

**City of DeWitt
Clinton County, Michigan**

FINANCIAL STATEMENTS

June 30, 2009

City of DeWitt

Clinton County, Michigan

June 30, 2009

CITY COUNCIL AND ADMINISTRATION

Jim Rundborg	Mayor
Susan Erickson	Mayor Pro Tem
Ray Knick	Council Member
Sheryl Strouse	Council Member
Dave Hunsaker	Council Member
Jim Lancaster	Council Member
Tony Stoker	Council Member
Chris Olson	City Administrator
Lisa Grysen	City Treasurer
Denice Smith-Astalos	City Clerk

City of DeWitt

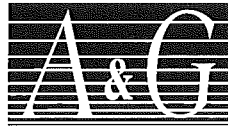
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of DeWitt, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of DeWitt 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 City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City of DeWitt as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information, as identified in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, 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. The accompanying other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the 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.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

October 5, 2009

This section of the City of DeWitt annual report presents our discussion and analysis of the City of DeWitt's financial performance during the year ended June 30, 2009. Please read it in conjunction with the City's financial statements, which immediately follow this section.

The City of DeWitt is in its fourth year of implementation of the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the City of DeWitt's management's discussion and analysis of the financial results for the fiscal year ended June 30, 2009.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of DeWitt financially as a whole. The *Government-wide Financial Statements* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and longer-term view of the finances. The *Fund Financial Statements* provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds - the General Fund, Building Authority Bonds (Debt Service Fund) and other smaller funds collectively as non-major governmental funds.

Government-Wide Financial Statements

One of the most important questions asked about the City is, "As a whole, what is the City's financial condition as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the basic financial statements, report information on the City as a whole and its activities in a way that helps you answer this question. These statements are prepared to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets (page 1) presents all of the City of DeWitt's assets and liabilities, recording the difference between the two as "net assets". Over time, increases or decreases in net assets measure whether the City of DeWitt's financial position is improving or deteriorating.

The Statement of Activities (page 2) presents information showing how the City of DeWitt's net assets changed during fiscal year 2009. All changes in net assets are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods.

Both statements report the following activities:

- **Governmental Activities** - Most of the City DeWitt's basic services are reported under this category. Taxes, charges for services and intergovernmental revenue primarily fund these services. This also includes the activities such as the major and local street maintenance, and debt service.
- **Business-type Activities** - These activities operate like private businesses. The City of DeWitt charges fees to recover the cost of the services provided. The City of DeWitt Sewer System and refuse removal services are examples of such activities.
- **Discretely Presented Component Units** - Discretely Presented Component units are legally separate organizations for which the City of DeWitt Council appoints a majority of the organization's policy board and there is a degree of financial accountability to the City of DeWitt. The City of DeWitt Downtown Development Authority (DDA) is a discretely presented component unit of the City.

As stated previously, the Government-wide financial statements are full accrual basis statements. However, the governmental funds report on a modified accrual basis. Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources. Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, pages 5 and 8 present reconciliations between the two statement types.

Fund Financial Statements

The fund level financial statements are reported on the modified accrual basis. Only those assets that are "measurable" and "available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar.

A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City of DeWitt uses to keep track of specific sources of funding and spending for a particular purpose. State law or policy requires some separate funds, such as funds required by bond or grant agreements. Funds are also utilized to track specific operations; these include the internal services fund (e.g. Motor pool) as well as enterprise funds such as the Water and Sewer Fund.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No capital assets are reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

The City of DeWitt's funds are divided into three categories - governmental, proprietary, and fiduciary - and use different accounting approaches:

- **Governmental Funds** - Most of the City of DeWitt's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the City of DeWitt's programs. Governmental funds include the General Fund, as well as special revenue, capital projects, debt service, and permanent funds.
- **Proprietary Funds** - Services for which the City of DeWitt charges customers a fee are generally reported in proprietary funds. Proprietary funds use the same accrual basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. Enterprise funds report activities that provide supplies and/or services to the general public. Internal Service funds report activities that provide supplies or service to the City of DeWitt's other operations, such as the Motor Pool Fund. Internal Service funds are reported as governmental activities on the government-wide statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The Notes can be found beginning on page 12 of this report.

Required Supplementary Information

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes budgetary comparison schedules for the General Fund and the major special revenue fund.

Other Supplementary Information

Other Supplementary Information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and are presented in a single aggregate column in the basic financial statements.

Summary of Net Assets:

The following summarizes the net assets as of June 30, 2009.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	\$1,882,137	\$2,505,283	\$2,765,755	\$2,660,734	\$4,647,892	\$5,166,017
Capital assets, net	5,068,524	4,474,795	3,958,972	4,109,352	9,027,496	8,584,147
Total assets	6,950,661	6,980,078	6,724,727	6,770,086	13,675,388	13,750,164
Liabilities						
Current	324,620	561,440	117	31,583	324,737	593,023
Noncurrent	536,182	661,429	-	-	536,182	661,429
Total liabilities	860,802	1,222,869	117	31,583	860,919	1,254,452
Net Assets						
Invested in capital assets- net of related debt	4,413,524	3,699,795	3,958,972	4,109,352	8,372,496	7,809,147
Restricted	579,803	811,589	1,080,781	1,082,379	1,660,584	1,893,968
Unrestricted	1,096,532	1,245,825	1,684,857	1,546,772	2,781,389	2,792,597
Total net assets	\$6,089,859	\$5,757,209	6,724,610	\$6,738,503	12,814,469	12,495,712

Results of Operations:

For the fiscal year ended June 30, 2009 and 2008, the government-wide results of operations were:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenue:						
Charges for services	\$ 423,336	\$ 470,741	\$ 558,770	\$ 578,675	\$ 982,106	\$ 1,049,416
Operating grants and contributions	270,593	284,711	-	-	270,593	284,711
Capital grants and contributions	99,794	-	4,678	-	104,472	-
General revenues:						
Property taxes	1,871,690	1,821,559	-	-	1,821,690	1,821,559
State Revenue Sharing	373,817	384,032	-	-	373,817	384,032
Investment earnings	51,948	101,256	47,394	44,648	99,342	145,724
Equity in SCCMUA operations	-	-	81	55,732	81	55,732
Miscellaneous	187,685	200,739	7,482	14,116	195,167	214,855
Transfers	-	(1,115)	-	1,115	-	-
Total revenues and transfers	3,278,863	3,261,923	618,405	694,106	3,897,268	3,956,029

Results of Operations: - continued

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Expenses						
General government	\$ 1,208,378	\$ 1,031,937	\$ -	\$ -	\$ 1,208,378	\$ 961,305
Public safety	923,445	922,351	-	-	923,445	942,392
Public works	620,779	827,815	-	-	620,779	878,085
Community & economic development	-	-	-	-	-	-
Recreation and cultural	159,688	152,910	-	-	159,688	153,232
Water & Sewer	-	-	632,298	642,089	632,298	642,089
Interest on long-term debt	33,923	39,952	-	-	33,923	39,952
Total expenses	2,946,213	2,974,965	632,298	642,089	3,578,511	3,617,055
Change in net assets	332,650	286,958	(13,893)	52,017	318,757	338,975
Restated net assets, beginning of year	5,757,209	5,470,251	6,738,503	6,686,486	12,495,712	12,156,737
Net assets, end of year	\$ 6,089,859	\$ 5,757,209	\$ 6,724,610	\$ 6,738,503	\$ 12,814,469	\$ 12,495,712

Analysis of Results of Operations:

During fiscal year ended June 30, 2009, the City's net assets increased by \$318,757. Several factors which contributed to this increase are discussed in the following sections.

A. Governmental Fund Operating Results

The City's revenues from governmental fund operations exceeded expenses by \$332,650 for the fiscal year ended June 30, 2009.

B. Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-terms inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,535,809, a decrease of \$324,971 in comparison with the prior year. Approximately 59% of this (\$907,786) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay for specific debt services or for a variety of other restricted purposes.

General Fund is the chief operating fund of the City. At the end of the fiscal year, the unreserved/undesignated fund balance of the General Fund was \$889,650. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to the total fund expenditures. Unreserved/undesignated fund balance at June 30, 2009, represents 29% of the total General Fund expenditures and other financing uses.

The fund balance of the City's General Fund decreased by \$85,514 during the current fiscal year.

The Building Authority Bonds (major governmental fund) had a balance of \$56,661 at the close of the fiscal year. This was an increase of \$1,893 from the prior year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Fund at the end of the year amounted to \$6,724,610. The most recent fiscal year's activities decreased the net assets of the Water and Sewer Fund by \$13,893.

C. Long-Term Debt Activities

The City reduced its long-term debt obligation during 2008-2009 by making principal payments of \$120,000. This makes the ending long-term debt \$696,216 for 2008-2009 fiscal year.

The City made principal payments on long-term debt obligations that reduced the amount of the City's long-term liabilities as follows:

	Principal Balance <u>June 30, 2008</u>	Principal Payments	Principal Balance <u>June 30, 2009</u>
1999 Building Authority Bonds	\$ 415,000	\$ 70,000	\$ 345,000
2004 Transportation Bonds	360,000	50,000	310,000
Compensated Absences	<u>39,871</u>	<u>66,072</u>	<u>41,216</u>
Total Long-Term Obligations	<u>\$ 814,871</u>	<u>\$ 186,072</u>	<u>\$ 696,216</u>

D. Net Investment in Capital Assets

The City's net investment in capital assets (Primary Government) increased by \$593,729 during the fiscal year. This can be summarized as follows:

	Balance <u>June 30, 2008</u>	Net Additions/ Deletions	Balance <u>June 30, 2009</u>
Capital assets	\$ 5,640,710	\$ 770,981	\$ 6,411,691
Less: accumulated depreciation	<u>(2,091,388)</u>	<u>(186,796)</u>	<u>(2,278,184)</u>
	3,549,322	584,185	4,133,507
Add: Land (not depreciated)	<u>925,473</u>	<u>9,544</u>	<u>935,017</u>
Net investment in capital assets	<u>\$ 4,474,795</u>	<u>\$ 593,729</u>	<u>\$ 5,068,524</u>

Contacting the City's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Lisa Gysen, City Treasurer, City of DeWitt, 414 East Main Street, DeWitt, Michigan 48820.

BASIC FINANCIAL STATEMENTS

City of DeWitt

STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 720,164	\$ 88,740	\$ 808,904	\$ 318,491
Investments	1,046,083	1,190,000	2,236,083	-
Receivables	99,359	266,302	365,661	-
Due from other governmental units	98,434	-	98,434	-
Total current assets	1,964,040	1,545,042	3,509,082	318,491
Noncurrent assets				
Investment in sewage treatment plant	-	1,138,810	1,138,810	-
Internal balances	(81,903)	81,903	-0-	-
Capital assets not being depreciated	935,017	40,093	975,110	-
Capital assets, net of accumulated depreciation	4,133,507	3,918,879	8,052,386	-
Total noncurrent assets	4,986,621	5,179,685	10,166,306	-0-
TOTAL ASSETS	6,950,661	6,724,727	13,675,388	318,491
LIABILITIES				
Current liabilities				
Accounts payable	151,264	117	151,381	-
Accrued liabilities	8,082	-	8,082	-
Accrued interest payable	5,240	-	5,240	-
Current portion of compensated absences	35,034	-	35,034	-
Current portion of long-term debt	125,000	-	125,000	-
Total current liabilities	324,620	117	324,737	-0-
Noncurrent liabilities				
Noncurrent portion of compensated absences	6,182	-	6,182	-
Noncurrent portion of long-term debt	530,000	-	530,000	-
Total noncurrent liabilities	536,182	-0-	536,182	-0-
TOTAL LIABILITIES	860,802	117	860,919	-0-
NET ASSETS				
Invested in capital assets, net of related debt	4,413,524	3,958,972	8,372,496	-
Restricted for:				
SCCMUA operations	-	1,080,781	1,080,781	-
Debt service	51,421	-	51,421	-
Other purposes	528,382	-	528,382	-
Unrestricted	1,096,532	1,684,857	2,781,389	318,491
TOTAL NET ASSETS	\$ 6,089,859	\$ 6,724,610	\$ 12,814,469	\$ 318,491

See accompanying notes to financial statements.

City of DeWitt

STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 1,208,378	\$ 193,031	\$ 1,175	\$ -	\$(1,014,172)	\$ -	\$(1,014,172)	\$ -
Public safety	923,445	13,515	1,784	-	(908,146)	-	(908,146)	-
Public works	620,779	211,107	267,634	-	(142,038)	-	(142,038)	-
Community and economic development	-	593	-	-	593	-	593	-
Recreation and cultural	159,688	5,090	-	99,794	(54,804)	-	(54,804)	-
Interest on long-term debt	33,923	-	-	-	(33,923)	-	(33,923)	-
Total governmental activities	2,946,213	423,336	270,593	99,794	(2,152,490)	-0-	(2,152,490)	-0-
Business-type activities:								
Water and Sewer Fund	632,298	558,770	-	4,678	-	(68,850)	(68,850)	-
Total primary government	<u>\$ 3,578,511</u>	<u>\$ 982,106</u>	<u>\$ 270,593</u>	<u>\$ 104,472</u>	(2,152,490)	(68,850)	(2,221,340)	-0-
Component unit:								
Downtown Development Authority	<u>\$ 42,902</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	-0-	-0-	-0-	(42,902)
			General revenues:					
			Property taxes		1,871,690	-	1,871,690	121,126
			State shared revenues		373,817	-	373,817	-
			Investment earnings		51,948	47,394	99,342	7,616
			Equity in SCCMUA operations		-	81	81	-
			Miscellaneous		187,685	7,482	195,167	2,145
			Total general revenues		<u>2,485,140</u>	<u>54,957</u>	<u>2,540,097</u>	<u>130,887</u>
			Change in net assets		332,650	(13,893)	318,757	87,985
			Net assets, beginning of the year		<u>5,757,209</u>	<u>6,738,503</u>	<u>12,495,712</u>	<u>230,506</u>
			Net assets, end of the year		<u>\$ 6,089,859</u>	<u>\$ 6,724,610</u>	<u>\$ 12,814,469</u>	<u>\$ 318,491</u>

See accompanying notes to financial statements.

City of DeWitt

GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2009

	General	Debt Service Building Authority Bonds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 445,837	\$ 10,578	\$ 248,891	\$ 705,306
Investments	560,000	46,083	300,000	906,083
Receivables				
Accounts	61,635	-	-	61,635
Special assessments	-	-	36,110	36,110
Interest	1,606	-	8	1,614
Net leasehold receivable	-	345,000	-	345,000
Due from other governmental units				
Local	86	-	-	86
Federal/State	55,142	-	43,206	98,348
TOTAL ASSETS	\$ 1,124,306	\$ 401,661	\$ 628,215	\$ 2,154,182
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 144,671	\$ -	\$ 4,220	\$ 148,891
Accrued liabilities	8,082	-	-	8,082
Advance from other funds	81,903	-	-	81,903
Deferred revenue	-	345,000	34,497	379,497
TOTAL LIABILITIES	234,656	345,000	38,717	618,373
FUND BALANCES				
Reserved for:				
Debt service	-	56,661	-	56,661
Cemetery maintenance	-	-	132,091	132,091
Unreserved				
Designated for subsequent year's expenditures	-	-	95,300	95,300
Undesignated, reported in:				
General fund	889,650	-	-	889,650
Special revenue funds	-	-	362,075	362,075
Capital projects funds	-	-	32	32
TOTAL FUND BALANCES	889,650	56,661	589,498	1,535,809
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,124,306	\$ 401,661	\$ 628,215	\$ 2,154,182

See accompanying notes to financial statements.

City of DeWitt

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2009

Total fund balance - governmental funds \$ 1,535,809

Amounts reported for the governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 7,346,708	
Accumulated depreciation is	<u>(2,278,184)</u>	
Capital assets, net		5,068,524

An Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the government-wide Statement of Net Assets.

Net assets of the governmental activities accounted for in the Internal Service Fund	353,327	
Net capital assets of the Internal Service Fund included in total capital assets above	<u>(200,842)</u>	
		152,485

Long-term receivables are not available to pay for current period expenditures and are therefore deferred in the funds.

Deferred revenue		34,497
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. Long-term liabilities at year-end consist of:

Long-term debt payable	655,000	
Accrued interest payable	5,240	
Compensated absences	<u>41,216</u>	
		<u>(701,456)</u>

Net assets of governmental activities \$ 6,089,859

See accompanying notes to financial statements.

City of DeWitt

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2009

	General	Debt Service Building Authority Bonds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,968,789	\$ -	\$ -	\$ 1,968,789
Licenses and permits	29,782	-	27,480	57,262
Intergovernmental	449,603	-	267,634	717,237
Charges for services	246,846	-	6,525	253,371
Fines and forfeits	1,540	-	-	1,540
Interest and rents	47,424	1,492	17,003	65,919
Other	187,686	-	37,285	224,971
TOTAL REVENUES	2,931,670	1,492	355,927	3,289,089
EXPENDITURES				
Current				
General government	1,107,059	-	950	1,108,009
Public safety	882,410	-	36,186	918,596
Public works	436,680	-	672,399	1,109,079
Recreation and cultural	296,929	-	26,667	323,596
Debt service	4,166	89,539	61,075	154,780
TOTAL EXPENDITURES	2,727,244	89,539	797,277	3,614,060
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	204,426	(88,047)	(441,350)	(324,971)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	89,940	200,000	289,940
Transfers out	(289,940)	-	-	(289,940)
TOTAL OTHER FINANCING SOURCES (USES)	(289,940)	89,940	200,000	-0-
NET CHANGE IN FUND BALANCES	(85,514)	1,893	(241,350)	(324,971)
Fund balances, beginning of year	975,164	54,768	830,848	1,860,780
Fund balances, end of year	<u>\$ 889,650</u>	<u>\$ 56,661</u>	<u>\$ 589,498</u>	<u>\$ 1,535,809</u>

See accompanying notes to financial statements.

City of DeWitt

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

Net change in fund balances - total governmental funds **\$ (324,971)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 828,525	
Depreciation expense	<u>(234,796)</u>	
Excess of capital outlay over depreciation expense		593,729

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Repayment of long-term debt	120,000
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Internal service funds are used by management to charge the costs of certain activities to individual funds.

Change in net assets of the Internal Service Fund	51,216	
Capital asset additions of the Internal Service Fund included in the total above	(137,025)	
Depreciation expense of the Internal Service Fund included in the total above	<u>40,415</u>	
		(45,394)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(10,226)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest payable	857	
(Increase) in compensated absences	<u>(1,345)</u>	
		<u>(488)</u>

Change in net assets of governmental activities	<u>\$ 332,650</u>
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See accompanying notes to financial statements.

City of DeWitt

Proprietary Funds

STATEMENT OF NET ASSETS

June 30, 2009

	Business-type Activities <u>Enterprise (Water and Sewer)</u>	Governmental Activities <u>Internal Service (Motor Pool)</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 88,740	\$ 14,858
Investments	1,190,000	140,000
Accounts receivable	15,791	-
Special assessments receivable	248,072	-
Accrued interest receivable	2,439	-
	<u>1,545,042</u>	<u>154,858</u>
Total current assets		
Noncurrent assets		
Advance to other funds	81,903	-
Investment in SCCMUA	1,138,810	-
Capital assets not being depreciated	40,093	-
Capital assets, net of accumulated depreciation	3,918,879	200,842
	<u>5,179,685</u>	<u>200,842</u>
Total noncurrent assets		
	<u>6,724,727</u>	<u>355,700</u>
TOTAL ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	117	2,373
	<u>117</u>	<u>2,373</u>
NET ASSETS		
Invested in capital assets	3,958,972	200,842
Restricted for SCCMUA operations	1,080,781	-
Unrestricted	1,684,857	152,485
	<u>6,724,610</u>	<u>353,327</u>
TOTAL NET ASSETS		

See accompanying notes to financial statements.

City of DeWitt

Proprietary Funds

STATEMENT OF CASH FLOWS

Year Ended June 30, 2009

	Business-type Activities	Governmental Activities
	Enterprise (Water and Sewer)	Internal Service (Motor Pool)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 603,902	\$ 1,208
Cash receipts from interfund activities	-	162,367
Cash paid to employees	(44,946)	-
Cash paid to vendors	(468,438)	(72,630)
NET CASH PROVIDED BY OPERATING ACTIVITIES	90,518	90,945
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital acquisitions	-	(137,025)
Repayment of advance to other fund	52,721	-
Special assessment	4,678	-
NET CASH PROVIDED (USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES	57,399	(137,025)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(710,600)	(140,000)
Maturity of investments	600,500	190,000
Interest revenue	47,399	3,059
NET CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	(62,701)	53,059
NET INCREASE IN CASH AND CASH EQUIVALENTS	85,216	6,979
Cash and cash equivalents, beginning of year	3,524	7,879
Cash and cash equivalents, end of year	<u>\$ 88,740</u>	<u>\$ 14,858</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (66,046)	\$ 53,857
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	150,380	34,715
Decrease in receivables	37,650	-
Increase (decrease) in accounts payable	(31,466)	2,373
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 90,518</u>	<u>\$ 90,945</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City operates under an elected City Council, which consists of the Mayor and six (6) council members, with daily activities operated by the City Administrator, City Clerk, and City Treasurer. The City provides services to its more than 4,500 residents in many areas including law enforcement, fire protection, sewer, transportation, and parks and recreation.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; GASB Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 39); and *Statement on Michigan Governmental Accounting and Auditing No. 5*, these financial statements present the financial activities of the City of DeWitt (primary government), and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influences on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and the general available to its citizens.

2. Blended Component Unit

The Building Authority is governed by a five (5) member board appointed by the City Council. Its purpose is to provide for the acquisition and construction of certain public buildings, parking lots or structures, recreational facilities, and the necessary site or sites therefore for the use of the City.

3. Discretely Presented Component Unit

The Downtown Development Authority (component unit) is reported in a separate column to emphasize that, while legally separate, the City of DeWitt remains financially accountable for this entity or the nature and significance of the relationship between this entity and the City of DeWitt is such that exclusion of this entity would render the financial statements misleading or incomplete.

The governing body of the Downtown Development Authority (DDA) is appointed by the City Council, the Authority's budget is subject to the approval of the City Council, the City temporarily relinquishes part of its tax base to the Authority (tax increment revenues), and the City has pledged its full faith and credit toward payment of the Authority's debt. This component unit is audited individually and complete financial statements may be obtained from the City's administrative office.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Joint Ventures

The City of DeWitt is a member of the Southern Clinton County Municipal Utilities Authority (SCCMUA). The purpose of the Authority is to operate, maintain, administer, and manage a sewage disposal system for the benefit of the constituent municipalities.

The governing body of the Authority is appointed by the constituent municipalities, and representation is based upon the purchased capacity of each municipality. The City of DeWitt currently is represented by one (1) of the ten (10) members of the Authority board. The annual budget of the Authority is submitted to the constituent municipalities and must be approved by a 2/3 vote of the members-elect of the Authority. A copy of SCCMUA's audited financial statements can be obtained at their administrative offices.

The members of the Authority and approximate percentage of responsibility are as follows:

City of DeWitt	11.3131%
DeWitt Charter Township	55.7576%
Watertown Charter Township	16.2020%
Bath Charter Township	16.7273%

For the year ended June 30, 2009, the City of DeWitt contributed \$301,729 to cover its share of operational costs and reserve activities.

Additionally, an investment in SCCMUA is recorded to reflect the current carrying value at June 30, 2009, of the cumulative effect of SCCMUA operations relating to the City's equity share in the joint venture from inception-to-date. The City of DeWitt had recorded their portion of the initial cost of construction of the Authority facilities as capital assets in the Sewer and Water System (Enterprise) Funds, however the portion of those costs relating to the Water System has been eliminated as the City of DeWitt transferred ownership of its water system to the Lansing Board of Water & Light during the fiscal year ended June 30, 2000.

The City of DeWitt is a member of the DeWitt Area Recreation Authority, which is a joint venture between the City of DeWitt and DeWitt Charter Township. The Authority was established in 2003 to provide recreation services. The Authority's activities are overseen by a six (6) member board of Directors, with each municipality appointing three (3) members. Each municipality provides annual appropriations to subsidize operations. The current funding formula approved by the Authority requires DeWitt Charter Township and the City of DeWitt to provide approximately 68 and 32 percent, respectively. In 2009 the City contributed \$28,103. A copy of the DeWitt Area Recreation Authority's audited financial statements can be obtained from DeWitt Charter Township's administrative offices.

The DeWitt Area Emergency Services Authority was created in 2001 by a joint venture agreement between the Townships of Olive and Riley and the City of DeWitt. Each municipality appoints two (2) members to the Board. The Fire Chief oversees the day-to-day operations of the Authority. In 2009 the City contributed \$135,437. A copy of the DeWitt Area Emergency Services Authority's audited financial statements can be obtained from the City of DeWitt's administrative offices.

5. Jointly Governed Organizations

The City participates in the following activity which is considered to be a jointly governed organization in relation to the City, due to there being no ongoing financial interest or responsibility:

Under Public Act 24 of 1989, the City of DeWitt, in conjunction with DeWitt Charter Township, created the DeWitt Public Library which is considered a District Library. The DeWitt Public Library board is composed of three (3) members appointed by each municipality. The City has no financial responsibility to the Library.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities (the government-wide statements) present information for the primary government and its component units as a whole. All non-fiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The major funds of the City are:

- a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Building Authority Bonds Fund is used to account for the financial resources that are used to retire the Building Authority Bonds.
- c. The Water and Sewer Fund is used to account for the operations required to provide water and sewer services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

The City maintains fiduciary funds during the year to account for assets held in an agency capacity, however these funds did not have any assets at year-end and therefore have been excluded from this report.

Additionally, the City reports an internal service fund to account for the management of a motor pool provided to other departments of the City on a cost reimbursement basis.

7. Measurement Focus

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide statements are provided that explain the differences in detail.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Measurement Focus - continued

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

There is no measurement focus for agency funds since assets equal liabilities.

8. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and deferred revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary and agency funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Private-sector standards of accounting and financial reporting issued to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

9. Budgets and Budgetary Accounting

The General and Special Revenue Funds' budgets shown as required and other supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. The City Administrator submits to Mayor and City Council the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and resources to finance them.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Budgets and Budgetary Accounting - continued

- b. A Public Hearing is conducted to obtain taxpayers' comments.
- c. Prior to July 1, the budget is legally enacted through passage of resolution.
- d. The budget is legally adopted at the total expenditure level for the General Fund and the Special Revenue Funds; however, they are maintained at the account level for control purposes. Any revisions that alter the total expenditures of any fund must be approved by the City Council.
- e. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

10. Cash, Cash Equivalents, and Investments

The City pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and pooled investment accounts. Cash equivalents consist of temporary investments in mutual funds and certificates of deposit with original maturities of 90 days or less.

Investments include certificates of deposit with original maturities of greater than 90 days from the date of purchase. All certificates of deposit are stated at cost, which approximates market value. Investments are stated at cost.

11. Receivables

Receivables consist of amounts due from various individuals and businesses related to charges for services, amounts owed to the City from special assessments, and taxes levied that have not been collected.

12. Capital Assets

PRIMARY GOVERNMENT AND COMPONENT UNIT

Capital assets include land, buildings, machinery and equipment, vehicles, utility systems and infrastructure and are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities and business-type columns. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	10 - 40 years
Machinery and equipment	5 - 20 years
Vehicles	2 - 10 years
Infrastructure	20 - 25 years
Utility systems	25 - 100 years

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

13. Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

14. Compensated Absences

Substantially all City employees are granted vacation hours up to a maximum of 160 hours at the employee's anniversary date. In the event of termination, an employee is paid for accumulated vacation hours up to the maximum.

Substantially all City employees are allowed to accrue sick hours up to a maximum of 480 hours. Fifty percent of unused sick time for the preceding 12 months may be paid on or about December 1 of each year. Employees are not paid for accumulated sick time in the event of termination.

The cost of the accumulated vacation, including related payroll taxes, is recorded entirely in the government-wide financial statements.

15. Accrued Interest Payable

Accrued interest is presented for long-term obligations in the government-wide financial statements.

16. Deferred Revenue

Governmental funds report deferred revenues in connection with receivables for revenue that is not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

17. Property Tax

The City of DeWitt bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the City of DeWitt on July 1 and December 1 and are payable without penalty through September 30 and February 14, respectively. The July 1 levy is composed of the City's millage, County's millage, ½ of the DeWitt Public School's millage, Lansing Community College's millage, Clinton County RESA's millage, special assessments, and school taxes. The December 1 levy is composed of ½ DeWitt Public School's millage, Clinton Area Transit's millage and DeWitt Public library's millage. All real property taxes not paid to the City by March 1 are turned over to the Clinton County Treasurer for collection. The Clinton County Treasurer remits pay-off payments to all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable are retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Current Tax Collection Agency Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

17. Property Tax - continued

The City is permitted by ordinance to levy taxes up to 17.2113 mills (\$17.2113 per \$1,000 of taxable valuation) for general governmental services. For the year ended June 30, 2009, the City levied 13.0000 mills per \$1,000 of taxable valuation for general governmental services. The total taxable value for the 2008 levy for the property within the City was \$149,508,487.

18. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers.

The Internal Service Fund (Motor Pool) records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

19. Comparative Data

Comparative data has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City deposits consist of a common checking account and various savings accounts, checking accounts, pooled investment accounts, and certificates of deposit maintained by individual funds and are reported as cash and cash equivalents and investments on the basic financial statements.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State of the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible be a depository of surplus funds belong to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

The United States Congress has temporarily increased Federal Deposit Insurance Corporation (FDIC) deposit insurance from \$100,000 to \$250,000 per depositor through December 31, 2013. FDIC regulations provide that deposits of governmental units are to be separately insured for the amount of \$250,000 for deposits in an insured bank for interest-bearing savings deposits and \$250,000 for interest-bearing demand deposits. FDIC insurance coverage through its Transaction Account Insured Program provides unlimited insurance on non-interest bearing transaction accounts and low-interest bearing (i.e., no higher than 0.50 percent) NOW account, this program is scheduled to end December 31, 2009. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$250,000. For the purpose of these rules, the term "savings deposits" includes NOW accounts, money market deposit accounts, and other interest-bearing checking accounts.

Deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2009, the carrying amounts of the City's deposits were \$3,250,787 and the bank balance was \$3,307,951, of which \$3,276,672 was covered by federal depository insurance. The balance of \$31,279 was uninsured and uncollateralized. The City had \$1,275 of imprest cash on hand.

Investments

As of June 30, 2009, the City had the following investments:

<u>INVESTMENT TYPE</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Weighted Average Maturity</u>
Uncategorized pooled investment funds			
Government Cash Management Fund	\$ 50,966	\$ 50,996	N/A
MBIA - Michigan Class	<u>60,450</u>	<u>60,450</u>	N/A
	<u>\$ 111,416</u>	<u>\$ 111,416</u>	

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The City's investments in MBIA - Michigan Class was rated AAA by Fitch and AAAM by Standard and Poor's and the Government Cash Management Fund was not rated.

Interest rate risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the City's cash requirements.

Concentration of credit risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

Custodial credit risk

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Council and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business in accordance with Council approved policy.

The cash, cash equivalents, and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the basic financial statements, based on criteria disclosed in Note A. The following summarizes the categorization of these amounts as of June 30, 2009.

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 808,904	\$ 318,491	\$ 1,127,395
Investments	<u>2,236,083</u>	<u>-</u>	<u>2,236,083</u>
	<u>\$ 3,044,987</u>	<u>\$ 318,491</u>	<u>\$ 3,363,478</u>

NOTE C: ADVANCES RECEIVABLE AND PAYABLE

The following schedule details advances receivable and payable between funds of the primary government at June 30, 2009:

Advance from Water and Sewer Fund to:	
General Fund	<u>\$ 81,903</u>

The advance to the Water and Sewer Fund was made for the purpose of financing construction.

NOTE D: INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfer to Building Authority Bonds Fund from:	
General Fund	<u>\$ 89,940</u>
Transfers to nonmajor governmental fund from:	
General Fund	<u>\$ 200,000</u>

The transfers to the Building Authority and the nonmajor governmental fund from the General Fund were to cover general operating expenses.

City of DeWitt

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE E: CAPITAL ASSETS

Primary Government

	<u>Balance July 1, 2008</u>	<u>Additions/ Reclassifications</u>	<u>Deletions/ Reclassifications</u>	<u>Balance June 30, 2009</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 697,701	\$ -	\$ -	\$ 697,701
Construction in progress	<u>227,772</u>	<u>237,316</u>	<u>(227,772)</u>	<u>237,316</u>
Subtotal	925,473	237,316	(227,772)	935,017
Capital assets being depreciated				
Buildings	1,140,234	-	-	1,140,234
Vehicles	544,468	137,025	(48,000)	633,493
Machinery and equipment	379,005	-	-	379,005
Infrastructure	<u>3,577,003</u>	<u>681,956</u>	<u>-</u>	<u>4,258,959</u>
Total capital assets being depreciated	5,640,710	818,981	(48,000)	6,411,691
Less accumulated depreciation				
Buildings	(427,285)	(28,349)	-	(455,634)
Vehicles	(440,236)	(34,715)	42,300	(432,651)
Machinery and equipment	(355,513)	(6,551)	-	(362,064)
Infrastructure	<u>(868,354)</u>	<u>(159,481)</u>	<u>-</u>	<u>(1,027,835)</u>
Total accumulated depreciation	<u>(2,091,388)</u>	<u>(229,096)</u>	<u>42,300</u>	<u>(2,278,184)</u>
Net capital assets being depreciated	<u>3,549,322</u>	<u>589,885</u>	<u>(5,700)</u>	<u>4,133,507</u>
Total Net Capital Assets	<u>\$ 4,474,795</u>	<u>\$ 827,201</u>	<u>\$ (233,472)</u>	<u>\$ 5,068,524</u>

The current depreciation expense of \$229,096 has been adjusted by \$5,700 for the disposal of capital assets during the year, in accordance with GASB Statement No. 34 implementation guide which states that immaterial losses may be handled as an adjustment to the current period's depreciation expense.

Depreciation expense for the governmental activities was charged to the following functions and activities of the primary government:

General government	\$ 53,630
Public safety	7,374
Public works	100,384
Recreation and cultural	<u>73,408</u>

Total Depreciation Expense \$ 234,796

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 40,093	\$ -	\$ -	\$ 40,093

City of DeWitt

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE E: CAPITAL ASSETS - CONTINUED

Primary Government - continued

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Business-type activities - continued				
Capital assets being depreciated				
Buildings	\$ 1,526,994	\$ -	\$ -	\$ 1,526,994
Machinery and equipment	780,798	-	-	780,798
Infrastructure	<u>4,634,003</u>	<u>-</u>	<u>-</u>	<u>4,634,003</u>
Total capital assets being depreciated	6,941,795	-0-	-0-	6,941,795
Less accumulated depreciation				
Buildings	(821,270)	(30,540)	-	(851,810)
Machinery and equipment	(166,772)	(19,595)	-	(186,367)
Infrastructure	<u>(1,884,494)</u>	<u>(100,245)</u>	<u>-</u>	<u>(1,984,739)</u>
Total accumulated depreciation	<u>(2,872,536)</u>	<u>(150,380)</u>	<u>-0-</u>	<u>(3,022,916)</u>
Net capital assets being depreciated	<u>4,069,259</u>	<u>(150,380)</u>	<u>-0-</u>	<u>3,918,879</u>
Total Net Capital Assets	<u>\$ 4,109,352</u>	<u>\$(150,380)</u>	<u>\$ -0-</u>	<u>\$ 3,958,972</u>

NOTE F: LONG-TERM DEBT

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2009.

Primary Government

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
1999 Building Authority Bonds	\$ 415,000	\$ -	\$ 70,000	\$ 345,000	\$ 70,000
2004 Transportation Bonds	360,000	-	50,000	310,000	55,000
Compensated absences	<u>39,871</u>	<u>67,417</u>	<u>66,072</u>	<u>41,216</u>	<u>35,034</u>
TOTAL LONG-TERM DEBT	<u>\$ 814,871</u>	<u>\$ 67,417</u>	<u>\$ 186,072</u>	<u>\$ 696,216</u>	<u>\$ 160,034</u>

Significant details regarding outstanding long-term debt (including current portion) are presented below:

General Obligation Bonds

\$975,000 Building Authority Bonds, Series 1999, dated February 1, 1999, due in annual installments ranging from \$65,000 to \$70,000 through May 1, 2014, with interest ranging from 4.40 to 4.80 percent, payable semi-annually. \$ 345,000

\$450,000 2004 Michigan Transportation Fund Bonds dated December 1, 2004, due in annual installments ranging from \$55,000 to \$70,000 through October 1, 2013, with interest ranging from 2.95 to 3.70 percent, payable semi-annually. 310,000

\$ 655,000

City of DeWitt

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE F: LONG-TERM DEBT - CONTINUED

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused vacation. The dollar amounts of these vested rights have been recorded in the government-wide financial statements. They amount to approximately \$41,216 at June 30, 2009.

Annual Requirements for Bonded Debt and Installment Loans

The annual requirement to pay the debt principal and interest outstanding for the following bonds are as follows:

Primary Government

<u>Year Ending</u> <u>June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 125,000	\$ 25,437
2011	130,000	20,600
2012	130,000	15,501
2013	135,000	10,137
2014	<u>135,000</u>	<u>4,415</u>
	<u>\$ 655,000</u>	<u>\$ 76,090</u>

NOTE G: LONG-TERM LEASE

The Building Authority is a party to a long-term lease agreement for rental of land located behind City Hall, McGuire Park, Riverside Park, Sports Park, and River Trail Park, to the City of DeWitt, Michigan. The lease stipulates that fixed annual rentals will be paid to the Authority by the City of DeWitt, Michigan and such rentals are pledged exclusively for payment of principal and interest on the Building Authority bonds. In addition, the City pledges its unlimited tax, full faith, and credit as security under the lease. Fixed annual rental will cease after all bonds have been retired and advance rentals repaid on May 1, 2014. The lease agreement provides, further, that after all bonds are retired and advance rentals repaid, title to the land and buildings will vest to the City of DeWitt.

The long-term lease has been accounted for as a capital lease in the debt service fund. The net leasehold receivable represents the present value of future minimum lease payments due from the City. Revenue represented by the noncurrent portion of the receivable is deferred until it becomes a current receivable. Future minimum lease payments scheduled to be received by the Authority from the City are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Future Minimum</u> <u>Lease Payments</u>
2010	\$ 85,860
2011	82,780
2012	79,630
2013	76,410
2014	<u>68,120</u>
	392,800
Less: Interest portion	<u>(47,800)</u>
	<u>\$ 345,000</u>

City of DeWitt

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE H: FUND EQUITY RESERVES AND DESIGNATIONS

Reserved fund balances are used to earmark a portion of fund equity to indicate that it is not appropriate for expenditures or has been legally segregated for a specific future use. Designated fund balance indicates that portion of the fund balance which the City has set aside for specific purposes.

The following are the various reserved fund balances as of June 30, 2009:

Building Authority Bonds Fund	
Reserved for debt service	<u>\$ 56,661</u>
Nonmajor governmental funds	
Reserved for cemetery perpetual care	<u>\$ 132,091</u>

The following are the various designated fund balances as of June 30, 2009:

Nonmajor governmental funds	
Designated for subsequent year's expenditures	<u>\$ 95,300</u>

NOTE I: RESTRICTED NET ASSETS

Restrictions of net assets shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various net asset restrictions as of June 30, 2009:

Governmental activities	
Restricted for debt service	\$ 51,421
Restricted for other purposes	
Cemetery perpetual care	132,091
Drug law enforcement	2,667
Streets	<u>393,624</u>
	<u>\$ 579,803</u>
Business-type activities	
Restricted for SCCMUA operations	<u>\$ 1,080,781</u>

NOTE J: POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note K, the City provides post-employment health care benefits to all of its retired employees who meet eligibility requirements. Currently, the City is paying the health care premium for three (3) retirees. During the year, approximately \$12,992 was paid for post retirement health care.

The Governmental Accounting Standards Board has released Statement No. 45, *Accounting and Reporting by Employers for Post-employment Benefits Other Than Pensions*. The pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" post-employment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the new employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ended June 30, 2010.

City of DeWitt

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE K: RETIREMENT PLAN

Plan Description

The City participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit pension plan that covers all eligible full-time employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the City's competitive bargaining units, and as of the December 31, 2008 valuation required contributions from the City of 17.02% of gross wages for the general government, 16.60% of gross wages for the police union, and 21.52% of gross wages for the Department of Public Services.

Annual Pension Cost

For year ended June 30, 2009 the City's annual pension cost of \$280,044 for the plan was greater than the City's required and actual contribution. The estimated annual required contribution was determined as part of an actuarial valuation at December 31, 2006, using the entry actual age cost method. Actual required contributions are based on actual reported monthly payroll. Significant actuarial assumptions used include (a) an 8.00 percent investment rate of return (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation (c) assumption benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four (4) year period. The unfunded actuarial liability is being amortized as a level percentage of payroll over a period of twenty-eight years.

Three (3) year trend information

	Year Ended December 31,		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
Actuarial value of assets	\$ 1,568,144	\$ 1,772,743	\$ 2,185,084
Actuarial accrued liability (AAL) (entry age)	3,018,640	3,286,399	3,582,242
Unfunded AAL	1,460,221	1,513,565	1,397,158
Funded ratio	52 %	54 %	61 %
Covered payroll	883,385	824,160	827,339
UAAL as a percentage of covered payroll	164 %	184 %	169 %

	Year Ended June 30,		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Annual pension cost	\$ 204,991	\$ 316,005	\$ 280,044
Percentage of APC contributed	100 %	100 %	100 %
Net pension obligation	-	-	-

This trend information was obtained from the MERS actuarial reports as of December 31, 2006, 2007, and 2008.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE L: RISK MANAGEMENT

The City participates in a pool, the Michigan Municipal Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

The City also participates in a State pool, the Michigan Municipal Liability and Property Pool, with other municipalities for property, liability, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

NOTE M: CONTRACTUAL COMMITMENTS

The City has entered into various contracts relating to infrastructure improvements that were not completed at June 30, 2009. The contractual commitments outstanding at June 30, 2009 totaled \$39,266. The City plans to cover these commitments with existing fund equity.

REQUIRED SUPPLEMENTARY INFORMATION

City of DeWitt

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property taxes	\$ 1,871,502	\$ 1,871,700	\$ 1,871,690	\$ (10)
Penalties and interest	5,000	22,900	22,889	(11)
Administration fees	72,350	74,200	74,210	10
Total taxes	1,948,852	1,968,800	1,968,789	(11)
Licenses and permits				
Franchise fees	30,000	28,700	28,744	44
Other permits	1,500	1,500	1,038	(462)
Total licenses and permits	31,500	30,200	29,782	(418)
Intergovernmental				
State				
State shared revenue	382,416	373,800	373,817	17
Access to recreation grant	-	73,000	73,127	127
State liquor license	1,160	1,200	1,175	(25)
Michigan justice training	1,500	1,500	1,484	(16)
Total intergovernmental	385,076	449,500	449,603	103
Charges for services				
Sewer inspections	11,000	11,000	8,758	(2,242)
Refuse service	221,340	199,400	201,388	1,988
Site plan reviews	5,500	600	848	248
Park and recreation fees	5,000	5,000	3,988	(1,012)
Cemetery	21,000	30,000	30,585	585
Other fees	2,000	1,200	1,279	79
Total charges for services	265,840	247,200	246,846	(354)
Fines and forfeits				
Parking	1,500	1,300	1,515	215
Other	450	-	25	25
Total fines and forfeits	1,950	1,300	1,540	240
Interest and rents				
Interest	18,000	29,000	34,321	5,321
Rents	12,000	12,000	13,103	1,103
Total interest and rents	30,000	41,000	47,424	6,424

City of DeWitt

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES - CONTINUED				
Other				
Reimbursements	\$ 150,412	\$ 144,600	\$ 146,785	\$ 2,185
Other	19,000	40,400	40,901	501
Total other	169,412	185,000	187,686	2,686
TOTAL REVENUES	2,832,630	2,923,000	2,931,670	8,670
EXPENDITURES				
Current				
General government				
Legislative				
Salaries	13,400	13,400	12,886	514
Social Security	1,072	1,072	930	142
Sister city	2,500	1,828	1,272	556
Conference and travel	3,500	3,500	3,283	217
Memberships and dues	4,900	4,900	4,923	(23)
Retirement	100,000	100,000	100,000	-0-
Miscellaneous	10,300	10,300	11,333	(1,033)
Total legislative	135,672	135,000	134,627	373
Administrator				
Salaries	169,166	160,250	160,818	(568)
Social security	13,533	13,533	13,028	505
Health/Dental	19,063	9,700	9,528	172
Life insurance	2,700	2,700	2,335	365
Retirement	42,292	37,000	32,038	4,962
MERS healthcare savings plan	4,800	4,800	3,692	1,108
Deferred compensation	13,198	13,198	12,366	832
Equipment rentals	5,356	5,356	5,356	-0-
Conference and travel	3,208	1,708	1,696	12
Memberships and dues	1,024	1,505	127	1,378
Miscellaneous	250	250	1,123	(873)
Total administrator	274,590	250,000	242,107	7,893
Elections				
Salaries	6,851	4,300	4,292	8
Social security	5,330	-	-	-0-
Supplies	562	2,700	2,613	87
Miscellaneous	600	1,000	970	30
Capital outlay	-	1,000	583	417
Total elections	13,343	9,000	8,458	542

City of DeWitt

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES - CONTINUED				
Current - continued				
General government - continued				
Clerk				
Salaries	\$ 61,038	\$ 61,200	\$ 61,576	\$ (376)
Social security	4,883	4,700	4,727	(27)
Health insurance	14,081	14,000	13,237	763
Life insurance	994	1,000	997	3
Retirement	15,260	14,500	14,321	179
Conference and travel	3,150	2,400	1,866	534
Memberships and dues	803	700	638	62
Miscellaneous	-	500	500	-0-
Total clerk	100,209	99,000	97,862	1,138
Treasurer				
Salaries	61,038	66,200	66,668	(468)
Social security	4,883	5,000	4,977	23
Health insurance	14,081	13,500	13,235	265
Life insurance	994	1,194	999	195
Retirement	15,260	15,306	15,427	(121)
Conference and travel	1,350	1,200	786	414
Memberships and dues	505	600	580	20
Total treasurer	98,111	103,000	102,672	328
City Hall and Grounds				
Worker's compensation	16,808	16,900	16,809	91
Unemployment compensation	300	100	125	(25)
Supplies	25,235	21,500	20,449	1,051
Professional services	57,786	45,000	44,455	545
Refuse contract	133,740	121,000	120,587	413
Liability insurance	23,780	16,800	15,859	941
Recycling program	63,100	66,000	65,965	35
Telephone	7,416	4,800	4,763	37
Printing and publishing	12,360	5,960	5,890	70
Utilities	79,000	89,800	89,788	12
Repairs and maintenance	25,235	29,300	28,666	634
Equipment rental	987	1,600	1,589	11
Capital outlay	25,000	38,700	38,632	68
Total city hall and grounds	470,747	457,460	453,577	3,883
Cable Television				
Miscellaneous	550	100	-	100

City of DeWitt

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES - CONTINUED				
Current - continued				
General government - continued				
Tree Commission				
Tree maintenance	\$ 5,525	\$ 6,530	\$ 6,908	\$ (378)
Tree programs	275	275	142	133
Capital outlay	12,250	12,195	11,055	1,140
Total tree commission	18,050	19,000	18,105	895
Assessor				
Assessing services	32,704	34,065	33,692	373
Miscellaneous	3,200	2,935	2,967	(32)
Total assessor	35,904	37,000	36,659	341
Retiree benefits				
Health insurance	16,636	13,000	12,992	8
Total general government	1,163,812	1,122,560	1,107,059	15,501
Public safety				
Police department				
Salaries	420,530	404,400	407,117	(2,717)
Social security	33,642	31,000	31,370	(370)
Health insurance	91,415	88,700	87,879	821
Life insurance	6,819	5,800	6,751	(951)
Retirement	82,003	69,000	67,917	1,083
Deferred compensation	4,500	4,500	4,500	-0-
Uniforms	7,000	7,000	5,792	1,208
Operating supplies	6,500	3,600	3,609	(9)
Detective services	6,500	3,000	3,000	-0-
Liability insurance	13,678	13,200	13,186	14
Telephone	2,060	3,900	3,871	29
Radio	7,000	7,000	6,352	648
Equipment rental	52,530	52,530	52,530	-0-
Conference and travel	450	1,000	966	34
Repairs and maintenance	1,500	500	330	170
Memberships and dues	450	370	308	62
Capital outlay	9,000	-	-	-0-
Police training	2,500	2,500	1,548	952
Miscellaneous	1,801	2,000	1,779	221
Total police department	749,878	700,000	698,805	1,195

City of DeWitt

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES - CONTINUED				
Current - continued				
Public safety - continued				
Fire department				
Professional services	\$ 135,437	\$ 135,437	\$ 135,437	\$ -
Utilities	275	275	262	13
Repairs and maintenance	500	500	429	71
Capital outlay	6,500	6,288	5,825	463
	<hr/>	<hr/>	<hr/>	<hr/>
Total fire department	142,712	142,500	141,953	547
Safety/Training				
Operating supplies	725	400	287	113
Planning commission				
Professional services	45,000	44,000	40,867	3,133
Conference and travel	-	-	195	(195)
Operating supplies	200	-	-	-0-
Miscellaneous	500	-	303	(303)
	<hr/>	<hr/>	<hr/>	<hr/>
Total planning commission	45,700	44,000	41,365	2,635
Total public safety	939,015	886,900	882,410	4,490
Public works				
Salaries	253,365	265,511	266,615	(1,104)
Social security	20,269	20,700	20,780	(80)
Health insurance	43,811	28,889	28,363	526
Life insurance	4,288	4,400	4,338	62
Retirement	65,661	58,900	58,753	147
Deferred compensation	6,260	10,300	10,260	40
Uniforms	4,600	4,200	4,451	(251)
Supplies	9,785	10,500	10,680	(180)
Telephone	3,296	4,100	4,383	(283)
Equipment	15,000	15,000	15,000	-0-
Conference and travel	1,000	100	130	(30)
Utilities	7,350	7,300	7,261	39
Repairs and maintenance	6,500	6,400	2,087	4,313
Membership	100	100	85	15
Miscellaneous	500	2,200	2,193	7
Capital outlay	38,000	1,400	1,301	99
	<hr/>	<hr/>	<hr/>	<hr/>
Total public works	479,785	440,000	436,680	3,320

City of DeWitt

General Fund

BUDGETARY COMPARISON SCHEDULE - CONCLUDED

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES - CONTINUED				
Current - continued				
Recreation and cultural				
Salaries	\$ 3,100	\$ 4,100	\$ 3,805	\$ 295
Social security	248	400	388	12
Insurance	-	7,000	6,975	25
Operating supplies	9,300	9,300	7,822	1,478
Professional services	53,500	68,200	67,295	905
Utilities	5,400	5,400	5,068	332
Repairs and maintenance	8,250	7,850	11,443	(3,593)
Miscellaneous	1,000	1,000	966	34
Capital outlay	127,000	198,750	193,167	5,583
Total recreation and cultural	207,798	302,000	296,929	5,071
Debt service				
Interest and fiscal agent charges	6,000	2,600	4,166	(1,566)
TOTAL EXPENDITURES	2,796,410	2,754,060	2,727,244	26,816
EXCESS OF REVENUES OVER EXPENDITURES				
	36,220	168,940	204,426	35,486
OTHER FINANCING USES				
Transfers out	(289,940)	(289,940)	(289,940)	-0-
NET CHANGE IN FUND BALANCE	(253,720)	(121,000)	(85,514)	35,486
Fund balance, beginning of year	975,164	975,164	975,164	-0-
Fund balance, end of year	<u>\$ 721,444</u>	<u>\$ 854,164</u>	<u>\$ 889,650</u>	<u>\$ 35,486</u>

OTHER SUPPLEMENTARY INFORMATION

City of DeWitt

Nonmajor Governmental Funds

COMBINING BALANCE SHEET

June 30, 2009

	Major Street	Special Local Street	Building Department
ASSETS			
Cash and cash equivalents	\$ 27,724	\$ 21,927	\$ 13,323
Investments	125,000	175,000	-
Special assessment receivable	13,689	22,283	-
Interest receivable	3	4	-
Due from other governmental units - State	30,542	12,664	-
TOTAL ASSETS	\$ 196,958	\$ 231,878	\$ 13,323
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 625	\$ 90	\$ 3,505
Deferred revenue	12,214	22,283	-
TOTAL LIABILITIES	12,839	22,373	3,505
FUND BALANCES			
Reserved for cemetery maintenance	-	-	-
Unreserved			
Designated for subsequent year's expenditures	90,000	-	-
Undesignated, reported in:			
Special revenue funds	94,119	209,505	9,818
Capital projects fund	-	-	-
TOTAL FUND BALANCES	184,119	209,505	9,818
TOTAL LIABILITIES AND FUND BALANCES	\$ 196,958	\$ 231,878	\$ 13,323

	Revenue		Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Public Improvement	Drug Law Enforcement	Special Donations	Building Authority	Cemetery Perpetual Care	
\$ 36,826	\$ 2,667	\$ 14,302	\$ 32	\$ 132,090	\$ 248,891
-	-	-	-	-	300,000
138	-	-	-	-	36,110
-	-	-	-	1	8
-	-	-	-	-	43,206
<u>\$ 36,964</u>	<u>\$ 2,667</u>	<u>\$ 14,302</u>	<u>\$ 32</u>	<u>\$ 132,091</u>	<u>\$ 628,215</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,220
-	-	-	-	-	34,497
-0-	-0-	-0-	-0-	-0-	38,717
-	-	-	-	132,091	132,091
5,000	-	300	-	-	95,300
31,964	2,667	14,002	-	-	362,075
-	-	-	32	-	32
<u>36,964</u>	<u>2,667</u>	<u>14,302</u>	<u>32</u>	<u>132,091</u>	<u>589,498</u>
<u>\$ 36,964</u>	<u>\$ 2,667</u>	<u>\$ 14,302</u>	<u>\$ 32</u>	<u>\$ 132,091</u>	<u>\$ 628,215</u>

City of DeWitt

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2009

	Major Street	Special Local Street	Building Department
REVENUES			
Licenses and permits	\$ -	\$ -	\$ 27,480
Intergovernmental - State	189,159	78,475	-
Charges for services	-	-	-
Interest and rents	2,701	12,175	7
Other			
Special assessments	5,397	3,961	-
Other	-	-	-
	197,257	94,611	27,487
TOTAL REVENUES			
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	35,826
Public works	272,856	399,543	-
Recreation and cultural	-	-	-
Debt service	61,075	-	-
	333,931	399,543	35,826
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(136,674)	(304,932)	(8,339)
OTHER FINANCING SOURCES			
Transfers in	-	200,000	-
	(136,674)	(104,932)	(8,339)
NET CHANGE IN FUND BALANCES			
Fund balances, beginning of year	320,793	314,437	18,157
Fund balances, end of year	\$ 184,119	\$ 209,505	\$ 9,818

	Revenue		Capital Projects	Permanent	Total
Public Improvement	Drug Law Enforcement	Special Donations	Building Authority	Cemetery Perpetual Care	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,480
-	-	-	-	-	267,634
-	-	-	-	6,525	6,525
512	90	114	-	1,404	17,003
960	-	-	-	-	10,318
-	-	26,967	-	-	26,967
1,472	90	27,081	-0-	7,929	355,927
-	-	-	-	950	950
-	-	360	-	-	36,186
-	-	-	-	-	672,399
-	-	26,667	-	-	26,667
-	-	-	-	-	61,075
-0-	-0-	27,027	-0-	950	797,277
1,472	90	54	-0-	6,979	(441,350)
-	-	-	-	-	200,000
1,472	90	54	-0-	6,979	(241,350)
35,492	2,577	14,248	32	125,112	830,848
\$ 36,964	\$ 2,667	\$ 14,302	\$ 32	\$ 132,091	\$ 589,498

City of DeWitt

Local Street Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental - State	\$ 83,000	\$ 76,000	\$ 78,475	\$ 2,475
Interest	5,010	12,000	12,175	175
Other				
Special assessments	4,675	5,000	3,961	(1,039)
Other	325	-	-	-0-
	<u>93,010</u>	<u>93,000</u>	<u>94,611</u>	<u>1,611</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Public works				
Salaries	15,600	21,700	19,470	2,230
Fringe benefits	9,360	14,300	11,682	2,618
Supplies	9,800	12,100	10,667	1,433
Professional services	57,211	26,500	21,512	4,988
Construction	255,000	537,000	307,560	229,440
Equipment rental	18,000	28,275	28,652	(377)
Miscellaneous	125	125	-	125
	<u>365,096</u>	<u>640,000</u>	<u>399,543</u>	<u>240,457</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES (UNDER) EXPENDITURES				
	(272,086)	(547,000)	(304,932)	242,068
OTHER FINANCING SOURCES				
Transfers in	200,000	240,000	200,000	(40,000)
NET CHANGE IN FUND BALANCE				
	(72,086)	(307,000)	(104,932)	202,068
Fund balance, beginning of year	314,437	314,437	314,437	-0-
Fund balance, end of year	<u>\$ 242,351</u>	<u>\$ 7,437</u>	<u>\$ 209,505</u>	<u>\$ 202,068</u>

City of DeWitt

Building Department Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	\$ 37,800	\$ 27,400	\$ 27,480	\$ 80
Interest	600	-	7	7
TOTAL REVENUES	38,400	27,400	27,487	87
EXPENDITURES				
Current				
Public safety				
Salaries	15,000	9,000	5,000	4,000
Fringe benefits	9,000	4,700	9,000	(4,300)
Supplies	1,500	1,600	1,502	98
Professional services	21,000	19,400	19,111	289
Memberships and dues	300	300	300	-0-
Administration costs	500	500	500	-0-
Miscellaneous	250	500	413	87
TOTAL EXPENDITURES	47,550	36,000	35,826	174
NET CHANGE IN FUND BALANCE	(9,150)	(8,600)	(8,339)	261
Fund balance, beginning of year	18,157	18,157	18,157	-0-
Fund balance, end of year	<u>\$ 9,007</u>	<u>\$ 9,557</u>	<u>\$ 9,818</u>	<u>\$ 261</u>

City of DeWitt

Public Improvement Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest	\$ 875	\$ 500	\$ 512	\$ 12
Other				
Special assessments	1,000	700	960	260
Other	500	-	-	-0-
TOTAL REVENUES	2,375	1,200	1,472	272
EXPENDITURES	100	-	-	-0-
NET CHANGE IN FUND BALANCE	2,275	1,200	1,472	272
Fund balance, beginning of year	35,492	35,492	35,492	-0-
Fund balance, end of year	<u>\$ 37,767</u>	<u>\$ 36,692</u>	<u>\$ 36,964</u>	<u>\$ 272</u>

City of DeWitt

Drug Law Enforcement Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest	\$ 100	\$ 100	\$ 90	\$ (10)
EXPENDITURES				
Current				
Public safety				
Forfeitures	20	-	-	-0-
NET CHANGE IN FUND BALANCE	80	100	90	(10)
Fund balance, beginning of year	2,577	2,577	2,577	-0-
Fund balance, end of year	<u>\$ 2,657</u>	<u>\$ 2,677</u>	<u>\$ 2,667</u>	<u>\$ (10)</u>

City of DeWitt

Special Donations Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest	\$ 50	\$ 50	\$ 114	\$ 64
Other Donations	19,745	26,950	26,967	17
TOTAL REVENUES	19,795	27,000	27,081	81
EXPENDITURES				
Current				
Public safety	-	-	360	(360)
Recreational and cultural	1,500	27,200	26,667	533
TOTAL EXPENDITURES	1,500	27,200	27,027	173
NET CHANGE IN FUND BALANCE	18,295	(200)	54	254
Fund balance, beginning of year	14,248	14,248	14,248	-0-
Fund balance, end of year	<u>\$ 32,543</u>	<u>\$ 14,048</u>	<u>\$ 14,302</u>	<u>\$ 254</u>

City of DeWitt

SCHEDULE OF BONDED DEBT OUTSTANDING

June 30, 2009

Limited Tax General Obligation Building Authority - Park Improvement Bonds

Issue: \$ 975,000

Issue date: February 1, 1999

<u>Due Date</u>	<u>Interest Rate</u>	<u>Bonds Maturing</u>	<u>Interest Due</u>	<u>Total Amount Due</u>
5/1/2010	4.40 %	\$ 70,000	\$ 15,860	\$ 85,860
5/1/2011	4.50	70,000	12,780	82,780
5/1/2012	4.60	70,000	9,630	79,630
5/1/2013	4.70	70,000	6,410	76,410
5/1/2014	4.80	65,000	3,120	68,120
		<u>\$ 345,000</u>	<u>\$ 47,800</u>	<u>\$ 392,800</u>

2004 Michigan Transportation Fund Bonds

Issue: \$ 450,000

Issue date: December 1, 2004

<u>Due Date</u>	<u>Interest Rate</u>	<u>Bonds Maturing</u>	<u>Interest Due</u>	<u>Total Amount Due</u>
10/1/2009	2.95 %	\$ 55,000	\$ 9,577	\$ 64,577
10/1/2010	3.15	60,000	7,820	67,820
10/1/2011	3.35	60,000	5,871	65,871
10/1/2012	3.50	65,000	3,727	68,727
10/1/2013	3.70	70,000	1,295	71,295
		<u>\$ 310,000</u>	<u>\$ 28,290</u>	<u>\$ 338,290</u>