



CITIZENS SUMMARY

Findings in the audit of the City of DeWitt

Water Fund Financial Condition	Based on the current water rate structure, the city cannot generate sufficient revenues to cover the costs of operating and maintaining the water system, and the Water Fund cash balance has declined in recent years. The city did not perform an analysis or prepare a statement of costs before implementing a \$5 monthly surcharge for each water account.
Utility Controls and Procedures	The city does not maintain adequate utility account ledgers to document total monthly billings and collections, and outstanding customer account balances. The City Clerk does not maintain an adequate receipt ledger. The city does not maintain a centralized list of customer deposits, and customer deposits are not maintained in a separate fund or bank account.
Accounting Controls and Procedures	The city transferred restricted monies from the Street Fund to the Water Fund to meet the Water Fund's obligations. The city has not adequately segregated the duties of the City Clerk, does not prepare annual budgets for city funds as required by state law, and the City Clerk does not prepare formal bank reconciliations. Not all authorized signatories on the city bank accounts are covered by the city's bond.
Ordinances, Meeting Minutes, and Contracts	City ordinances are not complete, well organized, or up to date. The city did not prepare formal minutes of some Board meetings and did not retain copies of the agenda for some Board meetings. The city did not have or could not locate contracts or agreements between the city and the public water supply district that supplies water to the city, the Water System Consultant, or the City Attorney.
Payroll and Related Issues	The City Clerk did not prepare or submit documentation to the Board to support commission amounts she received as City Collector. The city classified the Meter Reader as an independent contractor without documenting reasons, and the City Clerk incorrectly reported net rather than gross wages as Social Security and Medicare wages on the 2012 W-2 forms.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.