnings
Bond proceeds
Miscellaneous
Sale of capital assets
Transfers

Total general receipts

CHANGE IN CASH BASIS NET ASSETS

CASH BASIS NET ASSETS BEGINNING OF YEAR

CASH BASIS NET ASSETS END OF YEAR

CASH BASIS NET ASSETS

Restricted:
Debt service
Other purposes
Unrestricted

Total cash basis net assets

EXHIBIT A

**Net (Disbursements) Receipts and
Changes in Cash Basis Net Assets**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (970,989)	\$ -	\$ (970,989)
(569,613)	-	(569,613)
(9,849)	-	(9,849)
(365,824)	-	(365,824)
(70,018)	-	(70,018)
(456,678)	-	(456,678)
(3,743,000)	-	(3,743,000)
(1,985,153)	-	(1,985,153)
<u>(8,171,124)</u>	<u>-</u>	<u>(8,171,124)</u>
-	88,936	88,936
-	30,304	30,304
-	(1,481)	(1,481)
-	29,533	29,533
<u>-</u>	<u>147,292</u>	<u>147,292</u>
<u>(8,171,124)</u>	<u>147,292</u>	<u>(8,023,832)</u>
2,018,679	-	2,018,679
1,284,897	-	1,284,897
76,475	-	76,475
20,614	-	20,614
581,001	-	581,001
418,914	-	418,914
14,817	-	14,817
2,976,213	-	2,976,213
10,950	-	10,950
2,104	-	2,104
22,947	(22,947)	-
<u>7,427,611</u>	<u>(22,947)</u>	<u>7,404,664</u>
(743,513)	124,345	(619,168)
<u>7,553,524</u>	<u>2,391,166</u>	<u>9,944,690</u>
<u>\$ 6,810,011</u>	<u>\$ 2,515,511</u>	<u>\$ 9,325,522</u>
\$ 199,532	\$ 126,173	\$ 325,705
1,615,460	628,224	2,243,684
<u>4,995,019</u>	<u>1,761,114</u>	<u>6,756,133</u>
<u>\$ 6,810,011</u>	<u>\$ 2,515,511</u>	<u>\$ 9,325,522</u>

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

CITY OF DEWITT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCES
GOVERNMENTAL FUNDS
As of and for the Year Ended June 30, 2009

	<u>General</u>	<u>Special Revenue DeWitt Economic Development TIF</u>	<u>Debt Service Debt Service</u>
RECEIPTS			
Property taxes	\$ 1,174,770	\$ -	\$ 491,576
Tax increment financing collections	-	1,284,897	-
Other city taxes	67,840	-	15,189
Licenses and permits	62,521	-	-
Use of money and property	62,451	5,969	3,997
Intergovernmental	83,171	-	-
Charges for services	406,601	-	-
Miscellaneous	153,260	-	-
Total receipts	<u>2,010,614</u>	<u>1,290,866</u>	<u>510,762</u>
DISBURSEMENTS			
Governmental activities:			
Public safety	1,038,625	-	-
Public works	92,342	-	-
Health and social services	12,779	-	-
Culture and recreation	885,512	-	-
Community and economic development	64,399	7,294	-
General government	498,466	-	-
Debt service	-	-	1,517,276
Capital projects	-	-	-
Total disbursements	<u>2,592,123</u>	<u>7,294</u>	<u>1,517,276</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(581,509)</u>	<u>1,283,572</u>	<u>(1,006,514)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of bonds	321,296	-	993,491
Sale of capital assets	-	-	-
Operating transfers in	449,528	-	-
Operating transfers out	(31,686)	(1,946,524)	-
Total other financing sources (uses)	<u>739,138</u>	<u>(1,946,524)</u>	<u>993,491</u>
NET CHANGE IN CASH BALANCES	157,629	(662,952)	(13,023)
CASH BALANCES BEGINNING OF YEAR	<u>1,284,182</u>	<u>662,952</u>	<u>32,372</u>
CASH BALANCES END OF YEAR	<u>\$ 1,441,811</u>	<u>\$ -</u>	<u>\$ 19,349</u>
CASH BASIS FUND BALANCES			
Reserved:			
Debt service	\$ -	\$ -	\$ 19,349
Other purposes	563,126	-	-
Unreserved:			
General fund	878,685	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Permanent fund	-	-	-
Total cash basis fund balances	<u>\$ 1,441,811</u>	<u>\$ -</u>	<u>\$ 19,349</u>

EXHIBIT B

<u>Debt Service</u> <u>DeWitt Economic</u> <u>Development TIF</u>	<u>Capital Projects</u> <u>6th Avenue</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 352,333	\$ 2,018,679
-	-	-	1,284,897
-	-	595,061	678,090
-	-	-	62,521
11,555	9,681	72,947	166,600
-	1,261,717	494,613	1,839,501
-	-	5,103	411,704
-	8,327	25,773	187,360
<u>11,555</u>	<u>1,279,725</u>	<u>1,545,830</u>	<u>6,649,352</u>
-	-	93,110	1,131,735
-	-	509,704	602,046
-	-	-	12,779
-	-	36,763	922,275
-	-	14,850	86,543
-	-	-	498,466
2,094,359	-	147,255	3,758,890
-	2,498,452	882,136	3,380,588
<u>2,094,359</u>	<u>2,498,452</u>	<u>1,683,818</u>	<u>10,393,322</u>
<u>(2,082,804)</u>	<u>(1,218,727)</u>	<u>(137,988)</u>	<u>(3,743,970)</u>
-	-	1,661,426	2,976,213
-	-	2,104	2,104
2,113,471	25,384	260,384	2,848,767
-	-	(847,610)	(2,825,820)
<u>2,113,471</u>	<u>25,384</u>	<u>1,076,304</u>	<u>3,001,264</u>
30,667	(1,193,343)	938,316	(742,706)
<u>122,299</u>	<u>1,597,279</u>	<u>3,846,891</u>	<u>7,545,975</u>
<u>\$ 152,966</u>	<u>\$ 403,936</u>	<u>\$ 4,785,207</u>	<u>\$ 6,803,269</u>
\$ 152,966	\$ -	\$ 27,217	\$ 199,532
-	-	-	563,126
-	-	-	878,685
-	-	1,443,441	1,443,441
-	\$ 403,936	3,142,530	3,546,466
-	-	172,019	172,019
<u>\$ 152,966</u>	<u>\$ 403,936</u>	<u>\$ 4,785,207</u>	<u>\$ 6,803,269</u>

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

CITY OF DEWITT
 RECONCILIATION OF THE STATEMENT OF CASH
 RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 TO THE STATEMENT OF ACTIVITIES AND NET ASSETS
 GOVERNMENTAL FUNDS

As of and for the Year Ended June 30, 2009

Total governmental fund cash balances (page 21)	\$ 6,803,269
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***Amounts reported for governmental activities in the Statement of Activities
 and Net Assets are different because:***

The Internal Service Fund is used by management to charge the costs of employee payroll to individual funds. The assets of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	<u>6,742</u>
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Cash basis net assets of governmental activities (page 19)	<u>\$ 6,810,011</u>
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Net change in cash balances (page 21)	\$ (742,706)
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***Amounts reported for governmental activities in the Statement of Activities
 and Net Assets are different because:***

The Internal Service Fund is used by management to charge the costs of employee payroll to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.	<u>(807)</u>
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Change in cash balance of governmental activities (page 19)	<u>\$ (743,513)</u>
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The accompanying notes are an integral part of the financial statements.

CITY OF DEWITT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCES
PROPRIETARY FUNDS
As of and for the Year Ended June 30, 2009

	<u>Water</u> <u>Utility</u>	<u>Sewer</u> <u>Utility</u>
OPERATING RECEIPTS		
Charges for services	\$ 572,663	\$ 811,705
Miscellaneous	10,593	5,601
Total operating receipts	<u>583,256</u>	<u>817,306</u>
OPERATING DISBURSEMENTS		
Governmental activities:		
Nonprogram	-	-
Business-type activities:	433,107	586,114
Total operating disbursements	<u>433,107</u>	<u>586,114</u>
EXCESS (DEFICIENCY) OF OPERATING RECEIPTS OVER (UNDER) OPERATING DISBURSEMENTS	<u>150,149</u>	<u>231,192</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS)		
Interest on investments	7,266	14,479
Intergovernmental	-	-
Miscellaneous	9,660	-
Debt service	-	-
Net non-operating receipts (disbursements)	<u>16,926</u>	<u>14,479</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>167,075</u>	<u>245,671</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	50,887
Operating transfers out	(99,820)	(255,198)
Other financing sources (uses)	<u>(99,820)</u>	<u>(204,311)</u>
NET CHANGE IN CASH BALANCES	67,255	41,360
CASH BALANCES BEGINNING OF YEAR	<u>460,172</u>	<u>721,387</u>
CASH BALANCES END OF YEAR	<u>\$ 527,427</u>	<u>\$ 762,747</u>
CASH BASIS FUND BALANCES		
Reserved:		
Debt service	\$ -	\$ -
Other purposes	-	-
Unreserved	<u>527,427</u>	<u>762,747</u>
Total cash basis fund balances	<u>\$ 527,427</u>	<u>\$ 762,747</u>

EXHIBIT D

Nonmajor Proprietary Funds	Total	Internal Service Fund Payroll Clearing
\$ 413,183	\$ 1,797,551	\$ -
14,111	30,305	425,384
<u>427,294</u>	<u>1,827,856</u>	<u>425,384</u>
-	-	426,621
419,215	1,438,436	-
<u>419,215</u>	<u>1,438,436</u>	<u>426,621</u>
8,079	389,420	(1,237)
14,027	35,772	-
2,000	2,000	-
-	9,660	-
(289,130)	(289,130)	-
<u>(273,103)</u>	<u>(241,698)</u>	<u>-</u>
(265,024)	147,722	(1,237)
355,018	405,905	-
(73,834)	(428,852)	-
<u>281,184</u>	<u>(22,947)</u>	<u>-</u>
16,160	124,775	(1,237)
<u>1,204,286</u>	<u>2,385,845</u>	<u>12,870</u>
<u>\$ 1,220,446</u>	<u>\$ 2,510,620</u>	<u>\$ 11,633</u>
\$ 126,173	\$ 126,173	\$ -
628,224	628,224	-
466,049	1,756,223	11,633
<u>\$ 1,220,446</u>	<u>\$ 2,510,620</u>	<u>\$ 11,633</u>

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

CITY OF DEWITT
 RECONCILIATION OF THE STATEMENT OF CASH
 RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 TO THE STATEMENT OF ACTIVITIES AND NET ASSETS
 PROPRIETARY FUNDS
 As of and for the Year Ended June 30, 2009

Total enterprise funds cash balances (page 24) \$ 2,510,620

***Amounts reported for business-type activities in the Statement of
 Activities and Net Assets are different because:***

The Internal Service Fund is used by management to charge the costs of
 employee payroll to individual funds. The assets of the Internal Service
 Fund are included in business-type activities in the Statement of Net Assets. 4,891

Cash basis net assets of business-type activities (page 19) \$ 2,515,511

Net change in cash balances (page 24) \$ 124,775

***Amounts reported for business-type activities in the Statement of
 Activities and Net Assets are different because:***

The Internal Service Fund is used by management to charge the costs of
 employee payroll to individual funds. The change in net assets of the
 Internal Service Fund is reported with business-type activities. (430)

Change in cash balance of business-type activities (page 19) \$ 124,345

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

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of DeWitt is a political subdivision of the State of Iowa located in Clinton County. It 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 DeWitt 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. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City also 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: Clinton County Assessor's Conference Board, Clinton County Emergency Management Commission, Regional Planning Affiliation Board, Clinton County Joint E911 Service Board, and Clinton County Area Solid Waste Agency.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of activities and net assets) report 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 revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities and net assets presents the City's nonfiduciary net assets. Net assets are reported in two categories:

Restricted net assets result when constraints placed on net assets use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The statement of activities and net assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are 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.

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 other 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 and other receipts that are 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 that are not paid from other funds.

Special Revenue:

The DeWitt Economic Development TIF Fund is used to account for TIF rebate payments and transfers to the Debt Service DeWitt Economic Development TIF Fund for the payment of interest and principal of TIF debt.

Debt Service:

The Debt Service Fund is used to account for the payment of interest and principal of the City's debt.

The DeWitt Economic Development TIF Fund is used to account for the payment of interest and principal of the City's TIF debt.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects:

The 6th Avenue Fund is used to account for the reconstruction of 6th Avenue.

Additionally, the City reports the following major proprietary funds:

The Water Utility Fund is used to account for the operation and maintenance of governmental facilities and water service that is supported by user charges.

The Sewer Utility Fund is used to account for the operation and maintenance of governmental facilities and sewer service that is supported by user charges.

The Internal Service Fund is utilized as a payroll clearing account.

C. Basis of Accounting

The City of DeWitt 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 the financial position and results of operations of the funds in accordance with accounting principles generally accepted in the United States of America.

Proprietary funds distinguish operating receipts and disbursements from nonoperating 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 nonoperating receipts and disbursements.

D. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplemental Information.

NOTE 2 - DEPOSITS

The City's deposits in banks at June 30, 2009 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 insure there will be no loss of public funds.

**CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 2 - DEPOSITS (CONTINUED)

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. 3, as amended by Statement No. 40.

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE

Annual debt service requirements to maturity for general obligation and revenue bonds, loans, and notes payable are as follows:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 1,050,000	\$ 438,444	\$ 298,000	\$ 137,650
2011	1,340,000	393,502	312,000	128,210
2012	1,235,000	358,136	310,000	118,325
2013	1,585,000	323,222	329,000	108,525
2014	1,410,000	274,660	343,000	98,105
2015 - 2019	2,055,000	1,007,210	1,664,000	319,610
2020 - 2024	2,360,000	580,335	811,000	90,645
2025 - 2027	1,245,000	110,835	200,000	9,030
Total	\$12,280,000	\$ 3,486,344	\$ 4,267,000	\$ 1,010,100

Year Ending June 30,	DNR Loan		Total	
	Principal	Interest	Principal	Interest
2010	\$ 6,243	\$ -	\$ 1,354,243	\$ 576,094
2011	6,243	-	1,658,243	521,712
2012	6,243	-	1,551,243	476,461
2013	6,243	-	1,920,243	431,747
2014	6,242	-	1,759,242	372,765
2015 - 2019	-	-	3,719,000	1,326,820
2020 - 2024	-	-	3,171,000	670,980
2025 - 2027	-	-	1,445,000	119,865
Total	\$ 31,214	\$ -	\$16,578,214	\$ 4,496,444

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

On February 1, 2008, the City issued \$3,610,000 of General Obligation Bonds, with interest rates ranging from 3.5% to 4.1%. The City issued the bonds to provide funds to pay the cost of constructing street and related improvements, acquiring equipment for the police department and public works department and to advance refund \$1,770,000 of the outstanding Series 2002 General Obligation Bonds with interest rates ranging from 3.90% to 5.25%. The City used a portion of the net proceeds along with other resources to purchase U.S. Treasury Securities. These securities were deposited in an escrow account to provide for all future debt service on the refunded 2002 General Obligation Bonds. As a result, the Series 2002 General Obligation Bonds are considered defeased. The outstanding principal of the defeased bonds is \$1,595,000 at June 30, 2009.

The advance refunding increased total debt service payments over the next 14 years by \$60,269. This results in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$85,817.

1997 WWTP Sewer Revenue Bonds

The City has pledged the net revenues of the Wastewater Treatment System of the City to repay the \$1,500,000 1997 WWTP Sewer Revenue Bonds issued in April 1997. Proceeds from the bonds provided financing for the improvements and extensions to the Municipal Sanitary Sewer System of the City. The bonds are payable solely from the net revenues of the Wastewater Treatment System and are payable through 2017. The total interest and principal remaining to be paid on the bonds is \$844,400.

The resolutions providing for the issuance of the revenue bonds include the following provisions:

The Series 1997 Bond is payable from Net Revenues of the Utility which will be collected in a Sinking Fund and applied to the payment of interest on the Series 1997 Bond on each June 1 and December 1 and principal of the Series 1997 Bond on each June 1 (the 12-month period ending on each June 1 being herein referred to as a "Bond Year"); the Sinking Fund is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; the Sinking Fund will be depleted at least once each Bond Year except for a reasonable carryover amount not to exceed the greater of (i) the earnings on the fund for the immediately preceding Bond Year; or (ii) 1/12 of the principal and interest payments on the Series 1997 Bond for the immediately preceding Bond Year; amounts on deposit in the Sinking Fund will be invested by the City without restriction as to yield for a period of 13 months after their date of deposit.

There is hereby created and shall be maintained a separate Sewer Revenue Bond Reserve Fund (the "Reserve Fund") and from and after the issuance of the Bonds, there shall be set aside and paid each month into the Reserve Fund from the Net Revenues of the Utility, after first making the required payments into the Sinking Fund, an amount equal to the amount required hereunder to be deposited in such month into the Sinking Fund; provided, however, that when the total amount on deposit in the Reserve Fund is equal to the lesser of (i) the maximum amount of principal and interest becoming due on the Bonds in any succeeding fiscal year; (ii) 125% of the average

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

amount of principal and interest becoming due on the Bonds in any succeeding fiscal year; or (iii) 10 percent of the principal amount of the Bonds then outstanding (the "Required Reserve Fund Balance"), no further deposits shall be made into the Reserve Fund, except to maintain the Reserve Fund at such level, and when the amount on deposit in the Reserve Fund is greater than the Required Reserve Fund Balance, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds and Parity Obligations for the payment of which insufficient money shall be available in the Sinking Fund. Whenever it shall become necessary to so use money in the Reserve Fund, the prescribed payments referred to above shall be continued or resumed until the amount on deposit in the Reserve Fund has been restored to the Required Reserve Fund Balance.

As of June 30, 2009, the City is no longer obligated to maintain a balance in the Reserve Fund, except insofar as such a balance is required with respect to other municipal bonds or notes issued by the City and payable from the Net Revenues of the Municipal Sanitary Sewer System.

There is hereby created a special fund to be known and designated as the Improvement and Extension Fund (hereinafter referred to as the "Improvement Fund") into which there shall be set apart and paid from the balance of the Net Revenues remaining, the sum of one-thousand five-hundred dollars (\$1,500) on the first day of each month of each year until such time as there has been accumulated in the Improvement Fund the sum of five-hundred thousand dollars (\$500,000) (the "Required Improvement Fund Balance"). All money credited to the Improvement Fund shall be used and is hereby pledged solely and only to pay the cost of capital improvements and extensions of the Utility.

2005 SRF Sewer Revenue Bonds

The City has pledged the net revenues of the Municipal Sanitary Sewer System of the City to repay the \$1,599,000 2005 SRF Sewer Revenue Bonds issued in December 2005. Proceeds from the bonds provided financing for the cost of constructing improvements and extensions to the Municipal Sanitary Sewer System. The bonds are payable solely from the net revenues of the Municipal Sanitary Sewer System and are payable through 2026. The total interest and principal remaining to be paid on the bonds is \$1,776,980.

The resolutions providing for the issuance of the revenue bonds include the following provisions:

The provisions in and by the Outstanding Bond Resolution, whereby there has been created and is to be maintained a Sewer Revenue Bond Sinking Fund (herein referred to as the "Sinking Fund"), and for the payment into said fund from the Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of the Outstanding Bonds, are all hereby ratified and confirmed, and all such provisions shall inure and constitute the security for the payment of the interest on and principal of the Bonds hereby authorized as may be outstanding from time to time; provided, however that on the first day of each month of each year, the minimum amount to be set aside and paid into the Sinking Fund shall be not less than as follows:

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

An amount equal to 1/6th of the installment of interest coming due on the next interest payment date on the then outstanding Bonds, the Outstanding Bonds and any Parity Obligations, plus an amount equal to 1/12th of the installment of principal coming due on such Bonds, the Outstanding Bonds and any Parity Obligations on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds, the Outstanding Bonds and any Parity Obligations as the same shall become due and payable. Whenever Parity Obligations are issued under the conditions and restrictions hereinafter set forth, provisions shall be made for additional payments to be made into the Sinking Fund for the purpose of paying the interest on and principal of such Parity Obligations.

If at any time there be a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Net Revenues of the Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds, the Outstanding Bonds and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day.

There shall be and there is hereby created a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments into the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds, the Outstanding Bonds and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by the Outstanding Bond Resolution and this resolution, any balance in the Surplus Fund may be made expended by the City in such manner as the Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

All money held in any fund or account created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be considered to

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

constitute Gross Revenues of the Utility and shall be deposited in or transferred to the Sewer Revenue Fund and used solely and only for the purposes specified herein for such funds.

For the current year, principal and interest paid and total customer net receipts for the City's Sewer Revenue Bonds were \$250,710 and \$245,671, respectively.

2002 SRF Water Revenue Bonds

The City has pledged the net revenues of the Water System of the City to repay the \$1,100,000 2002 SRF Water Revenue Bonds issued in March 2002. Proceeds from the bonds provided financing for the cost of constructing improvements to the Water System. The bonds are payable solely from the net revenues of the Water System and are payable through 2022. The total interest and principal remaining to be paid on the bonds is \$1,052,580. For the current year, principal and interest paid and total customer net receipts for the City's Water Revenue Bonds were \$80,420 and \$167,075, respectively.

The resolutions providing for the issuance of the revenue bonds include the following provisions:

There shall be and there is hereby created, and there shall be maintained, an account to be known as the "Water Revenue Bond Sinking Fund" (herein referred to as the "Sinking Fund"), into which there shall be set aside from the future Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of all of the Bonds and any Parity Obligations at any time outstanding as the same become due, and it is hereby determined that the minimum amounts to be set aside into the Sinking Fund from the Net Revenues during each month of each year shall be not less than as follows:

An amount equal to 1/6th of the installment of interest coming due on the next interest payment date on the then outstanding Bonds and any Parity Obligations, plus an amount equal to 1/12th of the installment of principal coming due on such Bonds and any Parity Obligations on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds and any Parity Obligations as the same shall become due and payable. Whenever Parity Obligations are issued under the conditions and restrictions hereinafter set forth, provisions shall be made for additional payments to be made into the Sinking Fund for the purpose of paying the interest on and principal of such Parity Obligations.

If at any time there be a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Net Revenues of the Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day.

These shall be and there is hereby created a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first making the required payments into the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

2005 Road Use Tax Fund Refunding Bonds

On October 1, 2005, the City issued \$1,640,000 of Road Use Tax Refunding Bonds, with interest rates ranging from 3.25% to 4.05%. The City issued the bonds to advance refund \$1,510,000 of the outstanding Series 2000 Road Use Revenue Bonds with interest rates ranging from 5.50% to 5.75%. The City used the net proceeds along with other resources to purchase U.S. Treasury Securities. These securities were deposited in an escrow account to provide for all future debt service on the refunded Series 2000 Road Use Revenue Bonds. As a result, the Series 2000 Road Use Revenue Bonds are considered defeased. The outstanding principal of the defeased bonds is \$1,220,000 at June 30, 2009.

The advance refunding reduced total debt service payments over the next 15 years by \$119,706. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$99,449.

The refunding bonds are not general obligations of the City, but are payable solely and only from annual road use tax funds received by the City from the State of Iowa (the "Road Use Tax Revenues"), a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not payable in any manner by general taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the said Road Use Tax Revenues to be sufficient for the payment of this Bond and interest hereon. The bonds are payable through 2020. Total principal and interest remaining to be paid on the notes is \$1,603,140. For the current year, principal and interest paid and total road use tax receipts were \$146,665 and \$418,914 respectively.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

The resolutions providing for the issuance of the refunding bonds include the following provisions:

From and after the issuance of the Refunding Bonds, the Road Use Tax Revenues received by the City shall continue to be set aside into the City's Road Use Tax Revenue Fund. The Road Use Tax Revenue Fund shall first be used to pay the principal of the interest on the Refunding Bonds, and to create and maintain the several separate funds hereinafter established, and next shall be used to pay for road related improvements and services.

There shall be set aside and deposited into the City's Road Use Tax Revenue Sinking Fund (the "Sinking Fund") which shall be held by the Trustee a sufficient portion of the Road Use Tax Revenues on deposit in the Road Use Tax Revenue Fund as will be sufficient to pay the interest on and principal of the Refunding Bonds as the same become due, and it is hereby determined that the minimum amount to be so set aside into the Sinking Fund from the Road Use Tax Revenue Fund during each month of each year shall be not less than as follows:

commencing on or before November 1, 2005, to and including April 1, 2006, a sum equal to 1/6th of the principal of all of the Refunding Bonds maturing on May 1, 2006; and commencing May 1, 2006, and continuing thereafter, a sum equal to 1/12th of the principal of all of the Refunding Bonds maturing on the May 1 next succeeding; and commencing on or before November 1, 2005, and continuing thereafter, a sum equal to 1/6th of the interest becoming due on the next succeeding interest payment date on all of the Refunding Bonds;

provided, however, that no further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire the Refunding Bonds then outstanding which are payable from the Sinking funds and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

The Sinking Fund and that portion of the Road Use Tax Revenues contained therein shall be used solely and only and are hereby pledged for the purpose of paying the interest on the principal of the Refunding Bonds. Within the Sinking Fund, there is hereby established an Interest Account and a Principal Account, and money deposited into the Sinking Fund shall be credited by the Trustee first to the Interest Account, in an amount equal to the interest payment requirements during the current fiscal year and next to the Principal Account, in an amount equal to the principal payment requirements during the current fiscal year.

If at any time there be a failure to pay into the Sinking Fund the full amounts above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Road Use Tax Revenue Fund as soon as available, and the same shall be in addition to the amounts otherwise required to be so set apart and paid into the Sinking Fund.

Such payments into the Sinking Fund shall be made in monthly installments on the first day of each month, except that when the first day of any month does not fall on a regular business day, then such payments shall be made on the next succeeding business day.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

There is hereby created a special fund to be known and designated as the Principal and Interest Reserve Fund for the Refunding Bonds (hereinafter referred to as the "Reserve Fund"), which shall be held by the Trustee and into which there shall be set apart and paid from the Loan Proceeds at the time of the delivery of the Refunding Bonds an amount equal to the lesser of: (i) the maximum amount of principal and interest becoming due on the Refunding Bonds in any succeeding fiscal year, (ii) 125% of the average amount of principal and interest becoming due on the Refunding Bonds in any succeeding fiscal year; or (iii) 10% of the principal amount of the Refunding Bonds (the "Required Reserve Fund Balance"), which amount has been determined to be \$149,840. Thereafter, whenever the sum on deposit in the Reserve Fund has been reduced to less than the Required Reserve Fund Balance by the expenditure of all or a portion of the funds on deposit therein for any of the purposes specified herein, there shall be deposited into the Reserve Fund the remaining Road Use Tax Revenues after first making the required deposits into the Sinking Fund, until the sum on deposit in the Reserve Fund has been restored to the Required Reserve Fund Balance. All money credited to the Reserve Fund shall be used and is hereby pledged for the payment of the principal of and interest on the Refunding Bonds whenever for any reason the funds on deposit in the Sinking Fund are insufficient to pay such principal and interest when due.

There shall be set apart and paid into the City's Surplus Revenue Fund all of the Road Use Revenue Fund, the Sinking Fund and the Reserve Fund, and after the Reserve Fund contains the Required Reserve Fund Balance. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Refunding Bonds or shall be transferred and credited to the Reserve Fund whenever any deficiency may exist in the Reserve Fund.

As long as the Sinking Fund and the Reserve Fund have the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be used by the City to pay principal of and interest on (including reasonable reserves therefore) any other obligations payable from the Road Use Tax Revenues but subordinate in lien to the Refunding Bonds.

All money held in any fund created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be deposited in or transferred to the Sinking Fund and used solely and only for the purposes specified herein for such fund.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 3 - BONDS, LOANS AND NOTES PAYABLE (CONTINUED)

Urban Renewal Tax Increment Financing Revenue Bonds

The City issued \$1,440,000 of urban renewal tax increment financing revenue bonds in June 2004 for the purpose of carrying out projects in the Urban Renewal Areas consisting of the construction of street, sanitary sewer, storm sewer and water improvements; and the construction of recreation trail improvements. The bonds are payable solely from the income and proceeds of the Urban Renewal Tax Revenue Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100 percent of the debt service requirements over the life of the bonds. The proceeds of the urban renewal tax increment financing revenue bonds shall be expended only for purposes which are consistent with the plans of the City's urban renewal area. The bonds are not a general obligation of the City. However, the debt is subject to the constitutional debt limitation of the City. Total principal and interest remaining on the bonds is \$-0- at June 30, 2009. For the current year, principal and interest paid and total TIF receipts were \$259,000 and \$1,284,897 respectively.

DNR Loan Payable

On September 30, 2008, the City of Dewitt entered into a loan agreement with the Department of Natural Resources for the purpose of paying costs associated with the acquisition of a compost screener. The loan amount totaled \$51,214, of which \$20,000 will be forgiven if all contractual obligations are met. Quarterly principal payments in the amount of \$1,561 are required at 0% interest. The loan will be repaid with future tax revenues and the proceeds are to be held in the Debt Service Fund of the City and set aside to be used solely and only for the payment of the principal of the loan. The loan is secured by a Uniform Commercial Code Financing Statement filed with the Office of the Secretary of State on all tangible property purchased with funds received.

NOTE 4 - PENSION AND RETIREMENT BENEFITS

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplemental information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$55,570, \$53,702, and \$52,738, respectively, equal to the required contributions for each year.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 4 - PENSION AND RETIREMENT BENEFITS (CONTINUED)

The City contributes to the Municipal Fire and Police Retirement System of Iowa (the Plan), which is a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees. The Plan provides retirement, disability and death benefits which are established by State statute to plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplemental information. The report may be obtained by writing to Municipal Fire and Police Retirement System of Iowa, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

Plan members are required to contribute 9.35% of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, can not be less than 17% of earnable compensation. Contribution requirements are established by State statute. The City's contribution to the Plan for the years ended June 30, 2009, 2008, and 2007, were \$89,340, \$117,465, and \$120,220, respectively, which met the required minimum contribution for each year.

NOTE 5 - COMPENSATED ABSENCES

City employees accumulate earned but unused vacation hours and personal days for subsequent use or for payment upon termination, retirement, or death. These accumulations are not recognized as expenditures by the City until used or paid. The City's approximate maximum liability for earned compensated absences payable to employees at June 30, 2009, primarily relating to the General Fund, was \$55,664. This liability has been computed based on rates of pay as of June 30, 2009.

City employees also accumulate sick leave hours for subsequent use. These accumulations are not recognized as expenditures by the City until used or paid. Upon termination, retirement, or death, these accumulations are forfeited by the employee.

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 449,528	\$ 31,686
Special Revenue:		
DeWitt Economic Development TIF	-	1,946,524
Debt Service:		
DeWitt Economic Development TIF	2,113,471	-
Capital Projects:		
6 th Avenue	25,384	-
Other Nonmajor Governmental Funds	260,384	847,610
Water Utility	-	99,820
Sewer Utility	50,887	255,198
Other Nonmajor Proprietary Funds	<u>355,018</u>	<u>73,834</u>
	<u>\$ 3,254,672</u>	<u>\$ 3,254,672</u>

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

NOTE 7 - COMMITTED CONSTRUCTION

As of June 30, 2009, the City had the following committed construction:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Portion at June 30, 2009</u>	
		<u>Completed</u>	<u>Committed</u>
6 th Avenue-IDOT Project	\$ 548,508	\$ 531,490	\$ 17,018
6 th Avenue-Supplemental	67,368	64,000	3,368
6 th Avenue-Phase II	2,146,149	2,066,966	79,183
Silver Creek Trail Extension	351,466	-	351,466
11 th Street Water Main	440,422	322,992	117,430
11 th Street Mill and Overlay	238,935	-	238,935
17 th Street/18 th Avenue Reconstruction	1,210,059	180,264	1,029,795
2008 Housing	<u>120,608</u>	<u>-</u>	<u>120,608</u>
Total	<u>\$ 5,123,515</u>	<u>\$ 3,165,712</u>	<u>\$ 1,957,803</u>

CITY OF DEWITT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 8 - RISK MANAGEMENT

The City of DeWitt 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.

NOTE 9 - DEFICIT BALANCE

The 2008 Homeownership Grant Capital Projects Fund had a deficit balance of \$11,146 at June 30, 2009. The deficit balance was a result of project costs incurred prior to availability of funds. The deficit will be eliminated upon grant receipts.

NOTE 10 - DEVELOPMENT AND REBATE AGREEMENTS

The City has entered into development agreements authorizing the payment of economic development tax rebate payments, pursuant to Chapters 15A and 403 of the Code of Iowa, in the maximum total amount of \$235,000.

During the year ended June 30, 2009, the City rebated \$38,885.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF DEWITT
 BUDGETARY COMPARISON SCHEDULE OF
 RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES -
 BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
 Year Ended June 30, 2009

	Governmental Fund Types <u>Actual</u>	Proprietary Fund Type <u>Actual</u>	Less Funds Not Required to be <u>Budgeted</u>
RECEIPTS			
Property taxes	\$ 2,018,679	\$ -	\$ -
Tax increment financing collections	1,284,897	-	-
Other city taxes	678,090	-	-
Licenses and permits	62,521	-	-
Use of money and property	166,600	35,772	-
Intergovernmental	1,839,501	2,000	-
Charges for services	411,704	1,797,551	-
Miscellaneous	187,360	465,349	425,384
Total receipts	6,649,352	2,300,672	425,384
DISBURSEMENTS			
Public safety	1,131,735	-	-
Public works	602,046	-	-
Health and social services	12,779	-	-
Culture and recreation	922,275	-	-
Community and economic development	86,543	-	-
General government	498,466	-	-
Debt service	3,758,890	-	-
Capital projects	3,380,588	-	-
Business-type activities	-	1,727,566	-
Nonprogram	-	426,621	426,621
Total disbursements	10,393,322	2,154,187	426,621
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,743,970)	146,485	(1,237)
OTHER FINANCING SOURCES (USES), (NET)	3,001,264	(22,947)	-
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING USES	(742,706)	123,538	(1,237)
BALANCES BEGINNING OF YEAR	7,545,975	2,398,715	12,870
BALANCES END OF YEAR	\$ 6,803,269	\$ 2,522,253	\$ 11,633

	<u>Net</u>	<u>Budgeted Amounts</u>		<u>Final to Actual</u>
		<u>Original</u>	<u>Final</u>	<u>Variance -</u> <u>Positive</u> <u>(Negative)</u>
\$	2,018,679	\$ 2,023,222	\$ 2,023,222	\$ (4,543)
	1,284,897	1,300,000	1,300,000	(15,103)
	678,090	525,070	681,752	(3,662)
	62,521	76,014	76,014	(13,493)
	202,372	209,285	244,385	(42,013)
	1,841,501	1,571,331	2,684,758	(843,257)
	2,209,255	2,201,977	2,203,809	5,446
	227,325	144,965	174,301	53,024
	<u>8,524,640</u>	<u>8,051,864</u>	<u>9,388,241</u>	<u>(863,601)</u>
	1,131,735	1,118,592	1,227,793	96,058
	602,046	618,201	892,793	290,747
	12,779	11,550	14,050	1,271
	922,275	930,957	980,922	58,647
	86,543	88,054	96,735	10,192
	498,466	334,998	527,648	29,182
	3,758,890	2,767,495	3,776,295	17,405
	3,380,588	3,054,000	6,529,267	3,148,679
	1,727,566	1,868,242	1,933,853	206,287
	-	-	-	-
	<u>12,120,888</u>	<u>10,792,089</u>	<u>15,979,356</u>	<u>3,858,468</u>
	(3,596,248)	(2,740,225)	(6,591,115)	2,994,867
	<u>2,978,317</u>	<u>2,250</u>	<u>3,018,353</u>	<u>(40,036)</u>
	(617,931)	(2,737,975)	(3,572,762)	2,954,831
	<u>9,931,820</u>	<u>6,014,191</u>	<u>9,944,704</u>	<u>(12,884)</u>
\$	<u>9,313,889</u>	<u>3,276,216</u>	<u>6,371,942</u>	<u>\$ 2,941,947</u>

CITY OF DEWITT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY REPORTING
June 30, 2009

The budgetary comparison is presented as Required Supplemental Information 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 comparison 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 Internal Service Funds and Fiduciary Funds. 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 or fund type. 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, special revenue funds, debt service fund, capital projects funds, and proprietary 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 amendments increased budgeted disbursements by \$5,187,267. The budget amendments are reflected in the final budgeted amounts.

OTHER SUPPLEMENTAL INFORMATION

CITY OF DEWITT
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 As of and for the Year Ended June 30, 2009

	Special Revenue				
	Road Use Tax	Road Use Tax Reserve	Road Use Equipment Replacement	Local Option Sales Tax	Economic Development Revolving Loan Fund
RECEIPTS					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other city taxes					
Local option sales tax	-	-	-	581,001	-
Utility replacement tax	-	-	-	-	-
Total other city taxes	-	-	-	581,001	-
Use of money and property					
Interest on investments	-	2,516	330	2,395	572
Intergovernmental					
Road use tax	418,914	-	-	-	-
Local grants	-	-	-	-	-
Federal grants	-	-	-	-	-
Total intergovernmental	418,914	-	-	-	-
Charges for services	-	-	-	4,303	-
Miscellaneous	2,748	-	-	12,362	-
Total receipts	421,662	2,516	330	600,061	572
DISBURSEMENTS					
Public safety	-	-	-	-	-
Public works	310,200	241	-	199,263	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total disbursements	310,200	241	-	199,263	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	111,462	2,275	330	400,798	572
OTHER FINANCING SOURCES (USES)					
Proceeds of bonds	-	-	-	-	-
Sale of capital assets	-	-	-	2,104	-
Operating transfers in	45,722	-	-	-	-
Operating transfers out	(140,701)	(2,275)	-	(272,400)	-
Total other financing sources (uses)	(94,979)	(2,275)	-	(270,296)	-
NET CHANGE IN CASH BALANCES	16,483	-	330	130,502	572
CASH BALANCES BEGINNING OF YEAR	235,779	149,840	24,928	68,213	37,239
CASH BALANCES END OF YEAR	<u>\$ 252,262</u>	<u>\$ 149,840</u>	<u>\$ 25,258</u>	<u>\$ 198,715</u>	<u>\$ 37,811</u>
CASH BASIS FUND BALANCES					
Reserved:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:					
Special revenue funds	252,262	149,840	25,258	198,715	37,811
Capital projects funds	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total cash basis fund balances	<u>\$ 252,262</u>	<u>\$ 149,840</u>	<u>\$ 25,258</u>	<u>\$ 198,715</u>	<u>\$ 37,811</u>

Special Revenue						
DeWitt Economic Development TIF Reserve	Retirement Benefits	Employee Benefits	DeWitt Public Library Building	Library Endowment Fund	Police Capital Improvements	Emergency Levy
\$ -	\$ 82,188	\$ 230,790	\$ -	\$ -	\$ -	\$ 36,421
-	-	-	-	-	-	-
-	3,307	9,286	-	-	-	1,467
-	3,307	9,286	-	-	-	1,467
-	102	-	28	27,532	124	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	800	-
-	-	-	2,150	280	1,706	-
-	85,597	240,076	2,178	27,812	2,630	37,888
-	89,301	-	-	-	3,809	-
-	-	-	1,505	35,258	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	89,301	-	1,505	35,258	3,809	-
-	(3,704)	240,076	673	(7,446)	(1,179)	37,888
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(144,000)	-	(224,962)	-	-	-	(37,888)
(144,000)	-	(224,962)	-	-	-	(37,888)
(144,000)	(3,704)	15,114	673	(7,446)	(1,179)	-
144,000	10,145	-	1,869	757,014	7,069	-
\$ -	\$ 6,441	\$ 15,114	\$ 2,542	\$ 749,568	\$ 5,890	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,441	15,114	2,542	749,568	5,890	-
-	-	-	-	-	-	-
\$ -	\$ 6,441	\$ 15,114	\$ 2,542	\$ 749,568	\$ 5,890	\$ -

CITY OF DEWITT
 COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 As of and for the Year Ended June 30, 2009

	Special Revenue		Debt Service	Capital Projects	
	German Building	SSMID	Road Use	2008 Homeownership Grant	2008 Owner Occupied Grant
RECEIPTS					
Property taxes	\$ -	\$ 2,934	\$ -	\$ -	\$ -
Other city taxes					
Local option sales tax	-	-	-	-	-
Utility replacement tax	-	-	-	-	-
Total other city taxes	-	-	-	-	-
Use of money and property					
Interest on investments	-	-	338	-	-
Intergovernmental					
Road use tax	-	-	-	-	-
Local grants	-	-	-	-	-
Federal grants	-	-	-	62,912	11,287
Total intergovernmental	-	-	-	62,912	11,287
Charges for services	-	-	-	-	-
Miscellaneous	4,310	-	-	-	1,000
Total receipts	4,310	2,934	338	62,912	12,287
DISBURSEMENTS					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	14,850	-	-	-
Debt service	-	-	147,255	-	-
Capital projects	-	-	-	76,180	29,046
Total disbursements	-	14,850	147,255	76,180	29,046
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	4,310	(11,916)	(146,917)	(13,268)	(16,759)
OTHER FINANCING SOURCES (USES)					
Proceeds of bonds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Operating transfers in	-	11,916	142,976	2,122	17,648
Operating transfers out	(25,384)	-	-	-	-
Total other financing sources (uses)	(25,384)	11,916	142,976	2,122	17,648
NET CHANGE IN CASH BALANCES	(21,074)	-	(3,941)	(11,146)	889
CASH BALANCES BEGINNING OF YEAR	21,074	-	31,158	-	(46)
CASH BALANCES END OF YEAR	\$ -	\$ -	\$ 27,217	\$ (11,146)	\$ 843
CASH BASIS FUND BALANCES					
Reserved:					
Debt service	\$ -	\$ -	\$ 27,217	\$ -	\$ -
Unreserved:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	(11,146)	843
Permanent fund	-	-	-	-	-
Total cash basis fund balances	\$ -	\$ -	\$ 27,217	\$ (11,146)	\$ 843

SCHEDULE 1
(CONTINUED)

						Permanent	
Westbrook BB Diamond Improvement	Silver Creek Trail	Springbrook Road 17th/St	Skate Park	Inflow/ Infiltration Project	Stimulus Projects	Cemetery Perpetual Care	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 352,333
-	-	-	-	-	-	-	581,001
-	-	-	-	-	-	-	14,060
-	-	-	-	-	-	-	595,061
5,385	9,076	20,404	122	3,402	621	-	72,947
-	-	-	-	-	-	-	418,914
-	1,500	-	-	-	-	-	1,500
-	-	-	-	-	-	-	74,199
-	1,500	-	-	-	-	-	494,613
-	-	-	-	-	-	-	5,103
-	-	-	-	-	-	1,217	25,773
5,385	10,576	20,404	122	3,402	621	1,217	1,545,830
-	-	-	-	-	-	-	93,110
-	-	-	-	-	-	-	509,704
-	-	-	-	-	-	-	36,763
-	-	-	-	-	-	-	14,850
-	-	-	-	-	-	-	147,255
-	72,586	297,672	104	12,431	394,117	-	882,136
-	72,586	297,672	104	12,431	394,117	-	1,683,818
5,385	(62,010)	(277,268)	18	(9,029)	(393,496)	1,217	(137,988)
-	-	311,907	-	925,325	424,194	-	1,661,426
-	-	-	-	-	-	-	2,104
-	-	-	-	-	40,000	-	260,384
-	-	-	-	-	-	-	(847,610)
-	-	311,907	-	925,325	464,194	-	1,076,304
5,385	(62,010)	34,639	18	916,296	70,698	1,217	938,316
302,620	692,380	1,185,825	6,982	-	-	170,802	3,846,891
<u>\$ 308,005</u>	<u>\$ 630,370</u>	<u>\$ 1,220,464</u>	<u>\$ 7,000</u>	<u>\$ 916,296</u>	<u>\$ 70,698</u>	<u>\$ 172,019</u>	<u>\$ 4,785,207</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,217
-	-	-	-	-	-	-	1,443,441
308,005	630,370	1,220,464	7,000	916,296	70,698	-	3,142,530
-	-	-	-	-	-	172,019	172,019
<u>\$ 308,005</u>	<u>\$ 630,370</u>	<u>\$ 1,220,464</u>	<u>\$ 7,000</u>	<u>\$ 916,296</u>	<u>\$ 70,698</u>	<u>\$ 172,019</u>	<u>\$ 4,785,207</u>

CITY OF DEWITT
 COMBINING SCHEDULE OF CASH RECEIPTS,
 DISBURSEMENTS AND CHANGES IN CASH BALANCES
 NONMAJOR PROPRIETARY FUNDS
 As of and for the Year Ended June 30, 2009

	Storm Water <u>Utility</u>	Water Utility Equipment <u>Replacement</u>	Water Revenue <u>Sinking</u>	Water Meter <u>Deposit</u>
OPERATING RECEIPTS				
Charges for services	\$ 94,136	\$ -	\$ -	\$ -
Miscellaneous	2,281	-	-	11,830
Total operating receipts	<u>96,417</u>	<u>-</u>	<u>-</u>	<u>11,830</u>
OPERATING DISBURSEMENTS				
Business-type activities:	<u>71,790</u>	<u>-</u>	<u>-</u>	<u>11,920</u>
EXCESS (DEFICIENCY) OF OPERATING RECEIPTS OVER (UNDER) OPERATING DISBURSEMENTS	<u>24,627</u>	<u>-</u>	<u>-</u>	<u>(90)</u>
NON-OPERATING RECEIPTS (DISBURSEMENTS)				
Interest on investments	2,924	1,598	377	527
Intergovernmental	2,000	-	-	-
Debt service	-	-	(80,420)	-
Net non-operating receipts (disbursements)	<u>4,924</u>	<u>1,598</u>	<u>(80,043)</u>	<u>527</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	29,551	1,598	(80,043)	437
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	20,000	79,820	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>79,820</u>	<u>-</u>
NET CHANGE IN CASH BALANCES	29,551	21,598	(223)	437
CASH BALANCES BEGINNING OF YEAR	<u>210,562</u>	<u>101,155</u>	<u>1,214</u>	<u>29,504</u>
CASH BALANCES END OF YEAR	<u>\$ 240,113</u>	<u>\$ 122,753</u>	<u>\$ 991</u>	<u>\$ 29,941</u>
CASH BASIS FUND BALANCES				
Reserved:				
Debt service	\$ -	\$ -	\$ 991	\$ -
Other purposes	-	-	-	-
Unreserved	<u>240,113</u>	<u>122,753</u>	<u>-</u>	<u>29,941</u>
Total cash basis fund balances	<u>\$ 240,113</u>	<u>\$ 122,753</u>	<u>\$ 991</u>	<u>\$ 29,941</u>

Enterprise Funds							
Sewer Revenue Sinking	Sewer Improvement Equipment Replacement	Sewer Plant Expansion/ Sludge Solution	Sewer Bond Reserve	Sewer Improvement and Extension	Sewer Utility Equipment Replacement	Garbage and Recycling Collection	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,047	\$ 413,183
-	-	-	-	-	-	-	14,111
-	-	-	-	-	-	319,047	427,294
-	-	14,680	-	-	-	320,825	419,215
-	-	(14,680)	-	-	-	(1,778)	8,079
1,391	5,944	534	-	-	354	378	14,027
-	-	-	-	-	-	-	2,000
(208,710)	-	-	-	-	-	-	(289,130)
(207,319)	5,944	534	-	-	354	378	(273,103)
(207,319)	5,944	(14,146)	-	-	354	(1,400)	(265,024)
173,754	48,444	-	-	18,000	15,000	-	355,018
-	(50,887)	(22,947)	-	-	-	-	(73,834)
173,754	(2,443)	(22,947)	-	18,000	15,000	-	281,184
(33,565)	3,501	(37,093)	-	18,000	15,354	(1,400)	16,160
48,747	453,455	37,093	110,000	153,268	11,832	47,456	1,204,286
<u>\$ 15,182</u>	<u>\$ 456,956</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 171,268</u>	<u>\$ 27,186</u>	<u>\$ 46,056</u>	<u>\$ 1,220,446</u>
\$ 15,182	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ 126,173
-	456,956	-	-	171,268	-	-	628,224
-	-	-	-	-	27,186	46,056	466,049
<u>\$ 15,182</u>	<u>\$ 456,956</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 171,268</u>	<u>\$ 27,186</u>	<u>\$ 46,056</u>	<u>\$ 1,220,446</u>

CITY OF DEWITT
SCHEDULE OF INDEBTEDNESS
 Year Ended June 30, 2009

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>	<u>Balance, Beginning of Year</u>	<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Balance, End of Year</u>	<u>Interest Paid</u>	<u>Interest Due and Unpaid</u>
General obligation bonds									
97 Sewer improvement Series 2002	June 13, 1997 May 1, 2002	3.000% 3.900% -	\$ 2,354,000	\$ 988,000	\$ -	\$ 988,000	\$ -	\$ 29,640	\$ -
Series 2003	June 18, 2003	5.250% 1.400% -	2,000,000	-	-	-	-	-	-
2005 Refunding Series 2006	April 6, 2005 May 1, 2006	4.250% 2.750% - 3.300% - 3.750% -	1,300,000 2,745,000	1,040,000 1,725,000	- - - -	1,040,000 355,000	1,370,000	38,568 54,950	- -
2008 Urban Renewal	April 1, 2008	4.350% 2.400% -	2,845,000 2,240,000	2,735,000 2,240,000	- -	70,000 325,000	2,665,000 1,915,000	113,370 80,795	- -
2008 Refunding Series 2009A	February 1, 2008 April 1, 2009	3.500% - 4.100% - 2.000% -	3,610,000 1,170,000	3,505,000 -	- 1,170,000	100,000 -	3,405,000 1,170,000	132,735 -	- -
Series 2009B	April 1, 2009	4.300% - 1.900% - 2.600%	1,755,000	-	1,755,000	-	1,755,000	-	-
Total			\$ 20,019,000	\$ 12,233,000	\$ 2,925,000	\$ 2,878,000	\$ 12,280,000	\$ 450,058	\$ -
Revenue bonds									
97 WWTP Sewer revenue	April 3, 1997	3.000%	\$ 1,500,000	\$ 820,000	\$ -	\$ 80,000	\$ 740,000	\$ 24,600	\$ -
2002 SRF Water revenue	March 27, 2002	3.000% - 3.250%	1,100,000	914,000	-	53,000	861,000	27,420	-
2005 Road use refunding	October 1, 2005	4.050%	1,640,000	1,385,000	-	95,000	1,290,000	51,665	-
2005 SRF Sewer revenue	December 12, 2005	3.000%	1,599,000	1,479,000	-	103,000	1,376,000	43,110	-
Total			\$ 5,839,000	\$ 4,598,000	\$ -	\$ 331,000	\$ 4,267,000	\$ 146,795	\$ -
Urban renewal tax increment financing (TIF) revenue bonds Series 2004	June 24, 2004	2.000% - 3.600%	\$ 1,440,000	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ 9,000	\$ -
Loans									
2008 DNR Loan	March 4, 2009	0.000%	\$ 31,214	\$ -	\$ 31,214	\$ -	\$ 31,214	\$ -	\$ -

SCHEDULE 4

CITY OF DEWITT
 BOND AND NOTE MATURITIES
 June 30, 2009

Year Ending June 30,	General Obligation Bonds											
	Refunding 2005				Series 2006				Series 200B			
	Interest Rate	Principal	Interest	Rate	Principal	Interest	Rate	Principal	Interest	Rate	Principal	Interest
		Issued April 6, 2005			Issued May 1, 2006			Issued April 1, 2008				
2010	3.150%	\$ 355,000	\$ 43,768	3.750%	\$ 75,000	\$ 110,745	3.00%	\$ 450,000	\$ 61,608			
2011	3.150%	360,000	32,586	3.750%	80,000	107,933	3.00%	100,000	49,908			
2012	3.200%	370,000	21,246	3.750%	80,000	104,932	3.00%	100,000	47,008			
2013	3.300%	285,000	9,406	3.800%	85,000	101,933	3.00%	500,000	43,908			
2014		-	-	3.850%	90,000	98,702	3.00%	765,000	27,158			
2015		-	-	3.950%	90,000	95,238		-	-			
2016		-	-	4.000%	95,000	91,682		-	-			
2017		-	-	4.100%	100,000	87,883		-	-			
2018		-	-	4.150%	105,000	83,782		-	-			
2019		-	-	4.200%	110,000	79,425		-	-			
2020		-	-	4.200%	110,000	74,805		-	-			
2021		-	-	4.200%	115,000	70,185		-	-			
2022		-	-	4.200%	120,000	65,355		-	-			
2023		-	-	4.200%	330,000	60,315		-	-			
2024		-	-	4.250%	345,000	46,455		-	-			
2025		-	-	4.300%	360,000	31,793		-	-			
2026		-	-	4.350%	375,000	16,312		-	-			
2027		-	-		-	-		-	-			
TOTAL		\$ 1,370,000	\$ 107,006		\$ 2,665,000	\$ 1,327,475		\$ 1,915,000	\$ 229,590			

SCHEDULE 4
(CONTINUED)

CITY OF DEWITT
BOND AND NOTE MATURITIES
June 30, 2009

Year Ending June 30,	General Obligation Bonds											
	Series 2008 Issued February 1, 2008			Series 2009A Issued April 1, 2009			Series 2009B Issued April 1, 2009			Total		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	
2010	3.500%	\$ 170,000	\$ 129,235	2.000%	\$ -	\$ 48,020	1.900%	\$ -	\$ 45,068	\$ 1,050,000	\$ 438,444	
2011	3.500%	175,000	123,285	2.000%	125,000	41,160	1.900%	500,000	38,630	1,340,000	393,502	
2012	3.500%	185,000	117,160	2.500%	-	38,660	2.100%	500,000	29,130	1,235,000	358,136	
2013	3.500%	190,000	110,685	2.500%	125,000	38,660	2.350%	400,000	18,630	1,585,000	323,222	
2014	3.500%	200,000	104,035	3.000%	-	35,535	2.600%	355,000	9,230	1,410,000	274,660	
2015	3.500%	200,000	97,035	3.000%	140,000	35,535	-	-	-	430,000	227,808	
2016	3.500%	210,000	90,035	3.500%	-	31,335	-	-	-	305,000	213,052	
2017	3.625%	220,000	82,685	3.500%	155,000	31,335	-	-	-	475,000	201,903	
2018	-	-	74,710	4.000%	-	25,910	-	-	-	105,000	184,402	
2019	4.000%	465,000	74,710	4.000%	165,000	25,910	-	-	-	740,000	180,045	
2020	-	-	56,110	4.100%	-	19,310	-	-	-	110,000	150,225	
2021	4.000%	500,000	56,110	4.100%	185,000	19,310	-	-	-	800,000	145,605	
2022	-	-	36,110	4.200%	100,000	11,725	-	-	-	220,000	113,190	
2023	4.000%	380,000	36,110	4.300%	175,000	7,525	-	-	-	885,000	103,950	
2024	-	-	20,910	-	-	-	-	-	-	345,000	67,365	
2025	-	-	20,910	-	-	-	-	-	-	360,000	52,703	
2026	-	-	20,910	-	-	-	-	-	-	375,000	37,222	
2027	4.100%	510,000	20,910	-	-	-	-	-	-	510,000	20,910	
TOTAL		\$ 3,405,000	\$ 1,271,655		\$ 1,170,000	\$ 409,930		\$ 1,755,000	\$ 140,688	\$ 12,280,000	\$ 3,486,344	

CITY OF DEWITT
BOND AND NOTE MATURITIES
June 30, 2009

Year Ending June 30,	Revenue Bonds												
	WWTP Sewer Revenue Issued April 3, 1997			SRF Water Revenue Issued March 27, 2002			Road Use Tax Revenue Refunding Issued October 1, 2005			SRF Sewer Revenue Issued December 12, 2005			
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	
2010	3.00%	\$ 80,000	\$ 22,200	3.000%	\$ 55,000	\$ 25,830	3.500%	\$ 100,000	\$ 48,340	3.00%	\$ 63,000	\$ 41,280	
2011	3.00%	85,000	19,800	3.000%	57,000	24,180	3.500%	105,000	44,840	3.00%	65,000	39,390	
2012	3.00%	85,000	17,250	3.000%	58,000	22,470	3.500%	100,000	41,165	3.00%	67,000	37,440	
2013	3.00%	90,000	14,700	3.000%	60,000	20,730	3.500%	110,000	37,665	3.00%	69,000	35,430	
2014	3.00%	95,000	12,000	3.000%	62,000	18,930	3.600%	115,000	33,815	3.00%	71,000	33,360	
2015	3.00%	100,000	9,150	3.000%	64,000	17,070	3.700%	120,000	29,675	3.00%	73,000	31,230	
2016	3.00%	100,000	6,150	3.000%	66,000	15,150	3.800%	120,000	25,235	3.00%	75,000	29,040	
2017	3.00%	105,000	3,150	3.000%	68,000	13,170	3.900%	125,000	20,675	3.00%	78,000	26,790	
2018	-	-	-	3.000%	70,000	11,130	3.950%	130,000	15,800	3.00%	80,000	24,450	
2019	-	-	-	3.000%	72,000	9,030	4.000%	135,000	10,665	3.00%	83,000	22,050	
2020	-	-	-	3.000%	74,000	6,870	4.050%	130,000	5,265	3.00%	85,000	19,560	
2021	-	-	-	3.000%	76,000	4,650	-	-	-	3.00%	88,000	17,010	
2022	-	-	-	3.000%	79,000	2,370	-	-	-	3.00%	90,000	14,370	
2023	-	-	-	-	-	-	-	-	-	3.00%	93,000	11,670	
2024	-	-	-	-	-	-	-	-	-	3.00%	96,000	8,880	
2025	-	-	-	-	-	-	-	-	-	3.00%	99,000	6,000	
2026	-	-	-	-	-	-	-	-	-	3.00%	101,000	3,030	
TOTAL		\$ 740,000	\$ 104,400		\$ 861,000	\$ 191,580		\$ 1,290,000	\$ 313,140		\$ 1,376,000	\$ 400,980	\$ 4,267,000
													\$ 1,010,100

CITY OF DEWITT
SCHEDULE OF RECEIPTS BY SOURCE AND
DISBURSEMENTS BY FUNCTION -
ALL GOVERNMENTAL FUNDS
For the Last Six Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
RECEIPTS						
Property taxes	\$ 2,018,679	\$ 1,902,104	\$ 1,823,987	\$ 1,285,975	\$ 1,142,889	\$ 1,139,494
Tax increment financing collections	1,284,897	1,325,915	1,264,348	1,224,276	1,298,484	1,284,915
Other city taxes	678,090	547,681	662,819	479,487	501,753	512,877
Licenses and permits	62,521	77,702	71,646	76,584	79,090	95,035
Use of money and property	166,600	173,482	163,778	126,564	92,956	84,229
Intergovernmental	1,839,501	795,905	1,601,701	1,052,412	642,253	835,795
Charges for services	411,704	374,195	368,630	402,619	377,353	369,882
Miscellaneous	187,360	318,081	168,856	451,219	266,159	424,702
TOTAL RECEIPTS	<u>\$ 6,649,352</u>	<u>\$ 5,515,065</u>	<u>\$ 6,125,765</u>	<u>\$ 5,099,136</u>	<u>\$ 4,400,937</u>	<u>\$ 4,746,929</u>
DISBURSEMENTS						
Public safety	\$ 1,131,735	\$ 1,125,938	\$ 1,126,232	\$ 1,126,357	\$ 958,730	\$ 1,108,695
Public works	602,046	826,198	421,235	558,330	648,813	495,211
Health and social services	12,779	9,930	9,447	9,472	8,569	9,164
Culture and recreation	922,275	850,971	856,583	789,078	755,013	1,001,691
Community and economic development	86,543	99,217	79,739	81,814	60,113	57,533
General government	498,466	315,902	393,751	298,622	277,962	278,295
Debt service	3,758,890	3,259,523	2,018,683	3,426,315	2,248,872	1,366,230
Capital projects	3,380,588	612,324	3,192,147	1,481,876	1,185,102	2,202,277
TOTAL DISBURSEMENTS	<u>\$10,393,322</u>	<u>\$ 7,100,003</u>	<u>\$ 8,097,817</u>	<u>\$ 7,771,864</u>	<u>\$ 6,143,174</u>	<u>\$ 6,519,096</u>

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and
Members of the City Council:

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 DeWitt, Iowa as of and for the year ended June 30, 2009, which collectively comprise the City of DeWitt's basic financial statements listed in the table of contents, and have issued our report thereon dated November 11, 2009. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of DeWitt's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 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 DeWitt's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City of DeWitt's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of DeWitt and other parties to whom the City of DeWitt may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of DeWitt 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.

Clifton Henderson LLP

Clinton, Iowa
November 11, 2009

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance with OMB Circular A-133**

To the Honorable Mayor and
Members of the City Council:

Compliance

We have audited the compliance of the City of DeWitt, Iowa, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The City of DeWitt's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of the City of DeWitt's management. Our responsibility is to express an opinion on the City of DeWitt's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of DeWitt's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of DeWitt's compliance with those requirements.

In our opinion, the City of DeWitt, Iowa complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City of DeWitt, Iowa is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of DeWitt's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of DeWitt and other parties to whom the City of DeWitt may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Clinton, Iowa
November 11, 2009

CITY OF DEWITT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>GRANTOR/PROGRAM</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
Indirect:			
Department of Housing and Urban Development			
Passed through Iowa Department of Economic Development:			
Community Development Block Grant	14.228	08-HSG-074	\$ 12,087
Home Investment Partnership Program	14.239	08-HM-112-65	74,610
			<u>86,697</u>
 Department of Transportation			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-U-1855(610)--70-23	1,074
Highway Planning and Construction	20.205	HDP-1855(612)--71-23	1,392,582
Passed through Iowa Department of Public Safety/GTSB:			
State and Community Highway Safety	20.600	PAP 08-410, Task 20	1,964
State and Community Highway Safety	20.600	PAP 09-04 Task 12	13,723
			<u>1,409,343</u>
 Department of Justice			
Passed through Iowa Department of Justice:			
Bulletproof Vest Partnership Program	16.607	2007	748
Missing Children's Assistance	16.543	2008	1,289
			<u>2,037</u>
 U.S Department of Homeland Security			
Iowa Department of Public Defense			
Iowa Homeland Security and Emergency Management Division			
FEMA Grant	97.000	2008	4,000
			<u>4,000</u>
 Total			<u>\$ 1,502,077</u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of DeWitt and is presented in conformity with an other comprehensive basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF DEWITT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major programs:
Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no

**CITY OF DEWITT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section II - Financial Statement Findings

Significant Deficiencies:

No matters were noted.

Instances of Non-compliance:

No matters were noted.

**CITY OF DEWITT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section III - Federal Award Findings and Questioned Costs

Significant Deficiencies:

No matters were noted.

Instances of Non-compliance:

No matters were noted.

CITY OF DEWITT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Section IV - Other Findings Related to Required Statutory Reporting:

- IV-A-09 Certified budget - Disbursements during the year ended June 30, 2009 did not exceed amounts budgeted.
- IV-B-09 Questionable disbursements - We noted no disbursements that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-09 Travel expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-09 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 insure the coverage is adequate for current operations.
- IV-E-09 Council minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.
- IV-F-09 Deposits and investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- IV-G-09 Revenue bonds - The City has complied with the provisions of the revenue bond indebtedness.
- IV-H-09 Financial condition - The 2008 Homeownership Grant Capital Project Fund had a deficit balance at June 30, 2009 of \$11,146.

Recommendation - The City should investigate alternatives to eliminate this deficit in order to return this fund to a sound financial position.

Response - The deficit was due to construction costs incurred prior to receipt of grant funds. The deficit will be eliminated.

Conclusion - Response accepted.

CITY OF DEWITT
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
Year Ended June 30, 2009

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>
	N/A	

**CITY OF DEWITT
CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS
Year Ended June 30, 2009**

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title Phone Number</u>	<u>Anticipated Date of Completion</u>
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There were no comments made regarding reportable conditions or noncompliance with federal awards.