

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY

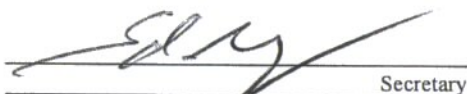
Schedule 1

Name
City of Fertile (Sewer)Address 3494 Eagle Ave - PO Box 161
Fertile IA, 50434

(I) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET BEG 07-01-2011 END 06-30-2012 (3)	For the 07-01-2011 Months Ended 06-30-2012 CURRENT YEAR		
			Actual Data		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
			Current Quarter (4)	Year To Date (5)	
1. Service Fees	60,475	59,000		55,446	3,554
2. Late Fees	3,315	3,994		1,594	2,400
3. A/R	8,169			1,089	-1,089
4. _____					0
5. Miscellaneous					0
6. Less: Allowances and Deductions					0
7. Total Operating Income (Add lines 1 through 6)	71,959	62,994	0	58,129	4,865
<u>OPERATING EXPENSES</u>					
8. Administration	3,396	7,395		5,353	2,042
9. Insurance	198	700		712	-12
10. Maintenance		4,100		4,410	-310
11. Payroll	10,695	13,442		11,451	1,991
12. Supplies		500		20	480
13. Utilities		2,600		2,276	324
14. Other	10,209	2,445		9,063	-6,618
15. Interest	1,683	6,000		9,658	-3,658
16. Depreciation	26,734	15,000		23,000	-8,000
17. Total Operating Expense (Add Lines 8 through 16)	52,915	52,182	0	65,943	-13,761
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	19,044	10,812	0	-7,814	18,626
<u>NONOPERATING INCOME</u>					
19. Interest Earned	610	660		959	-299
20. _____					0
21. Total Nonoperating Income (Add 19 and 20)	610	660	0	959	-299
22. NET INCOME (LOSS) (Add lines 18 and 21)	19,654	11,472	0	-6,855	18,327
23. Equity Beginning of Period	67,863	54,754		87,517	-32,763
24. _____					0
25. _____					0
26. Equity End of Period (Add lines 22 through 25)	87,517	66,226	0	80,662	-14,436

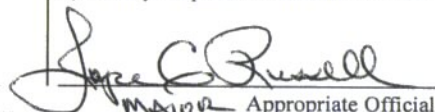
Budget and Annual Report Approved by Governing Body

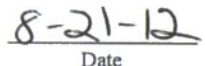
Quarterly Reports Certified Correct


Secretary

08-21-2012

Date


Mayor Appropriate Official


Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 2-1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

SUPPLEMENTAL DATAThe Following Data Should Be Supplied Where ApplicableCircle One1. ALL BORROWERS

a. Are deposited funds in institutions insured by the Federal Government?

☒ Yes ☐ No

b. Are you exempt from Federal Income Tax?

☒ Yes ☐ No

c. Are Local, State and Federal Taxes paid current?

☒ Yes ☐ No

d. Is corporate status in good standing with State?

☒ Yes ☐ Noe. List kinds and amounts of insurance and fidelity bond: Complete Only when submitting annual budget information:Insurance Coverage
and Policy NumberInsurance Company
and AddressAmount of
CoverageExpiration
Date of Policy

Property Insurance

Policy # 500ICAP - Johnston, IA2,000,00004-01-2013

Liability

Policy # 500ICAP - Johnston, IA2,000,00004-01-2013

Fidelity

Policy # 500ICAP - Johnston, IA2,000,00004-01-20132. RECREATION AND GRAZING ASSOCIATION BORROWERS ONLYCurrent QuarterYear to Date

a. Number of Members

3. WATER AND/OR SEWER UTILITY BORROWERS ONLY

a. Water purchased or produced (CU FT - GAL)

gal.16,378,000 gal.

b. Water sold (CU FT - GAL)

gal.7,123,866 gal.

c. Treated waste (CU FT - GAL)

gal.7,123,866 gal.

d. Number of users - water

161

e. Number of users - sewer

1594. OTHER UTILITIES

a. Number of users

b. Product purchased

c. Product sold

5. HEALTH CARE BORROWERS ONLY

a. Number of beds

b. Patient days of care

c. Percentage of occupancy

-2147483648 %-2147483648 %

d. Number of outpatient visits

6. DISTRIBUTION OF ALL CASH AND INVESTMENTS*

Indicate balances in the following accounts:

	<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>	<u>Operation & Maintenance</u>	<u>Reserve</u>	<u>All Others</u>	<u>Grand Total</u>
Cash	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u>40,415</u>	\$ <u>17,880</u>	\$ <u> </u>	\$ <u>58,295</u>
Savings	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
and Investments	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>40,415</u>	\$ <u>17,880</u>	\$ <u>0</u>	\$ <u>58,295</u>

7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	<u>Days</u>				<u>*Total</u>
	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91 and Older</u>	
Dollar Values	\$ <u>6,413</u>	\$ <u>383</u>	\$ <u>186</u>	\$ <u>2,276</u>	\$ <u>9,258</u>
Number of Accounts	<u>163</u>	<u>15</u>	<u>7</u>	<u>8</u>	<u>193</u>

*Totals must agree with those on Balance Sheet.

Form RD 442-3 (Rev. 3-97)	Name City of Fertile (Sewer)	
BALANCE SHEET	Address 3494 Eagle Avenue - PO Box 161 Fertile, IA 50434	

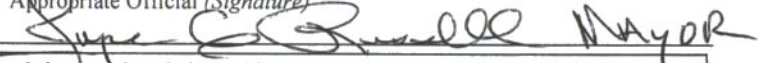
	06-30-2012	06-30-2011
	Month Day Year	Month Day Year
	Current Year	Prior Year
ASSETS		
CURRENT ASSETS		
1. Cash on hand in Banks	\$29,348.31	\$38,157.98
2. Time deposits and short-term investments	\$28,946.61	\$28,081.32
3. Accounts receivable	\$9,258.00	\$8,169.00
4. Less: Allowance for doubtful accounts	()	()
5. Inventories		
6. Prepayments		
7. Transfer out to Water System	\$13,109.00	\$13,109.00
8.		
9. Total Current Assets (Add 1 through 8)	\$80,661.92	\$87,517.30
FIXED ASSETS		
10. Land	\$100,000.00	\$100,000.00
11. Buildings	\$50,000.00	\$50,000.00
12. Furniture and equipment	\$340,000.00	\$340,000.00
13.		
14. Less: Accumulated depreciation	(\$267,000.00)	(\$244,000.00)
15. Net Total Fixed Assets (Add 10 through 14)	\$223,000.00	\$246,000.00
OTHER ASSETS		
16.		
17.		
18. Total Assets (Add 9, 15, 16 and 17)	\$303,661.92	\$333,517.30
LIABILITIES AND EQUITIES		
CURRENT LIABILITIES		
19. Accounts payable		
20. Notes payable		
21. Current portion of USDA note		
22. Customer deposits		
23. Taxes payable		
24. Interest payable		
25.		
26.		
27. Total Current Liabilities (Add 19 through 26)	\$0.00	\$0.00
LONG-TERM LIABILITIES		
28. Notes payable USDA	\$80,000.00	\$95,000.00
29. Notes payable IASRF	\$143,000.00	\$151,000.00
30.		
31. Total Long-Term Liabilities (Add 28 through 30)	\$223,000.00	\$246,000.00
32. Total Liabilities (Add 27 and 31)	\$223,000.00	\$246,000.00
EQUITY		
33. Retained earnings	\$80,661.92	\$87,517.30
34. Memberships		
35. Total Equity (Add lines 33 and 34)	\$80,661.92	\$87,517.30
36. Total Liabilities and Equity (Add lines 32 and 35)	\$303,661.92	\$333,517.30

CERTIFIED CORRECT

Date

08-21-2012

Appropriate Official (Signature)



According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0015. The time required to complete this information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

MANAGEMENT REPORT LETTER

AREA DIRECTOR

Date 8/21/12SUBJECT: Annual Management Report for
City of FertileType Facility Water & Sewer
Fiscal Year Ends June 30th

1. Members of City Council or Officers and Board of Directors:

	<u>Name</u>	<u>Address</u>	<u>Telephone Number</u>	<u>Term Expires</u>
MAYOR/PRESIDENT	<u>Joyce Russell</u>	<u>Fertile, IA</u>	<u>641-797-2121</u>	<u>2014</u>
CITY CLERK/SECRETARY	<u>Eddie May</u>	<u>Fertile, IA</u>	<u>641-797-212</u>	<u>N/A</u>
TREASURER	<u>Eddie May</u>	<u>Fertile, IA</u>	<u>641-797-2121</u>	<u>N/A</u>
COUNCIL/DIRECTORS	<u>Tad Miller</u>	<u>Fertile, IA</u>	<u>641-797-2158</u>	<u>2014</u>
	<u>Jeff Berg</u>	<u>Fertile, IA</u>	<u>641-590-3192</u>	<u>2016</u>
	<u>Pat Renchin</u>	<u>Fertile, IA</u>	<u>641-797-2406</u>	<u>2014</u>
	<u>Penny Miller</u>	<u>Fertile, IA</u>	<u>641-797-2704</u>	<u>2014</u>
	<u>Julie Jessen</u>	<u>Fertile, IA</u>	<u>641-797-2629</u>	<u>2016</u>
Person Responsible For Revenue Account	<u>Eddie May</u>	<u>Fertile, IA</u>	<u>641-797-212</u>	<u>N/A</u>
Contact Person	<u>Eddie May</u>	<u>Fertile, IA</u>	<u>641-797-212</u>	<u>N/A</u>

2. Number of Connections in the service area (Water/Sewer Systems):

RESIDENTIAL	<u>140</u>	NON-RESIDENTIAL	<u>21</u>	TOTAL	<u>161</u>	(Water)
RESIDENTIAL	<u>140</u>	NON-RESIDENTIAL	<u>19</u>	TOTAL	<u>159</u>	(Sewer)

3. Are accounts being maintained in accordance with BOND RESOLUTION, LOAN RESOLUTION (Public Body) or LOAN RESOLUTION SECURITY AGREEMENT? Yes X No If no, attach explanation.4. BIENNIAL REPORT furnished to SECRETARY OF STATE as required? (Nonprofit Corporation only)
Yes No N/A5. CERTIFIED OPERATOR (Water/Sewer Systems): Name Warren Bruns Grade 1
Certificate Number 6. Form RD 442-2, "STATEMENT OF BUDGET, INCOME AND EQUITY," including Schedule 1, pages 1 and 2 for PAST fiscal year is attached (only page 2 needed if CPA Audit, Review or Compilation provided).

7. Form RD 442-3, "BALANCE SHEET," is attached (not needed if CPA Audit, Review or Compilation provided).

8. Current Rate (User Charge) Fee Schedule is attached.

9. Independent Certified Public Accountant Report is attached or Independent Accountant Review (page 2) completed.

10. Iowa Guide 13f, Certification of Insurance is attached.

(07/12/06) SPN ###



 Mayor/President

Rural Development Manager
United States Department of Agriculture Rural Development

Date 8/21/12

SUBJECT: Certification of Insurance for:

City of Fertile

We hereby represent the following list of kinds and amounts of insurance and fidelity bond coverages are currently in effect:

<u>Insurance Coverage and Policy Number</u>	<u>Insurance Company and Address</u>	<u>Amount of Coverage</u>	<u>Expiration Date of Policy</u>
Property* Policy # 500	ICAP – Johnston, IA	\$2,000,000	4/1/13
(Rural Development should be listed as mortgagee on policy when USDA has a lien on the property.)			
General Liability Policy # 500	ICAP – Johnston, IA	\$2,000,000	4/1/13
Fidelity Policy # 500	ICAP – Johnston, IA	\$2,000,000	4/1/13
Vehicle Policy # 500	ICAP – Johnston, IA	\$2,000,000	4/1/13
Workmen's Compensation Policy # 0720-0607	IMWCA– Des Moines, IA	\$1,000,000	7/1/13
Other _____	_____	_____	_____
Policy # _____	_____	_____	_____


Appropriate Official

*Fire and extended coverage will be maintained on all structures and major equipment except for the following items:

1. Reservoirs, standpipes, elevated tanks and other structures built entirely of noncombustible materials if such structures are not normally insured.
2. Subsurface lift stations except for the value of electrical and pumping equipment therein.

City of Fertile

Utility Rates

	2011-2012		2012-2013	
Water Service	\$	22.25	\$	22.25
Water Usage (per 100 gallons)	\$	0.20	\$	0.20
Sewer Service	\$	22.25	\$	22.25
Sewer Usage (per 100 gallons)	\$	0.20	\$	0.20

Notes:

A/R Aging

- 0-30 Current
- 31-60 Late Fees Applied
- 61-90 Account Shut-off
- 91+ Placed on a Lien

Water Produced vs Water Sold:

Only known non-meter usage are water hydrants.

This last year, the City has ordered and installed 100 new meters and readers in an attempt to find the water loss. There are still 5 or 6 houses with old meters, which are in the process of being replaced, and there has been no difference.

City is also inspecting homes looking for any non-compliant hook-ups, and have found a few, but still no significant difference.

City has re-calibrated the water meters on the pumps, with no significant difference.

All known leaks have been fixed within 7 days of finding the leak.

Our next step is to bring in a specialist to find any unknown leaks in the system.

Vulnerability Assessment (VA)
And
Emergency Response Plan (ERP)
Certification

- ☒ The city / county has a current VA and ERP for all water and sewer systems financed with USDA-Rural Development funding
- ☐ The city / county does not have a current VA, but is in the process of beginning
- ☐ A VA has been completed and we are developing an ERP
- ☐ We would like assistance in developing or revising a VA or ERP

Please check the appropriate boxes, sign, date, and return.

Eddie May - City Clerk
Name, title

6/19/12
Date