IMU BOARD OF TRUSTEES OF THE ELECTRIC, WATER AND COMMUNICATIONS UTILITIES

November 25, 2024
5:30 PM
IMU Boardroom
Agenda

1. **Call to Order**
2. **Roll Call**
3. **Public Comment**
4. **Consent Agenda**
   - A. Approval of Claims
   - B. Approval of Minutes of the prior meetings
5. **Electric Utility Informational Items**
6. **Water Utility Action Items**
   - A. Resolution of Termination and Amendment of 28E Agreement with Central Iowa Regional Drinking Water Commission
7. **Water Utility Informational Items**
8. **Communications Utility Informational Items**
9. **Combined Electric, Water and Communications Action Items**
   - A. Resolution Approving Health Insurance Premium Holiday
   - B. Presentation of the FY24 Financial Audit
10. **Combined Electric, Water and Communications Informational Items**
11. **Other Business**
12. **Adjourn**

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: November 25, 2024

Subject: Approval of Claims

Recommendation:

Attachments: 1. 112624 AP Check Preview

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
Account To Be Paid From	**0000-10120-999**									
ACCO UNLIMITED CORP. - VEND-2810 - Check										
11/9/2024	ACCO Liquid Chlorinating Solution	Open Terms	2,269.76	0.00	0.00	2,269.76	2,269.76	0247830-IN	BL-14843	Check
11/12/2024	Chlorine Fittings	Open Terms	18.55	0.00	0.00	18.55	18.55	0247851-IN	BL-14842	Check
						2,288.31	**2,288.31**			
Alex J Funaro - VEND-1141 - BL-14745										
11/6/2024	Credit Refund	Net 30	47.58	0.00	0.00	47.58	47.58	00037490-9	BL-14745	Check
						47.58	**47.58**			
Avesis Third Party Administrators Inc - VEND-1108 - EFT File										
12/1/2024	1124 Vision	Net 30	482.68	0.00	15.00	482.68	482.68	3137801	BL-14798	EFT File
						482.68	**482.68**			
Bally Sports Midwest - VEND-1222 - EFT File										
12/1/2024	1024 Expanded Basic	Net 30	4,724.16	0.00	15.00	4,724.16	4,724.16	23782	BL-14799	EFT File
						4,724.16	**4,724.16**			
Basil Phiri - VEND-1141 - BL-14788										
11/13/2024	Credit Refund	Net 30	7.30	0.00	0.00	7.30	7.30	00000880-4	BL-14788	Check
						7.30	**7.30**			
Bendon Plumbing And Heating - VEND-1357 - Check										
12/6/2024	New RPZ for Polymer Room	Net 30	850.00	0.00	15.00	850.00	850.00	9118	BL-14800	Check
						850.00	**850.00**			
Big Ten Network - VEND-1096 - EFT File										
11/30/2024	1024 BTN - Core Expanded Basic	Net 30	1,996.89	0.00	15.00	1,996.89	1,996.89	Oct 2024	BL-14801	EFT File
						1,996.89	**1,996.89**			
Border States Industries Inc - VEND-1070 - EFT File										
12/5/2024	6 Hole Flood Seals	Net 30	503.11	0.00	15.00	503.11	503.11	929361956	BL-14845	EFT File
12/8/2024	3" PVC Couplings	Net 30	80.76	0.00	15.00	80.76	80.76	929383232	BL-14846	EFT File
12/13/2024	Annual Meter Testing	Net 30	10,460.00	0.00	15.00	10,460.00	10,460.00	929405828	BL-14844	EFT File
						11,043.87	**11,043.87**			
Cedar Falls Utilities - VEND-1045 - Check										
12/5/2024	1124 Transit & Transport	Net 30	9,275.00	0.00	15.00	9,275.00	9,275.00	Nov 24	BL-14802	Check

AP Check Preview

Indianola Municipal Utilities

Wednesday, November 20, 2024
3:04:45 PM

Vendor / Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						9,275.00	**9,275.00**			
CHEMTREAT INC - VEND-8300 - EFT File										
11/14/2024	Polymer	Open Terms	7,356.23	0.00	0.00	7,356.23	7,356.23	CIN010763510	BL-14847	EFT File
						7,356.23	**7,356.23**			
Cintas Corporation - VEND-1007 - EFT File										
12/13/2024	First Aid Supplies - Util Svcs	Net 30	50.70	0.00	15.00	50.70	50.70	5239510503	BL-14803	EFT File
						50.70	**50.70**			
City Of Indianola - VEND-1008 - BL-14867										
12/19/2024	Adobe Pro License	Net 30	134.64	0.00	15.00	134.64	134.64	3411	BL-14867	EFT File
						134.64	**134.64**			
Cologix, Inc - VEND-1440 - EFT File										
12/1/2024	Cross Connect & Shared Rack	Net 30	450.00	0.00	15.00	450.00	450.00	1727027	BL-14848	EFT File
						450.00	**450.00**			
CONTROLLED ASBESTOS INC - VEND-101995 - Check										
11/19/2024	Downtown Plant Asbestos Abatement	Open Terms	23,650.00	0.00	0.00	23,650.00	23,650.00	0010800-IN	BL-14849	Check
						23,650.00	**23,650.00**			
CORE & MAIN - VEND-102636 - Check										
11/5/2024	New PH Probe	Open Terms	1,603.00	0.00	0.00	1,603.00	1,603.00	INV0011439	BL-14808	Check
11/5/2024	Lab Supplies	Open Terms	454.22	0.00	0.00	454.22	454.22	INV0011437	BL-14809	Check
						2,057.22	**2,057.22**			
DES PLANQUES, CHRIS - VEND-101766 - EFT File										
11/19/2024	Reimburse Mileage MEAN Meeting	Open Terms	447.56	0.00	0.00	447.56	447.56	11.18.24	BL-14836	EFT File
11/20/2024	Reimburse Membership Dues	Open Terms	54.00	0.00	0.00	54.00	54.00	903	BL-14835	EFT File
						501.56	**501.56**			
DICKINSON LAW - VEND-101709 - Check										
11/14/2024	1024 Legal Services	Open Terms	144.00	0.00	0.00	144.00	144.00	1160433	BL-14810	Check
						144.00	**144.00**			
Dust Pros Janitorial - VEND-1011 - EFT File										
12/15/2024	1124 Cleaning - Fiber	Net 30	856.00	0.00	15.00	856.00	856.00	3182	BL-14811	EFT File
12/15/2024	Cleaning Supplies - Util Svcs	Net 30	51.90	0.00	15.00	51.90	51.90	3184	BL-14812	EFT File

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
12/15/2024	1124 Cleaning - Util Svcs	Net 30	749.00	0.00	15.00	749.00	749.00	3183	BL-14813	EFT File
12/15/2024	1024 Cleaning - EL	Net 30	856.00	0.00	15.00	856.00	856.00	3180	BL-14850	EFT File
12/15/2024	Cleaning Supplies - EL	Net 30	140.17	0.00	15.00	140.17	140.17	3181	BL-14851	EFT File
						2,653.07	**2,653.07**			
Finley Law Firm, P.C. - VEND-1439 - Check										
12/13/2024	1024 Legal Services - EL	Net 30	680.00	0.00	15.00	680.00	680.00	521548	BL-14839	Check
						680.00	**680.00**			
Gradient9 - VEND-1392 - EFT File										
11/20/2024	1024 Monthly Newsletter/Website	Net 30	2,310.00	0.00	15.00	2,310.00	2,310.00	INV-5129	BL-14815	EFT File
						2,310.00	**2,310.00**			
Hearst Television Inc - VEND-1131 - EFT File										
12/1/2024	1024 KCCI	Net 30	7,241.97	0.00	15.00	7,241.97	7,241.97	587980	BL-14816	EFT File
						7,241.97	**7,241.97**			
HPI, LLC - VEND-1409 - EFT File										
12/18/2024	Turbine 8 Parts	Net 30	5,094.50	0.00	15.00	5,094.50	5,094.50	24-7121-31	BL-14854	EFT File
						5,094.50	**5,094.50**			
Independent Advocate - VEND-1136 - EFT File										
12/5/2024	BOT Meeting/Publication Report 10.28.24	Net 30	234.31	0.00	15.00	234.31	234.31	5836	BL-14817	EFT File
						234.31	**234.31**			
Infomax Office Systems Inc - VEND-1013 - Check										
12/12/2024	1124 Copier Contract	Net 30	765.66	0.00	15.00	765.66	765.66	37880319	BL-14855	Check
						765.66	**765.66**			
Internal Revenue Service - VEND-1307 - Online Payments										
12/8/2024	941 Income Tax Payable - 110824 Payroll	Net 30	32,340.98	0.00	15.00	32,340.98	32,340.98	110824 Payroll	BL-14818	Online Payments
						32,340.98	**32,340.98**			
Iowa Department Of Human Services - VEND-1310 - Online Payments										
12/8/2024	Garnishment Payable - 110824 Payroll	Net 30	723.23	0.00	15.00	723.23	723.23	110824 Payroll	BL-14819	Online Payments
						723.23	**723.23**			
Iowa Department Of Revenue - VEND-1117 - Online Payments										
12/8/2024	IA Income Tax Payable - 110824 Payroll	Net 30	5,087.73	0.00	15.00	5,087.73	5,087.73	110824 Payroll	BL-14820	Online Payments

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						5,087.73	**5,087.73**			
Janna Heater - VEND-1141 - BL-14742										
11/6/2024	Credit Refund	Net 30	106.20	0.00	0.00	106.20	106.20	00042344-3	BL-14742	Check
						106.20	**106.20**			
Joseph Winslow & Haley Kilgore - VEND-1141 - BL-14744										
11/6/2024	Credit Refund	Net 30	21.42	0.00	0.00	21.42	21.42	00047215-7	BL-14744	Check
						21.42	**21.42**			
Karla & Steve Roush - VEND-1141 - BL-14740										
11/6/2024	Credit Refund	Net 30	78.93	0.00	0.00	78.93	78.93	00038145-3	BL-14740	Check
						78.93	**78.93**			
LONGER, CHRIS - VEND-34025 - EFT File										
11/19/2024	Reimburse Mileage IMWCA Training	Open Terms	44.22	0.00	0.00	44.22	44.22	11.18.24	BL-14838	EFT File
						44.22	**44.22**			
Maia Hugen - VEND-1141 - BL-14743										
11/6/2024	Credit Refund	Net 30	31.56	0.00	0.00	31.56	31.56	00041577-2	BL-14743	Check
						31.56	**31.56**			
Marquee Sports Network - VEND-1165 - EFT File										
12/1/2024	1024 Expanded Basic	Net 30	3,115.77	0.00	15.00	3,115.77	3,115.77	Oct 24	BL-14821	EFT File
						3,115.77	**3,115.77**			
MCMASTER-CARR SUPPLY CO - VEND-34108 - EFT File										
11/14/2024	Turbine Fuel Skid Fuses	Open Terms	70.25	0.00	0.00	70.25	70.25	36426809	BL-14852	EFT File
						70.25	**70.25**			
MH EQUIPMENT - VEND-103149 - Check										
8/28/2024	Forklift Service	Open Terms	309.25	0.00	0.00	309.25	309.25	S21026783-1	BL-14856	Check
						309.25	**309.25**			
Microbac Laboratories Inc - VEND-1421 - EFT File										
12/14/2024	Manganese Sample	Net 30	17.50	0.00	15.00	17.50	17.50	NT2411297	BL-14857	EFT File
						17.50	**17.50**			
Mid American Energy Co - VEND-1018 - EFT File										

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
12/8/2024	Gas - 11634 R63 Hwy, W Substation	Net 30	10.00	0.00	15.00	10.00	10.00	559902428	BL-14861	EFT File
12/14/2024	Gas - 111 S Buxton	Net 30	73.18	0.00	15.00	73.18	73.18	560155814	BL-14858	EFT File
12/14/2024	Gas - 1300 E Iowa Ave Bldg A	Net 30	38.56	0.00	15.00	38.56	38.56	560141257	BL-14859	EFT File
12/14/2024	Gas - 1300 E Iowa Ave Bldg B	Net 30	14.54	0.00	15.00	14.54	14.54	560132761	BL-14860	EFT File
12/14/2024	Gas - 210 W 2nd Ave	Net 30	21.06	0.00	15.00	21.06	21.06	560174199	BL-14862	EFT File
						157.34	**157.34**			
Midwest Alarm Services - VEND-1116 - EFT File										
12/8/2024	Annual Fire Alarm & Auto Sprinkler System Ins	Net 30	598.91	0.00	15.00	598.91	598.91	476259	BL-14863	EFT File
12/8/2024	Fire Alarm System Inspection	Net 30	327.67	0.00	15.00	327.67	327.67	476258	BL-14864	EFT File
						926.58	**926.58**			
Mission Square - VEND-1303 - Online Payments										
12/8/2024	457 Payable - 110824 Payroll	Net 30	6,781.54	0.00	15.00	6,781.54	6,781.54	110824 Payroll	BL-14822	Online Payments
						6,781.54	**6,781.54**			
MSC - VEND-1250 - Check										
12/8/2024	Shipping Wrap	Net 30	37.15	0.00	15.00	37.15	37.15	47253299	BL-14865	Check
						37.15	**37.15**			
MUNICIPAL ENERGY AGENCY OF NEBRASKA - VEND-35805 - EFT File										
11/30/2024	Purchased Power - Oct24	Net 30	737,692.37	0.00	15.00	737,692.37	737,692.37	306935	BL-14823	EFT File
						737,692.37	**737,692.37**			
MUNICIPAL SUPPLY INC - VEND-35810 - Check										
11/16/2024	6x15 Repair Clamp	Open Terms	214.79	0.00	0.00	214.79	214.79	0927326-IN	BL-14824	Check
						214.79	**214.79**			
Mutual Of Omaha - VEND-1107 - Check										
12/1/2024	1124 Premiums	Net 30	6,328.26	0.00	15.00	6,328.26	6,328.26	1782440458	BL-14825	Check
						6,328.26	**6,328.26**			
NewCom Technologies, Inc - VEND-1091 - EFT File										
12/7/2024	Project Management/PE Services - Southern N	Net 30	925.00	0.00	15.00	925.00	925.00	51023	BL-14826	EFT File
12/7/2024	FTTH Design - Ashton Park & Prairie Glynn	Net 30	2,960.00	0.00	15.00	2,960.00	2,960.00	51024	BL-14827	EFT File
12/13/2024	Fiber Network Design Southern NOFA	Net 30	3,465.66	0.00	15.00	3,465.66	3,465.66	51028	BL-14828	EFT File
12/13/2024	GIS Analyst & Project Management	Net 30	4,480.00	0.00	15.00	4,480.00	4,480.00	51031	BL-14829	EFT File
						11,830.66	**11,830.66**			

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
Nexstar Broadcasting, Inc - VEND-1092 - EFT File										
12/1/2024	1024 NewsNation	Net 30	404.04	0.00	15.00	404.04	404.04	588835	BL-14830	EFT File
12/1/2024	1024 Nexstar - WHO	Net 30	9,024.87	0.00	15.00	9,024.87	9,024.87	588634	BL-14831	EFT File
						9,428.91	**9,428.91**			
Power & Tel - VEND-1037 - EFT File										
12/4/2024	MICRO BATTERY BACKUP - UPS	Net 30	900.80	0.00	15.00	900.80	900.80	8023641-01	BL-14866	EFT File
12/5/2024	Supplies - Fiber	Net 30	165.06	0.00	15.00	165.06	165.06	8023641-02	BL-14834	EFT File
						1,065.86	**1,065.86**			
Ron Rettig - VEND-1141 - BL-14741										
11/6/2024	Credit Refund	Net 30	18.64	0.00	0.00	18.64	18.64	00053569-7	BL-14741	Check
						18.64	**18.64**			
Secure Shred - VEND-1063 - EFT File										
12/6/2024	Shred Service	Net 30	52.00	0.00	15.00	52.00	52.00	88488	BL-14868	EFT File
						52.00	**52.00**			
SKARSHAUG TESTING LABORATORY INC - VEND-50410 - EFT File										
11/5/2024	Annual PPE Inspection	Open Terms	3,544.79	0.00	0.00	3,544.79	3,544.79	281595	BL-14869	EFT File
						3,544.79	**3,544.79**			
STATE HYGIENIC LABORATORY - VEND-23245 - EFT File										
11/1/2024	Testing	Open Terms	217.50	0.00	0.00	217.50	217.50	289293	BL-14870	EFT File
						217.50	**217.50**			
STERNQUIST CONST. INC. - VEND-50360 - Check										
11/14/2024	Crushed Concrete	Open Terms	196.26	0.00	0.00	196.26	196.26	3651	BL-14872	Check
11/14/2024	Crushed Concrete	Open Terms	604.16	0.00	0.00	604.16	604.16	3653	BL-14873	Check
						800.42	**800.42**			
Teklink - VEND-1262 - EFT File										
12/11/2024	Bore & Drop	Net 30	1,714.00	0.00	15.00	1,714.00	1,714.00	WE 9/29/24 Drop	BL-14874	EFT File
12/11/2024	Bore & Drop	Net 30	4,563.00	0.00	15.00	4,563.00	4,563.00	WE 10/6/24	BL-14875	EFT File
12/11/2024	Bore & Drop	Net 30	2,130.00	0.00	15.00	2,130.00	2,130.00	WE 10/13/24	BL-14876	EFT File
12/11/2024	Bore & Drop	Net 30	1,887.00	0.00	15.00	1,887.00	1,887.00	WE 10/27/24	BL-14877	EFT File
12/13/2024	Bore & Drop	Net 30	3,803.00	0.00	15.00	3,803.00	3,803.00	WE 11/3/24	BL-14878	EFT File
						14,097.00	**14,097.00**			

AP Check Preview

Date Range: All Dates

Indianola Municipal Utilities

Wednesday, November 20, 2024
3:04:45 PM

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
The Extinguisher Company - VEND-1071 - EFT File										
12/14/2024	Annual Fire Extinguisher Inspection - WA	Net 30	158.00	0.00	15.00	158.00	158.00	001375	BL-14879	EFT File
						158.00	**158.00**			
Top Rail Fence Des Moines - VEND-1441 - Check										
12/13/2024	1300 E Iowa Fence Replacement	Net 30	36,900.00	0.00	15.00	36,900.00	36,900.00	I3551325	BL-14889	Check
						36,900.00	**36,900.00**			
Toy Box Construction - VEND-1141 - BL-14832										
11/15/2024	Contractor Reimbursement related to Custome	Net 30	50.00	0.00	0.00	50.00	50.00	00052496-7	BL-14832	Check
						50.00	**50.00**			
Truist Governmental Finance - VEND-1380 - EFT File										
12/6/2024	2022B Interest	Net 30	48,342.01	0.00	15.00	48,342.01	48,342.01	Nov 24	BL-14880	EFT File
						48,342.01	**48,342.01**			
UMB BANK N.A. - VEND-103242 - EFT File										
11/8/2024	2017C Paying Agent Fees	Open Terms	250.00	0.00	0.00	250.00	250.00	992441	BL-14881	EFT File
						250.00	**250.00**			
Vanderpool Plumbing & Heating - VEND-1066 - EFT File										
12/1/2024	Turbine AC/Heating Unit Repair	Net 30	309.77	0.00	15.00	309.77	309.77	7286	BL-14883	EFT File
						309.77	**309.77**			
Warren County Engineer - VEND-1102 - Check										
12/5/2024	1024 Fuel Distribution	Net 30	3,195.52	0.00	15.00	3,195.52	3,195.52	1024 Fuel Distribution	BL-14884	Check
						3,195.52	**3,195.52**			
WARREN COUNTY OIL - VEND-59860 - Check										
10/15/2024	Oil for Black Start Engine	Open Terms	1,013.19	0.00	0.00	1,013.19	1,013.19	0002960	BL-14885	Check
						1,013.19	**1,013.19**			
Warren County Veterans Affairs - VEND-1141 - BL-14746										
11/6/2024	Credit Refund	Net 30	13.92	0.00	0.00	13.92	13.92	00022134-7	BL-14746	Check
						13.92	**13.92**			
Waste Management - VEND-1086 - Check										
12/5/2024	2 yd Dumpster Service - WA	Net 30	152.85	0.00	15.00	152.85	152.85	7141092-0516-7	BL-14886	Check

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						152.85	**152.85**			
WESCO - VEND-60220 - EFT File										
11/13/2024	Rain Gear	Open Terms	23.83	0.00	0.00	23.83	23.83	273227	BL-14887	EFT File
						23.83	**23.83**			
Wiegert Disposal Inc - VEND-1081 - EFT File										
12/6/2024	Oct 24 Pole Yard 20 yd Dumpster/Landfill	Net 30	263.00	0.00	15.00	263.00	263.00	Oct 24	BL-14888	EFT File
						263.00	**263.00**			

Total Payment Count:	**64**	Totals:	**$1,009,852.59**	**$1,009,852.59**
Total Check Count:	**26**	Check Totals:	**$89,037.17**	**$89,037.17**
Total EFT File Count:	**34**	EFT File Totals:	**$875,881.94**	**$875,881.94**
Total Online Payments Count:	**4**	Online Payments Totals:	**$44,933.48**	**$44,933.48**
Total Bank Draft Count:	**0**	Bank Draft Totals:	**$0.00**	**$0.00**
Total No Check Count:	**0**	No Check Totals:	**$0.00**	**$0.00**

INDIANOLA MUNICIPAL UTILITIES

Electric • Communications • Water

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: November 25, 2024

Subject: Approval of Minutes of the prior meetings

Recommendation:

Attachments: 1. 11.12.24 Minutes Publication

IMU BOARD OF TRUSTEES OF THE ELECTRIC,
WATER AND COMMUNICATIONS UTILITIES
November 12, 2024 Minutes

The Indianola Municipal Utilities Board of Trustees met in regular session at 5:30 on November 12, 2024 in the IMU Conference Room. Board Chairperson Deb White called the meeting to order and on roll call the following members were present: Dom Selgrade, Lori Smith, Mike Rozga, Deb White and Adam Voigts: There was no public comment. Voigts moved to approve the Consent Agenda and Selgrade seconded it. Chris Longer presented the September Financial Report and board members discussed details with staff. On roll call, the vote was AYES: Selgrade, White, Smith, Rozga and Voigts. NAYS: None. Whereas the motion carried unanimously.
Consent Agenda was as follows:
Approval of Claims
Approval of Minutes of the prior meetings
Resolution 2024-080 Approving the Contract, Bond and Insurance for the 69kV Line Relay Replacement Project
Approval of September Financial Report

Electric Utility Action Items
Rozga moved to approve Resolution 2024-081 to Approve Change Order No. 5 for Turbine 8 Control Replacement Project and Selgrade seconded it. Electric Superintendent shared that this is for the extra expenses incurred while workers were here. On roll call, the vote was AYES: Smith, Voigts, Rozga, White and Selgrade. NAYS: None. Whereas the Chair declared the motion carried unanimously.

Electric Utility Informational Items
Mike Metcalf shared that Petrotech is finishing up Turbine 8 repairs and that Earthworx will be here for the emissions testing on Thursday. The turbine will run Wednesday and Thursday this week and IMU will notify the public on Facebook. The new fencing project is being finished up tonight. Annual meter testing is complete and crews are still working on the square and the Hillcrest and Summercrest projects.

Water Utility Action Items
Rozga moved to approve Resolution 2024-082 Approving Agreement for engineering design and construction services for the E 3rd Water Main Improvement project and Selgrade seconded it. Water Superintendent Justin Brand shared that this probably won’t go to bid until the first of the year and will hopefully use some of the Capital dollars. On Roll Call the vote was AYES: Smith, White, Rozga, Voigts and Selgrade. NAYS: None. Therefore the Chair declared that the motion carried unanimously.

Water Utility Informational Items
Justin Brand shared that there was a water main break on Saturday which has created more concrete work to be done. One hydrant still needs repaired before Winter. He states the Media replacement has an ETA for materials of February and the first of May

is the estimated completion date for filter completion. Two samples for the UCMR5 test for PFAS have been sent and should be back with results by the first of December.

Communications Utility Action Items
Smith moved to consider Resolution 2024-083 Authorizing the Purchase of an Eaton UPS System for the Fiber Department and Voigts seconded it. On Roll Call the vote was AYES: White, Rozga, Selgrade and Smith. Whereas the Chair declared the motion carried unanimously. Fiber Superintended Kurt Ripperger shared that this is to replace battery backup systems purchased in 2018. The original battery packs were not available so the 5-year replacement battery suggestion was not possible.

Communications Utility Informational Items
Kurt Ripperger stated they continue with XGS Pawn testing, and the NOFA 7 South project is expected to completed before the ground freezes. He is hopeful that IMU can begin providing services to residents there this Winter or when the ground thaws in Spring.

Combined Electric, Water and Communications Informational Items
General Manager Chris DesPlanques shared that the Compensation Study final report is expected to be provided by the end of the year and plan to present to the Board at that time. Rescheduling the December 9th meeting to the 16th was decided. Chris stated that the CIPs are expected to be presented at the December meeting as well. He also said that the Audits came back good and that he will be in Nebraska at MEAN discussing budget and rates.

Other Business
Selgrade moved to Enter into closed session and Smith seconded it. On roll call, the vote was AYES: Rozga, Voigts, Selgrade, Smith and White. NAYS: None. Whereas the Chair declared the motion carried unanimously. Rozga motioned to exit closed session at 6:27 PM and Selgrade seconded it. On roll call, the vote was AYES: Smith, White, Rozga, Voigts and Selgrade. NAYS: None. Whereas the Chair declared the motion carried unanimously. Rozga moved to Adjourn at 6:27 PM and Selgrade seconded it. Question was called for and on voice vote, the motion carried unanimously.

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: November 25, 2024

Subject: Resolution of Termination and Amendment of 28E Agreement with Central Iowa Regional Drinking Water Commission

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Recommendation:

Attachments: 1. CIRDWC Termination Document 9-11-24

ACCEPTANCE AND APPROVAL
OF
TERMINATION OF CENTRAL IOWA REGIONAL DRINKING WATER COMMISSION
AND OF
AMENDMENT TO 28E AGREEMENT TO TERMINATE

The public agency named below hereby approves the Resolutions of Termination and Acceptance as attached hereto ("Resolutions") and hereby approves, accepts, and agrees to the termination of the Central Iowa Regional Drinking Water Commission, and to the amendment of the 28E agreement creating such entity to affect such termination, pursuant to the Resolutions.

Further, the public agency hereby agrees: (i) that this Acceptance and Approval shall be deemed to constitute the vote of the representative of this public agency to the CIRDWC Governing Board to adopt the Resolutions; (ii) that it waives any objection to the adoption of the Resolutions without a meeting of the Governing Board; and (iii) that no further action needs to be taken by the Governing Board to approve the Resolutions.

Dated: _____________, 2024

Name of Public Agency: _________________________

By: ______________________________

Attest: ____________________________

Resolutions of Termination and Amendment

WHEREAS, Central Iowa Regional Drinking Water Commission (“CIRDWC”) is an entity created and existing under Ch. 28E, Iowa Code, pursuant to an “Amended and Restated 28E Agreement” (the “CIRDWC 28E Agreement”) filed with the Iowa Secretary of State as agreement M504123 and formed for the purpose of regional planning and promoting cooperation among drinking water utilities in Central Iowa;

WHEREAS, a new entity, Central Iowa Water Works, has been formed which will, among other things, serve to replace all of the functions of CIRDWC; and

WHEREAS, it is appropriate to terminate the existence of CIRDWC and to distribute its assets as provided in the CIRDWC 28E Agreement.

NOW THEREFOR IT IS HEREBY RESOLVED, that the existence of the Central Iowa Regional Drinking Water Commission shall be terminated effective as of December 31, 2024, or upon the filing of a termination agreement with the Iowa Secretary of State, whichever last occurs (the “Termination Date”), and that the CIRDWC 28E Agreement shall be deemed amended as of such date to effect such termination subject to the contingency that not less than a majority of the Members shall have previously executed and delivered to the Recording Secretary a written acceptance and approval of such termination and amendment.

FURTHER RESOLVED, that upon receipt of written acceptances and agreements of these Resolutions by at least a majority of the Members, the Recording Secretary shall execute a Statement of Termination and Amendment with respect to the CIRDWC 28E Agreement, in the form attached hereto as Exhibit 1 and file it with the Iowa Secretary of State.

FURTHER RESOLVED, that the assets of CIRDWC consist entirely of the sum of $63,705.78 in cash, and that such sum shall be distributed to the Members pro rata in proportion to the annual dues last assessed in 2017 in the particulars as attached hereto as Exhibit 2, and that receipt and deposit of such funds by a Member shall be deemed to constitute the Member’s agreement to the termination of CIRDWC and a waiver of any and all objection thereto.

Exhibit 1

STATEMENT OF TERMINATION AND AMENDMENT

OF

28E AGREEMENT

OF

CENTRAL IOWA REGIONAL DRINKING WATER COMMISSION

Central Iowa Regional Drinking Water Commission ("CIRDWC") is an entity created and existing under Ch. 28E, Iowa Code, pursuant to an "Amended and Restated 28E Agreement" (the "CIRDWC 28E Agreement") filed with the Iowa Secretary of State as agreement M504123.

By authority of a majority of its Members:

1. The existence of CIRDWC shall be, and hereby is, terminated.

2. The CIRDWC 28E Agreement shall be, and hereby is, amended to effect such termination.

3. Such termination and amendment shall be effective as of December 31, 2024, or the date of filing of this Statement with the Iowa Secretary of State whichever last occurs.

4. This statement is executed by the Recording Secretary of CIRDWC pursuant to a Resolution approved by a majority of its Members.

Dated: _________________, 2024

____

Monica Thompson, Board Secretary

Exhibit 2

ALLOCATION OF SHARES OF THE ASSETS
OF
CENTRAL IOWA REGIONAL DRINKING WATER COMMISSION
UPON TERMINATION

Membership Dues 2017-2018	Amount Paid	Date Paid	Date Deposited	Pro Rata %	Amount to be Distributed
Altoona	$158.00	8/10/2017	8/17/2017	3.89%	$ 2,475.23
Ankeny	$300.00	8/13/2018	8/29/2018	7.38%	$ 4,699.80
Bondurant	$120.00	8/10/2017	8/17/2017	2.95%	$ 1,879.92
Carlisle	$115.00	8/22/2017	8/22/2017	2.83%	$ 1,801.59
Clive	$158.00	8/14/2017	8/17/2017	3.89%	$ 2,475.23
Cumming	$101.50	8/18/2017	8/22/2017	2.50%	$ 1,590.10
Johnston	$168.00	8/24/2017	9/5/2017	4.13%	$ 2,631.89
Mitchellville	$106.00	8/14/2017	8/17/2017	2.61%	$ 1,660.60
New Virginia	Converted to non-voting, non dues paying member			0.00%	$ -
Norwalk	$136.00	8/9/2017	8/17/2017	3.34%	$ 2,130.58
Pleasant Hill	$131.00	8/14/2017	8/17/2017	3.22%	$ 2,052.25
Polk City	$117.00	8/17/2017	8/17/2017	2.88%	$ 1,832.92
St. Charles	$103.00	8/17/2017	8/17/2017	2.53%	$ 1,613.60
Waukee	$162.00	8/10/2017	8/17/2017	3.98%	$ 2,537.89
Windsor Heights	$121.00	8/10/2017	8/17/2017	2.98%	$ 1,895.59
Des Moines Water Works	$785.00	8/7/2017	8/7/2017	19.30%	$ 12,297.81
Indianola Municipal Utilities	$155.00	2/9/2018	2/20/2018	3.81%	$ 2,428.23
Polk County	$170.00	8/14/2017	8/17/2017	4.18%	$ 2,663.22
Urbandale Water Utility	$255.00	8/18/2017	8/22/2017	6.27%	$ 3,994.83
Warren Rural Water	$170.00	8/4/2017	8/7/2017	4.18%	$ 2,663.22
West Des Moines Water Works	$340.00	8/28/2017	9/5/2017	8.36%	$ 5,326.44
Xenia Rural Water	$195.00	8/7/2017	8/7/2017	4.80%	$ 3,054.87
Total	**$4,066.50**			100.00%	$ 63,705.78

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: November 25, 2024

Subject: Resolution Approving Health Insurance Premium Holiday

Recommendation:

Attachments: 1. Res 2024-250 approving a health insurance premium holiday

City of Indianola

RESOLUTION NO 2024-250

RESOLUTION APPROVING A HEALTH INSURANCE PREMIUM HOLIDAY

WHEREAS, the Indianola City Council and Indianola Municipal Utilities Board of Trustees met in joint session on March 4, 2024, to discuss health insurance renewals and the health insurance fund; and

WHEREAS, the Council Members and Trustees directed staff to consider a health insurance premium holiday for participating employees; and

WHEREAS, after a review of the health insurance fund, staff is recommending designating December 2024 as a one-time health insurance premium holiday for employee and employer contributions to the health insurance fund; and

WHEREAS, health insurance premiums for the month of December 2024 will be paid from Fund 820.

NOW THEREFORE, BE IT RESOLVED by the Indianola Board of Trustees that:

1. December 2024 is hereby approved as a one-time health insurance premium holiday for employee and employer contributions;
2. Staff is authorized to execute the resolution when issuing payroll checks in the month of December 2024;
3. City and IMU health insurance premiums will be paid from Fund 820 for the month of December 2024.

Approved this 25th day of November 2024.

____

Deb White, Chairperson

ATTEST:

____

Monica Thompson, Board Secretary

INDIANOLA MUNICIPAL UTILITIES
Electric • Communications • Water

MEMORANDUM

To: IMU Board of Trustees of the Electric, Water and Communications Utilities

From:

Date: November 25, 2024

Subject: Presentation of the FY24 Financial Audit

Recommendation:

Attachments:
1. Trustees Presentation - 2024
2. SIGNATUREsas114ltr INDIANOLA MUNICIPAL UTILITIES 2024
3. SIGNATURE2024audit INDIANOLA MUNICIPAL UTILITIES

Financial Audit Presentation

Fiscal year ended June 30, 2024

Data portrayed in the attached presentation was derived from the Utilities' financial statements which were audited by Denman CPA LLP whose report is thereon dated October 17, 2024. The data presented should be read in conjunction with the Utilities' financial statements.

Indianola Municipal Utilities

Financial Statement Presentation Outline

- **Independent Auditor's Report**
- **Summarized June 30, 2024 Financial Performance**
- **Internal Control and Statutory Compliance**
- **Communications With Those Charged With Governance**

DENMAN

Indianola Municipal Utilities

Independent Auditor's Report

- Management's Responsibilities
- Auditor's responsibilities and professional standards
- Unmodified (clean) opinions on the financial statements.

DENMAN

Indianola Municipal Utilities
STATEMENT OF NET POSITION

	2024	2023	Change
Assets & Deferred Outflows			
Cash and investments	**$ 22,389,987**	$ 20,822,623	$ 1,567,364
Capital assets	**52,747,568**	51,747,193	1,000,375
Other assets and deferred outflows	**9,864,911**	9,076,568	788,343
Totals	**85,002,466**	81,646,384	3,356,082
Liabilities and Deferred Inflows			
Current liabilities	**4,186,401**	3,919,762	266,639
Noncurrent liabilities	**16,794,859**	17,818,253	(1,023,394)
Deferred inflows	**234,070**	259,605	(25,535)
Totals	**21,215,330**	21,997,620	(782,290)
Net Position			
Net capital assets	**38,818,376**	37,925,813	892,563
Restricted	**1,392,886**	1,376,580	16,306
Unrestricted	**23,575,874**	20,346,371	3,229,503
Totals	**63,787,136**	59,648,764	4,138,372

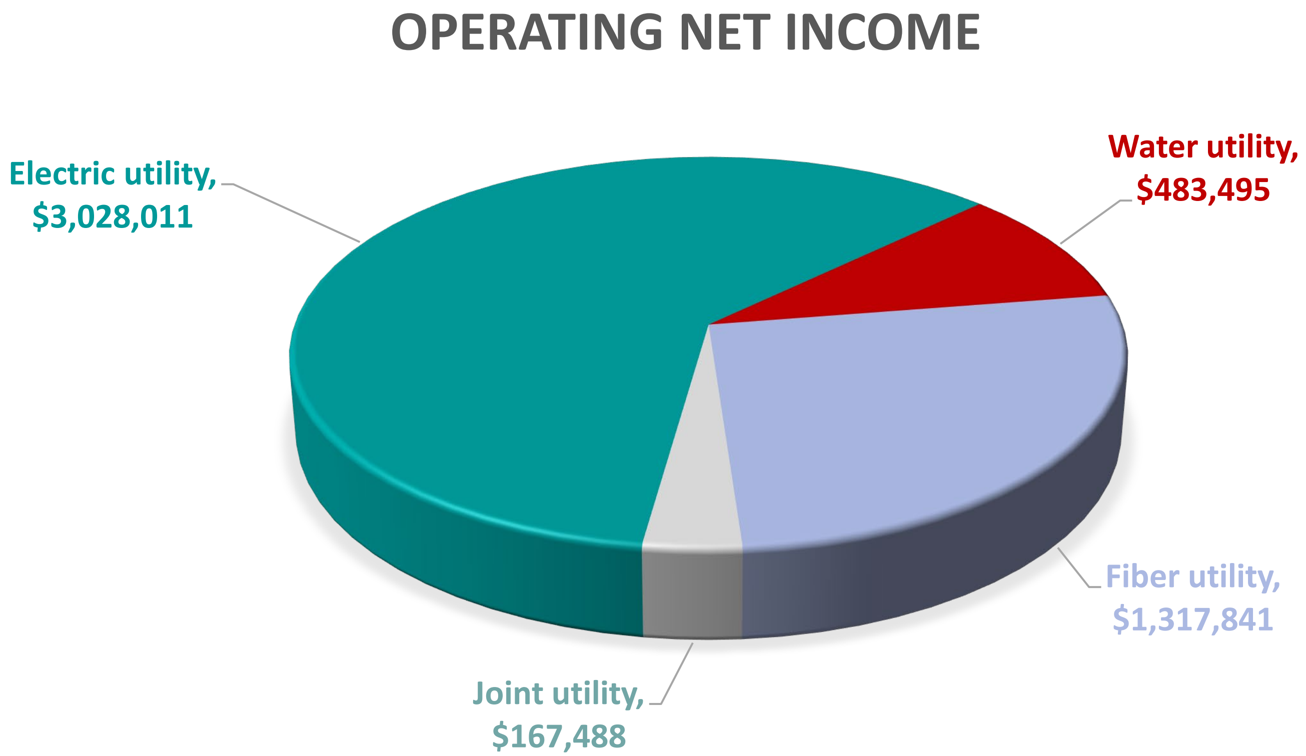
DENMAN

Indianola Municipal Utilities
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2024	2023	Change
Operating revenues			
Utility service	**$ 23,226,552**	$ 23,203,879	$ 22,673
Other	**1,996,983**	2,571,754	(574,771)
Total operating revenues	**25,223,535**	25,775,633	(552,098)
Operating expenses	**22,095,214**	20,778,798	1,316,416
Net operating income	**3,128,321**	4,996,835	(1,868,514)
Nonoperating activity	**1,010,051**	323,422	686,629
Change in net position	**$ 4,138,372**	$ 5,320,257	$ (1,181,885)

DENMAN

Indianola Municipal Utilities



Indianola Municipal Utilities

Footnote Disclosures

Note 4: Long-term Liabilities

The Utilities is reporting long-term liabilities totaling $18.1MM, including 5 general obligation and revenue capital loan notes with payable through 2037.

Note 12: Deficit Balance

IMU's fiber utility reported a deficit fund balance of $1.68MM at June 30, 2024 and $2.53MM as of June 30, 2023.

DENMAN

Indianola Municipal Utilities

Reporting on Internal Control and Compliance

- Reports on Internal Control over Financial Reporting
- Schedule of Findings
- Findings Related to Statutory Reporting

Denman reported one statutory required finding pertaining to the negative fund balance of IMU's fiber utility.

DENMAN

Indianola Municipal Utilities

Required Communications

- No changes to significant accounting policies
- Accounting estimates are a part of all financial statements
- Corrected and uncorrected misstatements
- No disagreements with management
- No known consultations with other accountants
- No issues discussed prior to retention of auditors
- No difficulties encountered in performing the audit

DENMAN

Indianola Municipal Utilities

QUESTIONS

Thank you for the opportunity to serve you.

Board of Trustees
Indianola Municipal Utilities

We have audited the financial statements of Indianola Municipal Utilities for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated August 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Utilities are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Utilities during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the Utilities' financial statements are (1) estimated useful lives of capital assets which determines the amount of depreciation expense recorded each year; (2) the estimate of the total OPEB liability and (3) the estimate of the net pension liability. We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of long-term liabilities in Note 4 to the financial statements which describes the Utilities' debt and other long-term obligations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 17, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Utilities' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Utilities' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis (MD&A), the schedule of the Utilities' proportionate share of the net pension liability, the schedule of changes in the Utilities' total OPEB liability, related ratios and notes, and the schedule of the Utilities' pension contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of Indianola Municipal Utilities and is not intended to be, and should not be, used by anyone other than these specified parties.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
October 17, 2024

Indianola Municipal Utilities
Indianola, Iowa

FINANCIAL REPORT

June 30, 2024 and 2023

TABLE OF CONTENTS

Indianola Municipal Utilities
OFFICIALS

Name	Title	Term Expires
Lori Smith	Chairperson	July 2027
Adam Voigts	Trustee	July 2030
Mike Rozga	Trustee	January 2025
Deb White	Trustee	July 2026
Dom Selgrade	Trustee	July 2028
Chris DesPlanques	General Manager	
Chris Longer	Finance and HR Director	

Denman CPA LLP
1601 22nd Street, Suite #400
West Des Moines, Iowa 50266-1453
www.denman.cpa 515-225-8400

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Indianola Municipal Utilities
Indianola, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Indianola Municipal Utilities (the Utilities), a component unit of the City of Indianola, Iowa, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Utilities' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Indianola Municipal Utilities, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Indianola Municipal Utilities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Indianola Municipal Utilities' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Indianola Municipal Utilities' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indianola Municipal Utilities' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Utilities' proportionate share of the net pension liability, the schedule of Utilities' pension contributions and the schedule of changes in the Utilities' total OPEB liability, related ratios and notes on pages 7 through 10 and 39 through 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Indianola Municipal Utilities' basic financial statements. The accompanying budgetary comparison schedule and schedule of operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule and schedule of operating expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2024, on our consideration of Indianola Municipal Utilities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Indianola Municipal Utilities' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Indianola Municipal Utilities' internal control over financial reporting and compliance.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
October 17, 2024

Indianola Municipal Utilities
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Indianola Municipal Utilities (the Utilities), we offer readers of Utilities' financial statements this narrative overview and analysis of the financial performance for the fiscal years ended June 30, 2024, 2023 and 2022. We encourage readers to consider this information with Indianola Municipal Utilities' financial statements that follow this section.

FINANCIAL HIGHLIGHTS

Year ended June 30, 2024

- Operating revenues decreased by 2.14% to $25,223,535. Decrease was driven by a decrease in Electric other operating revenues.
- Operating expenses increased by 6.34% to $22,095,214 due primarily to an increase in Electric utility operating expenses.
- Unrestricted net position increased by $3,229,503 to $23,575,874.

Year ended June 30, 2023

- Operating revenues increased by 8.77% to $25,775,633. Increase was driven by an increase in Fiber Telecommunication Utility services.
- Operating expenses increased by 2.53% to $20,778,798 due primarily to an increase in Fiber Telecommunication utility operating expenses.
- Unrestricted net position increased by $4,085,757 to $20,346,371.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this management discussion and analysis, the independent auditor's report, and the basic financial statements of the Utilities. The financial statements also include notes that explain in more detail some of the information in the financial statements. Additional supplementary information is also in schedule form and begins after the notes to financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information about the Utilities using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term information about its activities. The Statement of Net Position includes all of the Utilities' assets, deferred outflows, liabilities, and deferred inflows and provides information about types and amounts of investments in resources (assets) and the obligations to the Utilities' creditors (liabilities). It also provides the basis for evaluating the Utilities' liquidity, financial flexibility, and overall financial health of the Utilities.

All of the current year and prior year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. These statements measure the success of the Utilities' operations over the past year and can be used to determine whether the organization has covered all its costs through its utility fees and other charges.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, noncapital financing and capital and related financing activities. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

ANALYSIS OF THE UTILITIES FINANCIAL POSITION

Is the Utilities' financial position as a whole better off or worse off as a result of this year's activities? The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the net position of Indianola Municipal Utilities and the changes in them. The Utilities' net position (the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources) is one way to measure the organization's financial health or financial position. Over time, increases or decreases in the Utilities' net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government regulations.

NET POSITION

To begin our analysis, a summary of the Utilities' Statements of Net Position is presented below

Condensed Statements of Net Position

	2024	2023	Change	% Change	2022
Cash and other current assets	$29,834,800	$27,760,362	$2,074,438	7.47%	$23,021,725
Restricted assets	1,466,441	1,465,153	1,288	0.09%	1,548,443
Lease receivable	199,726	73,905	125,821	170.25%	133,052
Capital assets	52,747,568	51,747,193	1,000,375	1.93%	50,754,198
Total assets	84,248,535	81,046,613	3,201,922	3.95%	75,457,418
Deferred outflows of resources	753,931	599,771	154,160	25.70%	710,614
Current liabilities	4,186,401	3,919,762	266,639	6.80%	3,697,316
Noncurrent liabilities	16,794,859	17,818,253	(1,023,394)	(5.74)%	16,384,070
Total liabilities	20,981,260	21,738,015	(756,755)	(3.48)%	20,081,386
Deferred inflows of resources	234,070	259,605	(25,535)	(9.84)%	1,758,139
Net position					
Net investment in capital assets	38,818,376	37,925,813	892,563	2.35%	36,608,023
Restricted	1,392,886	1,376,580	16,306	1.18%	1,459,870
Unrestricted	23,575,874	20,346,371	3,229,503	15.87%	16,260,614
Total net position	$63,787,136	$59,648,764	$4,138,372	6.94%	$54,328,507

The table above shows that net position increased approximately $4,100,000 in 2024 and approximately $5,300,000 in 2023. The increases were primarily due to net operating income in the electric utility. The largest portion of the Utilities' net position is net investment in capital assets (e.g. land, infrastructure, buildings and equipment), less the related debt. Restricted net position represents resources subject to external restrictions or enabling legislation as to how they may be used. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, was $23,575,874 and $20,346,371 as of June 30, 2024 and 2023, respectively.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	2023	Change	% Change	2022
Operating revenues					
Utility service sales	$23,226,552	$23,203,879	$ 22,673	0.10%	$21,628,155
Other operating revenues	1,996,983	2,571,754	(574,771)	(22.35)%	2,069,881
Total operating revenues	25,223,535	25,775,633	(552,098)	(2.14)%	23,698,036
Operating expenses					
Operating expense	19,125,349	18,064,002	1,061,347	5.88%	17,444,280
Depreciation	2,969,865	2,714,796	255,069	9.40%	2,822,444
Total operating expenses	22,095,214	20,778,798	1,316,416	6.34%	20,266,724
Income from operations	3,128,321	4,996,835	(1,868,514)	(37.39)%	3,431,312
Nonoperating revenues (expenses)	528,429	(262,889)	791,318	(301.01)%	(693,324)
Capital contributions	481,622	586,311	(104,689)	(17.86)%	378,144
Change in net position	4,138,372	5,320,257	(1,181,885)	(22.21)%	3,116,132
Beginning, net position	59,648,764	54,328,507	5,320,257	9.79%	51,212,375
Ending, net position	$63,787,136	$59,648,764	$4,138,372	6.94%	$54,328,507

While the Statements of Net Position show the change in net position, the Statements of Revenues, Expenses, and Changes in Net Position provide answers as to the nature and source of these changes. Operating revenues increased (decreased) (2.14)% and 8.77% in fiscal years 2024 and 2023, respectively, while operating expenses increased 6.34% and 2.53%, respectively. The changes in operating revenues and expenses was driven by decreases in the Utilities' Electric utility other operating revenues and increases in the Electric utilities plant maintenance expense.

INDIVIDUAL MAJOR FUND ANALYSIS

Electric Utility

The Electric Utility experienced a decrease in operating revenues of 4.12% in fiscal year 2024 while operating expenses increased by 6.63%. The net position of the Electric Utility increased by approximately $2.0 million in 2024, compared to approximately $3.4 million in the prior year.

Water Utility

Operating revenues of the Water Utility increased by 9.96% in fiscal year 2024, while operating expenses of the utility increased by 0.97% from the prior year. The net position of the Water Utility increased by approximately $1.3 million in 2024, compared to approximately $980,000 in the prior year.

Fiber Telecommunication Utility

Operating revenues of the Fiber Telecommunication Utility decreased by 2.17% to $5.1 million in the current year, as a result of one-time grant award received in the prior year. Operating expenses increased, 2.94% from the prior year. The Utility reported an increase in net position of approximately $840,000 in 2024, compared to a net increase of approximately $820,000 in the prior year.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Trustees annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on the total of all four utilities as a whole. There were two budget amendments during fiscal year 2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Following is a summary of the Utilities' capital assets, net of accumulated depreciation:

	June 30		
	2024	**2023**	**2022**
Electric Utility	$31,505,235	$31,948,432	$31,879,117
Water Utility	14,210,517	13,763,929	13,470,920
Fiber Telecommunication Utility	6,825,363	5,792,987	5,126,924
Joint Utility	206,453	241,845	277,237
	$52,747,568	$51,747,193	$50,754,198

Capital improvements from 2024 included completion of the downtown streetscape project in the water utility and the fiber optic extension project with Pella, Iowa.

Long-Term Debt

Following is a summary of the Utilities' debt obligations:

	June 30		
	2024	**2023**	**2022**
General obligation bonds	$ 37,000	$ 89,500	$ 140,500
Revenue bonds/notes, net of unamortized premiums	6,946,829	6,980,893	7,013,841
Direct borrowings	9,283,000	10,893,000	10,349,000
Installment contract payable	–	–	114,320
	$16,266,829	$17,963,393	$17,617,661

Two existing debt obligations were refinanced by the Utilities during the fiscal year ended June 30, 2023.

S&P Global Ratings has issued a rating of A- on the Utilities' Series 2017C Electric Revenue Capital Loan Notes.

CONTACTING THE UTILITIES' FINANCIAL MANAGEMENT

This financial report is designed to present users with a general overview of Indianola Municipal Utilities' finances and to demonstrate the Utilities' accountability for the funds generated. If you have questions about the report or need additional financial information, please contact the Finance Department, Indianola Municipal Utilities, 210 W 2nd Avenue, Indianola, Iowa 50125.

Indianola Municipal Utilities
STATEMENTS OF NET POSITION
June 30, 2024

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Total
CURRENT ASSETS					
Cash and investments	$17,398,084	$ 3,902,767	$ 428,619	$ 660,517	$ 22,389,987
Accounts receivable	2,788,583	579,693	115,558	(31,128)	3,452,706
Due from other governments	377,007	169,924	181,648	201,762	930,341
Prepaid expenses and other assets	1,564	1,564	82,918	1,789	87,835
Inventories	2,307,077	413,287	253,567	–	2,973,931
Total current assets	22,872,315	5,067,235	1,062,310	832,940	29,834,800
RESTRICTED ASSETS					
Revenue note and interest sinking funds	1,369,293	–	97,148	–	1,466,441
Total restricted assets	1,369,293	–	97,148	–	1,466,441
LEASE RECEIVABLE	–	199,726	–	–	199,726
CAPITAL ASSETS	66,800,967	28,514,716	10,523,558	353,920	106,193,161
Less accumulated depreciation and amortization	35,295,732	14,304,199	3,698,195	147,467	53,445,593
Net capital assets	31,505,235	14,210,517	6,825,363	206,453	52,747,568
Total assets	55,746,843	19,477,478	7,984,821	1,039,393	84,248,535
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	283,369	127,720	136,531	151,649	699,269
Advanced refunding of debt	54,662	–	–	–	54,662
Total deferred outflows of resources	338,031	127,720	136,531	151,649	753,931
CURRENT LIABILITIES					
Accounts payable	1,052,334	138,104	154,753	9,444	1,354,635
Due to other governments	56,139	8,405	15,407	506,678	586,629
Accrued payroll and employee benefits	164,657	62,725	82,330	82,329	392,041
Accrued interest payable	45,612	75	27,943	–	73,630
Deferred revenue	487,466	–	–	–	487,466
General obligation bonds payable, current	–	37,000	–	–	37,000
Revenue notes payable, current	335,000	–	–	–	335,000
Direct borrowings, current	920,000	–	800,000	–	920,000
Total current liabilities	2,261,208	246,309	1,080,433	598,451	4,186,401
NONCURRENT LIABILITIES					
Revenue notes payable	6,611,829	–	–	–	6,611,829
Direct borrowings	–	–	8,363,000	–	8,363,000
Net pension liability	597,923	269,495	288,089	319,988	1,475,495
Total OPEB liability	139,618	62,928	67,270	74,719	344,535
Total noncurrent liabilities	7,349,370	332,423	8,718,359	394,707	16,794,859
Total liabilities	9,610,578	578,732	9,798,792	993,158	20,981,260
DEFERRED INFLOWS OF RESOURCES					
Pension related	13,907	6,268	6,701	7,443	34,319
Leases	–	199,751	–	–	199,751
Total deferred inflows of resources	13,907	206,019	6,701	7,443	234,070
NET POSITION					
Net investment in capital assets	24,438,406	14,173,517	–	206,453	38,818,376
Restricted					
Debt service	1,323,681	–	69,205	–	1,392,886
Unrestricted	20,698,302	4,646,930	(1,753,346)	(16,012)	23,575,874
Total net position	$46,460,389	$18,820,447	$ (1,684,141)	$ 190,441	$63,787,136

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF NET POSITION (continued)
June 30, 2023

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Total
CURRENT ASSETS					
Cash and investments	$15,500,492	$ 3,276,816	$ 1,509,003	$ 536,312	$ 20,822,623
Accounts receivable	2,717,317	540,583	119,623	(13,611)	3,363,912
Due from other governments	392,525	184,918	189,699	213,704	980,846
Prepaid expenses and other assets	1,450	1,450	129,075	–	131,975
Inventories	2,050,920	132,750	277,336	–	2,461,006
Total current assets	20,662,704	4,136,517	2,224,736	736,405	27,760,362
RESTRICTED ASSETS					
Revenue note and interest sinking funds	1,368,865	–	96,288	–	1,465,153
Total restricted assets	1,368,865	–	96,288	–	1,465,153
LEASE RECEIVABLE	–	73,905	–	–	73,905
CAPITAL ASSETS	65,661,283	27,442,089	8,835,085	353,920	102,292,377
Less accumulated depreciation and amortization	33,712,851	13,678,160	3,042,098	112,075	50,545,184
Net capital assets	31,948,432	13,763,929	5,792,987	241,845	51,747,193
Total assets	53,980,001	17,974,351	8,114,011	978,250	81,046,613
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	196,272	92,464	94,854	106,857	490,447
Advanced refunding of debt	109,324	–	–	–	109,324
Total deferred outflows of resources	305,596	92,464	94,854	106,857	599,771
CURRENT LIABILITIES					
Accounts payable	920,491	23,726	350,966	583	1,295,766
Due to other governments	58,740	7,670	16,684	433,660	516,754
Accrued payroll and employee benefits	149,409	64,033	71,147	71,147	355,736
Accrued interest payable	56,233	433	32,340	–	89,006
General obligation bonds payable, current	–	52,500	–	–	52,500
Direct borrowings, current	838,000	–	772,000	–	1,610,000
Total current liabilities	2,022,873	148,362	1,243,137	505,390	3,919,762
NONCURRENT LIABILITIES					
General obligation bonds payable	–	37,000	–	–	37,000
Revenue notes payable	6,980,893	–	–	–	6,980,893
Direct borrowings	120,000	–	9,163,000	–	9,283,000
Net pension liability	480,857	226,531	232,388	261,795	1,201,571
Total OPEB liability	129,025	60,419	61,087	65,258	315,789
Total noncurrent liabilities	7,710,775	323,950	9,456,475	327,053	17,818,253
Total liabilities	9,733,648	472,312	10,699,612	832,443	21,738,015
DEFERRED INFLOWS OF RESOURCES					
Pension related	74,187	34,949	35,853	40,390	185,379
Leases	–	74,226	–	–	74,226
Total deferred inflows of resources	74,187	109,175	35,853	40,390	259,605
NET POSITION					
Net investment in capital assets	24,009,539	13,674,429	–	241,845	37,925,813
Restricted					
Debt service	1,312,632	–	63,948	–	1,376,580
Unrestricted	19,155,591	3,810,899	(2,590,548)	(29,571)	20,346,371
Total net position	$44,477,762	$17,485,328	$ (2,526,600)	$ 212,274	$ 59,648,764

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended June 30, 2024

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Eliminations	Total
OPERATING REVENUES						
Utility service sales	$15,276,340	$ 3,033,918	$ 4,916,294	$ –	$ –	$23,226,552
Capacity contract fees	839,601	–	–	–	–	839,601
Transmission revenue	498,952	–	–	–	–	498,952
Connection fees	73,955	17,205	–	–	–	91,160
Telecommunications advertising	–	–	39,485	–	–	39,485
Other charges for service	59,615	101,235	33,255	1,248,462	(1,173,590)	268,977
Rental income	300,000	64,402	101,094	–	(300,000)	165,496
Miscellaneous	82,023	16	6,353	4,920	–	93,312
Total operating revenues	17,130,486	3,216,776	5,096,481	1,253,382	(1,473,590)	25,223,535
OPERATING EXPENSES						
Plant operations and programming	90,855	725,815	2,786,882	–	(300,000)	3,303,552
Plant maintenance	1,071,254	47,576	–	–	–	1,118,830
Purchased energy	9,697,772	–	–	–	–	9,697,772
Depreciation	1,652,337	626,039	656,097	35,392	–	2,969,865
Distribution operation	240,458	439,170	–	–	–	679,628
Distribution maintenance	1,330,055	–	–	–	–	1,330,055
Transmission operation and maintenance	8,984	–	–	–	–	8,984
Meter reading	46,393	45,961	–	–	–	92,354
Administrative and general	1,683,966	581,186	562,789	1,239,823	(1,173,590)	2,894,174
Total operating expenses	15,822,074	2,465,747	4,005,768	1,275,215	(1,473,590)	22,095,214
Income (loss) from operations	1,308,412	751,029	1,090,713	(21,833)	–	3,128,321
NONOPERATING REVENUES (EXPENSES)						
Interest on investments	821,438	234,732	140,788	–	–	1,196,958
Gain (loss) on disposal of capital assets	47,476	–	(39,297)	–	–	8,179
Interest expense	(325,221)	(1,742)	(349,745)	–	–	(676,708)
Total nonoperating revenues (expenses)	543,693	232,990	(248,254)	–	–	528,429
Income (loss) before contributions and transfers	1,852,105	984,019	842,459	(21,833)	–	3,656,750
Capital contributions	130,522	351,100	–	–	–	481,622
Change in net position	1,982,627	1,335,119	842,459	(21,833)	–	4,138,372
NET POSITION, beginning of year	44,477,762	17,485,328	(2,526,600)	212,274	–	59,648,764
NET POSITION, end of year	$46,460,389	$18,820,447	$ (1,684,141)	$ 190,441	$ –	$63,787,136

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)
Year ended June 30, 2023

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Eliminations	Total
OPERATING REVENUES						
Utility service sales	$15,588,967	$ 2,756,228	$ 4,858,684	$ –	$ –	$23,203,879
Capacity contract fees	1,201,944	–	–	–	–	1,201,944
Transmission revenue	489,286	–	–	–	–	489,286
Connection fees	68,195	15,635	–	–	–	83,830
Telecommunications advertising	–	–	15,360	–	–	15,360
Other charges for service	110,116	92,998	175,839	1,382,775	(1,311,568)	450,160
Rental income	300,000	59,577	106,502	–	(300,000)	166,079
Miscellaneous	108,432	1,049	52,890	2,724	–	165,095
Total operating revenues	17,866,940	2,925,487	5,209,275	1,385,499	(1,611,568)	25,775,633
OPERATING EXPENSES						
Plant operations and programming	47,343	653,253	2,764,087	–	(300,000)	3,164,683
Plant maintenance	414,541	44,146	–	–	–	458,687
Purchased energy	9,638,506	–	–	–	–	9,638,506
Depreciation	1,543,073	588,936	547,395	35,392	–	2,714,796
Distribution operation	242,477	518,676	–	–	–	761,153
Distribution maintenance	1,214,216	–	–	–	–	1,214,216
Transmission operation and maintenance	26,326	–	–	–	–	26,326
Meter reading	57,980	54,852	–	–	–	112,832
Administrative and general	1,654,467	582,129	579,952	1,182,619	(1,311,568)	2,687,599
Total operating expenses	14,838,929	2,441,992	3,891,434	1,218,011	(1,611,568)	20,778,798
Income from operations	3,028,011	483,495	1,317,841	167,488	–	4,996,835
NONOPERATING REVENUES (EXPENSES)						
Interest on investments	511,020	108,055	115,583	–	–	734,658
Bond issuance costs	–	–	(237,037)	–	–	(237,037)
Loss on disposal of capital assets	–	(1,452)	–	–	–	(1,452)
Interest expense	(375,752)	(3,200)	(380,106)	–	–	(759,058)
Total nonoperating revenues (expenses)	135,268	103,403	(501,560)	–	–	(262,889)
Income before contributions and transfers	3,163,279	586,898	816,281	167,488	–	4,733,946
Capital contributions	189,361	396,950	–	–	–	586,311
Change in net position	3,352,640	983,848	816,281	167,488	–	5,320,257
NET POSITION, beginning of year	41,125,122	16,501,480	(3,342,881)	44,786	–	54,328,507
NET POSITION, end of year	$44,477,762	$17,485,328	$ (2,526,600)	$ 212,274	$ –	$59,648,764

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF CASH FLOWS
Year ended June 30, 2024

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$17,246,686	$ 3,113,264	$ 4,999,452	$ 170,327	$25,529,729
Cash received from short-term rental activities	300,000	–	101,094	–	401,094
Cash paid to suppliers for goods and services	(12,091,576)	(775,992)	(2,404,670)	(344,364)	(15,616,602)
Cash paid to employees for services	(1,594,796)	(752,890)	(790,627)	(875,348)	(4,013,661)
Cash received (paid) for interfund utility services	(544,684)	(357,257)	(271,649)	1,173,590	–
Net cash flows from operating activities	3,315,630	1,227,125	1,633,600	124,205	6,300,560
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on direct borrowings	(838,000)	–	(772,000)	–	(1,610,000)
Principal payments on general obligation bonds	–	(52,500)	–	–	(52,500)
Interest and other fiscal charges	(369,906)	(2,100)	(354,142)	–	(726,148)
Acquisition of capital assets	(1,078,618)	(845,412)	(1,803,117)	–	(3,727,147)
Cash received on sale of capital assets	47,476	–	75,347	–	122,823
Net cash flows from capital and related financing activities	(2,239,048)	(900,012)	(2,853,912)	–	(5,992,972)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from lease receivable	–	64,106	–	–	64,106
Interest received	821,438	234,732	140,788	–	1,196,958
Net cash flows from investing activities	821,438	298,838	140,788	–	1,261,064
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,898,020	625,951	(1,079,524)	124,205	1,568,652
CASH AND CASH EQUIVALENTS					
Beginning	16,869,357	3,276,816	1,605,291	536,312	22,287,776
Ending	$18,767,377	$ 3,902,767	$ 525,767	$ 660,517	$23,856,428
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 1,308,412	$ 751,029	$ 1,090,713	$ (21,833)	$ 3,128,321
Adjustments to reconcile operating income (loss) to net cash flows from operating activities					
Depreciation expense	1,652,337	626,039	656,097	35,392	2,969,865
Income from lease receivable	–	(64,402)	–	–	(64,402)
Changes in assets, deferred outflows, liabilities and deferred inflows of resources					
Accounts receivable	(71,266)	(39,110)	4,065	17,517	(88,794)
Due from other governments	15,518	14,994	6,774	11,942	49,228
Prepaid expenses	(114)	(114)	46,157	(1,789)	44,140
Inventories	(256,157)	(280,537)	23,769	–	(512,925)
Deferred outflows of resources	(32,435)	(35,256)	(41,677)	(44,792)	(154,160)
Accounts payable	131,843	238,263	(196,213)	8,861	182,754
Due to other governments	(2,601)	735	–	73,018	71,152
Accrued compensation	15,248	(1,308)	11,183	11,182	36,305
Deferred revenue	487,466	–	–	–	487,466
Net pension liability	117,066	42,964	55,701	58,193	273,924
Total OPEB liability	10,593	2,509	6,183	9,461	28,746
Deferred inflows of resources	(60,280)	(28,681)	(29,152)	(32,947)	(151,060)
Net cash flows from operating activities	$ 3,315,630	$ 1,227,125	$ 1,633,600	$ 124,205	$ 6,300,560

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF CASH FLOWS (continued)
Year ended June 30, 2024

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Total
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT YEAR END TO SPECIFIC ASSETS INCLUDED ON THE STATEMENT OF NET POSITION					
Current assets					
Cash and investments	$17,398,084	$ 3,902,767	$ 428,619	$ 660,517	$22,389,987
Restricted assets – cash and investments					
Revenue note and interest sinking funds	1,369,293	–	97,148	–	1,466,441
	$18,767,377	$ 3,902,767	$ 525,767	$ 660,517	$23,856,428
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions from developers and customers	$ 130,522	$ 351,100	$ –	$ –	$ 481,622

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF CASH FLOWS (continued)
Year ended June 30, 2023

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$17,436,906	$ 2,765,928	$ 5,072,770	$ 90,691	$25,366,295
Cash received from short-term rental activities	300,000	366	106,502	–	406,868
Cash paid to suppliers for goods and services	(11,465,069)	(727,688)	(2,380,057)	(396,163)	(14,968,977)
Cash paid to employees for services	(1,565,476)	(784,783)	(764,941)	(869,902)	(3,985,102)
Cash received (paid) for interfund utility services	(562,186)	(437,288)	(312,094)	1,311,568	–
Net cash flows from operating activities	4,144,175	816,535	1,722,180	136,194	6,819,084
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on direct borrowings	(817,000)	–	(846,000)	–	(1,663,000)
Principal payments on general obligation bonds	–	(51,000)	–	–	(51,000)
Principal payments on installment contracts	–	–	(24,410)	(89,910)	(114,320)
Proceeds from issuance of revenue bonds	–	–	1,969,963	–	1,969,963
Interest and other fiscal charges	(408,700)	(3,200)	(380,106)	–	(792,006)
Acquisition of capital assets	(1,423,027)	(486,447)	(1,213,458)	–	(3,122,932)
Net cash flows from capital and related financing activities	(2,648,727)	(540,647)	(494,011)	(89,910)	(3,773,295)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from lease receivable	–	59,147	–	–	59,147
Interest received	511,020	108,055	115,583	–	734,658
Net cash flows from investing activities	511,020	167,202	115,583	–	793,805
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,006,468	443,090	1,343,752	46,284	3,839,594
CASH AND CASH EQUIVALENTS					
Beginning	14,862,889	2,833,726	261,539	490,028	18,448,182
Ending	$16,869,357	$ 3,276,816	$ 1,605,291	$ 536,312	$22,287,776
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	$ 3,028,011	$ 483,495	$ 1,317,841	$ 167,488	$ 4,996,835
Adjustments to reconcile operating income to net cash flows from operating activities					
Depreciation expense	1,543,073	588,936	547,395	35,392	2,714,796
Changes in assets, deferred outflows, liabilities and deferred inflows of resources					
Accounts receivable	(130,034)	(99,982)	(30,003)	8,016	(252,003)
Due from other governments	(57,851)	(22,944)	2,095	(40,691)	(119,391)
Prepaid expenses	(148)	(148)	(78,764)	–	(79,060)
Inventories	(254,691)	(15,624)	(78,300)	–	(348,615)
Deferred outflows of resources	81,729	12,121	10,888	6,105	110,843
Accounts payable	38,967	18,936	102,015	(161)	159,757
Due to other governments	58,740	7,670	–	8,744	75,154
Accrued compensation	(127)	(21,716)	971	12,543	(8,329)
Net pension liability	463,205	218,265	224,031	252,867	1,158,368
Total OPEB liability	(37,072)	(17,361)	(17,553)	(18,751)	(90,737)
Deferred inflows of resources	(589,627)	(335,113)	(278,436)	(295,358)	(1,498,534)
Net cash flows from operating activities	$ 4,144,175	$ 816,535	$ 1,722,180	$ 136,194	$ 6,819,084

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF CASH FLOWS (continued)
Year ended June 30, 2023

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Total
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT YEAR END TO SPECIFIC ASSETS INCLUDED ON THE STATEMENT OF NET POSITION					
Current assets					
Cash and investments	$15,500,492	$3,276,816	$1,509,003	$ 536,312	$20,822,623
Restricted assets – cash and investments					
Revenue note and interest sinking funds	1,368,865	–	96,288	–	1,465,153
	$16,869,357	$3,276,816	$1,605,291	$ 536,312	$22,287,776
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions from developers and customers	$ 189,361	$ 396,950	$ –	$ –	$ 586,311

See Notes to Financial Statements.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Indianola Municipal Utilities (the Utilities) was formed in 1973 and is chartered under Iowa Code Section 388. The Utilities is a component unit of the City of Indianola, Iowa and provides electric, water and fiber telecommunication services to the residents of the City. The Utilities is governed by a five member board of trustees who are appointed by the mayor and approved by City Council, each serving staggering six-year terms.

Reporting Entity

For financial reporting purposes, the Utilities has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The Utilities has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Utilities are such that exclusion would cause the Utilities' financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Utilities to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Utilities. The Utilities has no component units which meet the Governmental Accounting Standards Board criteria.

Measurement Focus and Basis of Accounting

The accounting policies of the Utilities conform to accounting principles generally accepted in the United States of America as applicable to governments. The accounting systems of the Utilities are organized on the basis of funds, each of which is considered an accounting entity having a self-balancing set of accounts for recording its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Utilities has no governmental or fiduciary funds.

The Utilities' accounts are organized as enterprise funds. The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expense, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Utilities distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utilities' principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expense is incurred which can be paid using either restricted or unrestricted resources, the Utilities' policy is generally to first apply the expense toward restricted resources and then to less-restrictive classifications.

Cash and Cash Equivalents

The cash balances of most Utilities funds are pooled and invested. Interest earned is allocated to each fund on the fund's proportionate share of total cash. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Restricted Assets

Certain assets are required to be segregated from other assets due to various bond indenture agreements. These assets are legally restricted for specific purposes such as debt service.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable are recorded at the time the service is billed. Unbilled usage for services consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Due from Other Governments

The Utilities participates in the City of Indianola, Iowa's partially self-funded health insurance plan. To self-fund health care expenditures, the Utilities' makes monthly payments to the City's Internal Service Health Pool Fund. The Utilities share of the Health Pool's fund balance at June 30, 2024 and 2023 was $930,341 and $980,846, respectively.

Inventories

Inventories, which consist of fuel oil and supplies, are stated at the lower of cost (average cost basis) or net realizable value. Inventories are recorded as expenses when consumed rather than when purchased.

Leases

The Utilities is the lessor for certain noncancellable tower leases. The Utilities recognizes a lease receivable and a deferred inflow of resources in the accompanying statements of net position.

At the commencement of a lease, the Utilities initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted at the Utilities’ incremental borrowing rate. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Capital Assets

Capital assets are accounted for at historical cost or estimated historical cost where historical cost is not available. Contributed capital assets are recorded at estimated fair value at the date of contribution. Depreciation and amortization of all exhaustible capital assets is charged as an expense against operations. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method using these asset lives:

Infastructure	10 to 50 years
Transmission system	40 years
Plant and buildings	20 to 50 years
Equipment	5 to 15 years

The cost of repairs and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation and amortization of assets disposed of are deleted, with any gain or loss recorded in current operations.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Utilities employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. The cost of vacation and sick leave accumulations are recorded as liabilities and expenses. The compensated absences liability, included in accrued payroll and employee benefits, has been computed based on rates of pay in effect at June 30th.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability

For purposes of measuring the total OPEB liability, information has been determined based on the Utilities' actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources in the statements of net position consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period and deferred outflows from debt refunding.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the statements of net position consist of the unamortized items related to the Utilities' pension plan and deferred amounts related to leases.

Net Position

Net position is presented in the following three components:

Net investment in Capital Assets

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization and reduced by liabilities that are attributable to the acquisition, construction, or improvement of those assets.

Restricted

This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted

Unrestricted net position has no externally imposed restrictions on use.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Estimates and Assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Budgetary Information

In accordance with the Code of Iowa, the Board of Trustees annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing statutorily prescribed procedures. There were two amendments to the budget in 2024.

NOTE 2 CASH AND INVESTMENTS

The Utilities' deposits in banks are entirely covered by federal depository insurance or the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

Interest Rate Risk

The Utilities' investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, provided that the maturities are consistent with the needs and use of the Utilities.

NOTE 3 CAPITAL ASSETS

During the year ended June 30, 2024, capital asset additions and disposals by type were as follows:

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Electric Utility					
Capital assets not being depreciated					
Land	$ 359,207	$ –	$ –	$ –	$ 359,207
Construction in progress	556,124	252,728	–	(29,220)	779,632
Total capital assets not being depreciated	915,331	252,728	–	(29,220)	1,138,839
Capital assets being depreciated					
Infrastructure	51,203,320	718,697	–	–	51,922,017
Transmission system	4,667,882	86,726	–	29,220	4,783,828
Plant and buildings	4,301,490	18,692	–	–	4,320,182
Equipment	4,573,260	132,297	(69,456)	–	4,636,101
Total capital assets being depreciated	64,745,952	956,412	(69,456)	29,220	65,662,128
Less accumulated depreciation					
Infrastructure	28,818,529	1,186,258	–	–	30,004,787
Transmission system	1,074,603	119,572	–	–	1,194,175
Plant and buildings	1,419,856	77,284	–	–	1,497,140
Equipment	2,399,863	269,223	(69,456)	–	2,599,630
Total accumulated depreciation	33,712,851	1,652,337	(69,456)	–	35,295,732
Total capital assets being depreciated, net	31,033,101	(695,925)	–	29,220	30,366,396
Total capital assets, net	$31,948,432	$ (443,197)	$ –	$ –	$31,505,235
Water Utility					
Capital assets not being depreciated					
Land	$ 227,441	$ –	$ –	$ –	$ 227,441
Construction in progress	462,001	123,885	–	(462,001)	123,885
Total capital assets not being depreciated	689,442	123,885	–	(462,001)	351,326
Capital assets being depreciated					
Infrastructure	18,736,312	924,922	–	462,001	20,123,235
Plant and buildings	7,313,730	–	–	–	7,313,730
Equipment	702,605	23,820	–	–	726,425
Total capital assets being depreciated	26,752,647	948,742	–	462,001	28,163,390
Less accumulated depreciation					
Infrastructure	9,061,101	402,459	–	–	9,463,560
Plant and buildings	4,209,763	183,020	–	–	4,392,783
Equipment	407,296	40,560	–	–	447,856
Total accumulated depreciation	13,678,160	626,039	–	–	14,304,199
Total capital assets being depreciated, net	13,074,487	322,703	–	462,001	13,859,191
Total capital assets, net	$13,763,929	$ 446,588	$ –	$ –	$14,210,517

NOTE 3 CAPITAL ASSETS (continued)

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Fiber Telecommunication Utility					
Capital assets not being depreciated					
Construction in progress	$ 762,361	$ –	$ –	$ (762,361)	$ –
Total capital assets not being depreciated	762,361	–	–	(762,361)	–
Capital assets being depreciated					
Infrastructure	2,656,596	1,547,365	–	762,361	4,966,322
Plant and buildings	1,123,979	10,875	–	–	1,134,854
Equipment	4,292,149	205,580	(75,347)	–	4,422,382
Total capital assets being depreciated	8,072,724	1,763,820	(75,347)	762,361	10,523,558
Less accumulated depreciation					
Infrastructure	562,732	162,094	–	–	724,826
Plant and buildings	148,831	28,236	–	–	177,067
Equipment	2,330,535	465,767	–	–	2,796,302
Total accumulated depreciation	3,042,098	656,097	–	–	3,698,195
Total capital assets being depreciated, net	5,030,626	1,107,723	(75,347)	762,361	6,825,363
Total capital assets, net	$ 5,792,987	$1,107,723	$ (75,347)	$ –	$ 6,825,363
Joint Utility					
Capital assets being depreciated					
Equipment	$ 353,920	$ –	$ –	$ –	$ 353,920
Total capital assets being depreciated	353,920	–	–	–	353,920
Less accumulated depreciation					
Equipment	112,075	35,392	–	–	147,467
Total accumulated depreciation	112,075	35,392	–	–	147,467
Total capital assets being depreciated, net	241,845	(35,392)	–	–	206,453
Total capital assets, net	$ 241,845	$ (35,392)	$ –	$ –	$ 206,453

NOTE 3 CAPITAL ASSETS (continued)

During the year ended June 30, 2023, capital asset additions and disposals by type were as follows:

	Balance July 1, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Electric Utility					
Capital assets not being depreciated					
Land	$ 359,207	$ –	$ –	$ –	$ 359,207
Construction in progress	279,874	276,250	–	–	556,124
Total capital assets not being depreciated	639,081	276,250	–	–	915,331
Capital assets being depreciated					
Infrastructure	50,892,419	310,901	–	–	51,203,320
Transmission system	4,583,746	84,136	–	–	4,667,882
Plant and buildings	4,268,447	33,043	–	–	4,301,490
Equipment	3,665,202	908,058	–	–	4,573,260
Total capital assets being depreciated	63,409,814	1,336,138	–	–	64,745,952
Less accumulated depreciation					
Infrastructure	27,708,639	1,109,890	–	–	28,818,529
Transmission system	961,763	112,840	–	–	1,074,603
Plant and buildings	1,342,245	77,611	–	–	1,419,856
Equipment	2,157,131	242,732	–	–	2,399,863
Total accumulated depreciation	32,169,778	1,543,073	–	–	33,712,851
Total capital assets being depreciated, net	31,240,036	(206,935)	–	–	31,033,101
Total capital assets, net	$31,879,117	$ 69,315	$ –	$ –	$31,948,432
Water Utility					
Capital assets not being depreciated					
Land	$ 227,441	$ –	$ –	$ –	$ 227,441
Construction in progress	222,077	239,924	–	–	462,001
Total capital assets not being depreciated	449,518	239,924	–	–	689,442
Capital assets being depreciated					
Infrastructure	18,128,807	607,505	–	–	18,736,312
Plant and buildings	7,313,730	–	–	–	7,313,730
Equipment	686,341	35,968	(24,899)	5,195	702,605
Total capital assets being depreciated	26,128,878	643,473	(24,899)	5,195	26,752,647
Less accumulated depreciation					
Infrastructure	8,678,656	382,445	–	–	9,061,101
Plant and buildings	4,027,197	182,566	–	–	4,209,763
Equipment	401,623	23,925	(23,447)	5,195	407,296
Total accumulated depreciation	13,107,476	588,936	(23,447)	5,195	13,678,160
Total capital assets being depreciated, net	13,021,402	54,537	(1,452)	–	13,074,487
Total capital assets, net	$13,470,920	$ 294,461	$ (1,452)	$ –	$13,763,929

NOTE 3 CAPITAL ASSETS (continued)

	Balance July 1, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Fiber Telecommunication Utility					
Capital assets not being depreciated					
Construction in progress	$ 67,562	$ 762,361	$ –	$ (67,562)	$ 762,361
Total capital assets not being depreciated	67,562	762,361	–	(67,562)	762,361
Capital assets being depreciated					
Infrastructure	2,326,484	262,550	–	67,562	2,656,596
Plant and buildings	1,123,979	–	–	–	1,123,979
Equipment	4,117,429	188,547	(8,632)	(5,195)	4,292,149
Total capital assets being depreciated	7,567,892	451,097	(8,632)	62,367	8,072,724
Less accumulated depreciation					
Infrastructure	451,444	111,288	–	–	562,732
Plant and buildings	120,733	28,098	–	–	148,831
Equipment	1,936,353	408,009	(8,632)	(5,195)	2,330,535
Total accumulated depreciation	2,508,530	547,395	(8,632)	(5,195)	3,042,098
Total capital assets being depreciated, net	5,059,362	(96,298)	–	67,562	5,030,626
Total capital assets, net	$ 5,126,924	$ 666,063	$ –	$ –	$ 5,792,987
Joint Utility					
Capital assets being depreciated					
Equipment	$ 353,920	$ –	$ –	$ –	$ 353,920
Total capital assets being depreciated	353,920	–	–	–	353,920
Less accumulated depreciation					
Equipment	76,683	35,392	–	–	112,075
Total accumulated depreciation	76,683	35,392	–	–	112,075
Total capital assets being depreciated, net	277,237	(35,392)	–	–	241,845
Total capital assets, net	$ 277,237	$ (35,392)	$ –	$ –	$ 241,845

NOTE 4 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance beginning of year	Increases	Decreases	Balance end of year	Due within one year
General obligation bonds/notes	$ 89,500	$ –	$ 52,500	$ 37,000	$ 37,000
Revenue capital loan notes	6,680,000	–	–	6,680,000	335,000
Direct borrowings	10,893,000	–	1,610,000	9,283,000	920,000
Total OPEB liability	315,789	28,746	–	344,535	–
Net pension liability	1,201,571	273,924	–	1,475,495	–
Unamortized bond premiums	300,893	–	34,064	266,829	–
Totals	$19,480,753	$ 302,670	$1,696,564	$18,086,859	$1,292,000

NOTE 4 LONG-TERM LIABILITIES (continued)

A summary of the changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance beginning of year	Increases	Decreases	Balance end of year	Due within one year
General obligation bonds/notes	$ 140,500	$ –	$ 51,000	$ 89,500	$ 52,500
Revenue capital loan notes	6,680,000	–	–	6,680,000	–
Direct borrowings	10,349,000	10,781,000	10,237,000	10,893,000	1,610,000
Installment contract payable	114,320	–	114,320	–	–
Total OPEB liability	406,526	–	90,737	315,789	–
Net pension liability	43,203	1,158,368	–	1,201,571	–
Unamortized bond premiums	333,841	–	32,948	300,893	–
Totals	$18,067,390	$11,939,368	$10,526,005	$19,480,753	$1,662,500

General Obligation Bonds Payable

In May 2012, the City issued $3,875,000 of General Obligation Bonds, a portion of which was used to finance water main improvements. Although the bonds are a general obligation of the City and the City has authority to levy property taxes to pay the bonds and related interest, as payments come due, it is the intention of the City Council that the payments of $572,700 of the bond principal and related interest be financed by the operations of the Municipal Water Utility. Accordingly, that portion of the bonds are reported as a liability and the interest payments are reported as an expense of the Utilities in these financial statements. The total principal and interest remaining on the bonds as of June 30, 2024 is $37,900.

Revenue Capital Loan Notes

The Utilities has pledged future electric customer revenues, net of specified operating disbursements, to repay $6,680,000 of Electric Revenue Capital Loan Notes. Proceeds from the notes provided financing for infrastructure improvements. The Notes are payable solely from electric customer net revenues and are payable through 2037. The total principal and interest remaining to be paid on the notes is $8,716,750. In 2024, principal and interest paid and total customer net revenues (operating income plus depreciation/amortization expense) were $270,550 and $2,960,749, respectively.

Direct Borrowings

The Utilities has pledged future electric customer revenues, net of specified operating disbursements, to repay $7,241,000 of Electric Revenue Capital Loan Refunding Notes. Proceeds from the notes refunded Electric Capital Loan Notes issued in 2010 and 2011. The Notes are payable solely from electric customer net revenues and are payable through 2025. The total principal and interest remaining to be paid on the notes is $125,652. In 2024, principal and interest paid and total customer net revenues (operating income plus depreciation/amortization expense) were $883,122 and $2,960,749, respectively.

On September 28, 2022, the Utility refinanced Revenues and Refunding Notes 2022A, and 2022B, respectively. These bonds were issued for $10,781,000. The total principal and interest remaining to be paid on the notes is $11,001,216. In 2024, interest paid and total customer net revenue (operating income plus depreciation/amortization expense) were $1,126,412 and $1,746,810, respectively.

NOTE 4 LONG-TERM LIABILITIES (continued)

The resolutions providing for the issuance of the revenue capital loan notes include the following provisions:

a. The notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds.

b. Sufficient monthly transfers shall be made to separate electric and fiber revenue note sinking accounts within the enterprise funds for the purpose of making the note principal and interest payments when due.

c. All funds remaining after payment of all maintenance and operating expenses and the transfers to the restricted accounts noted above can be used to retire any subordinate obligations, to pay for extraordinary repairs and replacements to the electric and Fiber systems, or pay or redeem any notes or bonds, and then can be used for any lawful purpose.

d. The enterprise fund will maintain net revenues of at least 110% of the amount of principal and interest due on the Notes in the same year.

The Utilities was in compliance with these provisions as of June 30, 2024 and 2023.

Installment Contract Payable

The Utilities had entered into an installment contract with a vendor for the purchase and development of a new Utilities operations system. The total amount of the installment contract was $521,600. The installment contract was paid in full in June 2023.

Details of the Utilities' general obligation, revenue capital loan notes and direct borrowings as of June 30, 2024 are as follows:

Issue	Date of issue	Interest rates	Maturity date	Annual payments	Amount of original issue	Outstanding June 30, 2024
Water Utility						
General Obligation 2012B	May 1, 2012	2.40%	June 1, 2025	$ 37,000	$ 572,700	$ 37,000
Electric Utility						
Revenue Refunding Capital Loan Note Series 2015	March 9, 2015	2.60%	May 1, 2025	120,000	7,241,000	120,000
Revenue Capital Loan Note Series 2017C	September 13, 2017	4.00-5.00%	May 1, 2037	335,000 – 645,000	6,680,000	6,680,000
Fiber Telecommunication Utility						
Revenues and Refunding Note Series 2022A	September 28, 2022	3.35%	June 1, 2034	552,000 – 961,000	7,976,000	6,861,000
Revenues and Refunding Note Series 2022B	September 28, 2022	4.20%	June 1, 2032	248,000 – 331,000	2,805,000	2,302,000

NOTE 4 LONG-TERM LIABILITIES (continued)

A summary of the bond/note principal and interest maturities by type of bond/note is as follows:

Year ending	General Obligation			Revenue Capital Loan Notes		
June 30	Principal	Interest	Total	Principal	Interest	Total
2025	$ 37,000	$ 900	$ 37,900	$ 335,000	$ 270,550	$ 605,550
2026	–	–	–	425,000	253,800	678,800
2027	–	–	–	440,000	236,800	676,800
2028	–	–	–	455,000	219,200	674,200
2029	–	–	–	475,000	201,000	676,000
2030-2034	–	–	–	2,680,000	704,000	3,384,000
2035-2037	–	–	–	1,870,000	151,400	2,021,400
	37,000	900	37,900	6,680,000	2,036,750	8,716,750
Plus unamortized premium	–	–	–	266,829	–	266,829
	$ 37,000	$ 900	$ 37,900	$6,946,829	$2,036,750	$8,983,579

Year ending	Direct Borrowings		
June 30	Principal	Interest	Total
2025	$ 920,000	$ 332,180	$1,252,180
2026	829,000	299,620	1,128,620
2027	859,000	267,656	1,126,656
2028	890,000	236,592	1,126,592
2029	922,000	204,388	1,126,388
2030-2034	4,863,000	503,432	5,366,432
	$9,283,000	$1,843,868	$11,126,868

NOTE 5 COMPENSATED ABSENCES

Utilities employees accumulate vacation hours, compensating time off and sick leave for subsequent use. Unused vacation hours and compensating time off are payable upon termination, retirement or death. These amounts are included in accrued payroll and employee benefits on the accompanying statements of net position. Accrued sick leave benefits as of June 30, 2024 and 2023 of approximately $578,000 and $538,000, respectively, are payable only when used and have not been accrued.

NOTE 6 PENSION PLAN

Plan Description

IPERS is a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System. Membership is mandatory for employees of the Utilities, except for those covered by another retirement system. IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

NOTE 6 PENSION PLAN (continued)

Pension Benefits

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

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

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

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

Disability and Death Benefits

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

Contributions

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

In fiscal years 2024 and 2023, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the Utilities contributed 9.44% for a total rate of 15.73%.

The Utilities' contributions to IPERS for the years ended June 30, 2024 and 2023 were $284,143 and $271,227, respectively.

NOTE 6 PENSION PLAN (continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and 2023, the Utilities reported a liability of $1,475,495 and $1,201,571, respectively, for its proportionate share of the net pension liability. The Utilities' net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Utilities' proportion of the net pension liability was based on the Utilities' share of contributions to the pension plan relative to the contributions of all IPERS participating employers. The following table summarizes the change in the Utilities' proportionate share:

	Measurement Date June 30		
	2023	**2022**	**Change**
Utilities' proportionate share	0.032690%	0.031803%	0.000887%
	2022	**2021**	**Change**
Utilities' proportionate share	0.031803%	(0.012514)%	0.044317%

For the years ended June 30, 2024 and 2023, the Utilities recognized pension expense of $198,569 and $46,943, respectively. At June 30, 2024 and 2023, the Utilities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Pension Related Deferred			
	Outflows of Resources		Inflows of Resources	
	2024	**2023**	**2024**	**2023**
Difference between expected and actual experience	$ 124,829	$ 53,248	$ 6,065	$ 16,454
Change in assumptions	–	1,019	23	29
Net difference between projected and actual earnings on pension plan investments	136,649	–	–	128,583
Change in proportion and difference between Utilities contributions and proportionate share of contributions	153,648	164,953	28,231	40,313
Utilities contributions subsequent to the measurement date	284,143	271,227	–	–
Totals	$ 699,269	$ 490,447	$ 34,319	$ 185,379

NOTE 6 PENSION PLAN (continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

$284,143 and $271,227 reported as deferred outflows of resources related to pensions resulting from the Utilities contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2024 and 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2025	$ 15,622
2026	(72,245)
2027	354,385
2028	70,005
2029	13,038
Totals	$ 380,805

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

NOTE 6 PENSION PLAN (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Utilities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Utilities' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Utilities' proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Utilities' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Utilities' proportionate share of the net pension liability			
As of June 30, 2024	$3,137,232	$1,475,495	$ 82,933
As of June 30, 2023	$2,237,956	$1,201,571	$ 287,509

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

NOTE 7 LEASES

The Utilities has entered into two noncallable lease agreements with telecommunication companies for the lease of water tower space. The leases expire in 2025 and 2029, respectively, and have renewal options which may be exercised by the leasee. The Utilities recognized approximately $60,000 in revenue in each of the years ended June 30, 2024 and 2023.

The fiber telecommunication utility leases from the electric utility access to the electric utility's fiber infrastructure on a month-to-month basis. The fiber telecommunication utility paid $300,000 to the electric utility in each of the years ended June 30, 2024 and 2023 under the terms of this lease.

NOTE 8 RISK MANAGEMENT

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

The Utilities is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 803 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, employment practices liability, public officials' liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Utilities' contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The Utilities' contributions to the Pool for the years ended June 30, 2024 and 2023 were $122,263 and $166,220, respectively.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, and public officials' liability risks up to $500,000 per claim. Claims exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Utilities' risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to $500,000 each occurrence, each location. Property risks exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Utilities' risk-sharing certificate.

NOTE 8 RISK MANAGEMENT (continued)

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the Utilities' risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The Utilities does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2024 and 2023, no liability has been recorded in the Utilities' financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The Utilities also carries commercial insurance purchased from other insurers for coverage associated with workers compensation in the amount of $1,000,000. The Utilities assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Plan Description

The Utilities administers a single-employer benefit plan which provides medical and prescription drug benefits to retired employees and their dependents under certain conditions. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits

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

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	47
Total	49

OPEB Liability

The Utilities' total OPEB liability of $344,535 and $315,789 was measured as of June 30, 2024 and 2023, respectively, and was determined by an actuarial valuation as of those dates.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)

Actuarial Assumptions

The OPEB liability as of June 30, 2024 was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	2.60% per annum
Rates of salary increase	3.25% per annum
Discount rate	4.21% per annum
Healthcare cost trend rate	8.0% initial rate decreasing by .50% annually to an ultimate rate of 4.5%

The discount rate used to measure the OPEB liability was 4.21% and 4.13% as of June 30, 2024 and 2023, respectively, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the 50A Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Annual retirement probabilities are based on varying rates by age and turnover probabilities which mirror those used by IPERS.

Changes in OPEB Liability

	June 30	
	2024	**2023**
OPEB liability, beginning	$ 315,789	$ 406,526
Changes for the year		
Service cost	18,032	21,457
Interest cost	13,041	16,335
Difference between expected and actual experience	13,260	(69,906)
Change in assumptions	20,925	(872)
Benefit payments	(36,512)	(57,751)
OPEB liability, ending	$ 344,535	$ 315,789

Sensitivity of the Utilities' OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the Utilities, as well as what the Utilities' OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

June 30, 2024	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Utilities' OPEB liability	$ 371,836	$ 344,535	$ 319,096

June 30, 2023	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Utilities' OPEB liability	$ 338,337	$ 315,789	$ 294,763

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)

Sensitivity of the Utilities' OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the OPEB liability of the Utilities, as well as what the Utilities' OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

June 30, 2024	1% Decrease (7.0% to 3.5%)	Healthcare Cost Trend Rate (8.0% to 4.5%)	1% Increase (9.0% to 5.5%)
Utilities' OPEB liability	$ 309,290	$ 344,535	$ 385,598

June 30, 2023	1% Decrease (7.0% to 3.5%)	Healthcare Cost Trend Rate (8.0% to 4.5%)	1% Increase (9.0% to 5.5%)
Utilities' OPEB liability	$ 283,300	$ 315,789	$ 353,940

OPEB Expense

For the years ended June 30, 2024 and 2023, the Utilities recognized OPEB expense (benefit) of $65,528 and $(32,986), respectively.

NOTE 10 JOINTLY GOVERNED ORGANIZATIONS

The Indianola Municipal Utilities is a member-owner of the Municipal Energy Agency of Nebraska (MEAN), a joint action agency organized as a body corporate and politic under the laws of the State of Nebraska. MEAN's Power Supply System consists of ownership and contractual rights and interests in various electric generating and transmission resources and supplies. MEAN uses these to provide wholesale power supply, transmission, and ancillary services to its 69 participating municipal utilities. Each MEAN participant has entered into the Electrical Resources Pooling Agreement (ERPA) with MEAN, which provides for various service schedules.

The Utilities elected in 2009 to become a Total Requirements Participant and as such receives all power and energy from MEAN and entered Service Schedule M of the ERPA. As such, the Utilities has agreed to purchase its power and energy at rates sufficient (together with other MEAN revenues) to enable MEAN to pay all its net costs of MEAN's Power Supply System. Annual costs to be recovered and associated rates are evaluated annually by the MEAN Board of Directors. If imposed, the Utilities is also subject to a Purchased Energy Adjustment clause based on MEAN's actual cost of energy compared to those budgeted and collected through base rates during its fiscal year which ends March 31st.

The Utilities' pro-rata share of net at-risk annual costs borne by Schedule M participants is subject to annual fluctuation based on demand and energy and are explicitly categorized as annual operating expenditures of the Utilities. Long-term Power Supply Contracts are currently set to expire in 2041, after the final maturity of MEAN's 2008 Series A Bonds in 2039. The Utilities' obligation to MEAN beyond that date is contingent on its approval of any new debt to be issued by MEAN with a maturity date beyond that date.

NOTE 10 JOINTLY GOVERNED ORGANIZATIONS (continued)

The Indianola Municipal Utilities became a participant in the Central Minnesota Municipal Power Agency (CMMPA) Brookings-Twin Cities Transmission Project (CMMPA-Brookings Project) in 2011. CMMPA is a joint action agency formed under the laws of the State of Minnesota. The CMMPA-Brookings Project consists of 15 municipal utilities that agreed to pay pro-rated annual costs, net of transmission tariff revenue collected, related to CMMPA's fractional assigned ownership of transmission facilities commonly referred to as the CAPX2024 Brookings-Twin Cities Development Project. The Utilities' Election Share is 3.34% of the CMMPA-Brookings Project, which in total is 3.6% of the total CAPX2024 Brookings-Twin Cities Development Project. Any net costs associated with the Utilities' participation are explicitly categorized as annual operating expenditures.

NOTE 11 RELATED PARTY TRANSACTIONS

The Utilities make payments in lieu of taxes to the City of Indianola, Iowa. In addition, the Utilities pays to the City the Utilities' share of information technology, human resources, and clerk services. Total expenses were as follows:

	Year ended June 30	
	2024	2023
Payments in lieu of taxes	$ 948,780	$ 938,952
Information technology	23,381	17,710
Human resources	41,089	31,226
Clerk services	–	42,332
	$1,013,250	$1,030,220

At June 30, 2024 and 2023, the Utilities owed the City $79,952 and $83,094, respectively, pertaining to these services.

The Utilities collects on behalf of the City utility payments for the City's wastewater, stormwater and recycling services and remits payments received monthly to the City. At June 30, 2024 and 2023 the Utilities owed to the City $506,678 and $433,660, respectively, for utilities collected on the City's behalf but not yet remitted to the City. The City paid to the Utilities $124,328 and $95,298 for utility billing services during the years ended June 30, 2024 and 2023, respectively.

The Utilities participates in the City's partially self-funded health insurance plan. To self-fund health care expenditures, the Utilities' makes monthly payments to the City's Internal Service Health Pool Fund. The Utilities' share of the Health Pool's fund balance at June 30, 2024 and 2023 was $930,341 and $980,846, respectively.

NOTE 12 DEFICIT BALANCE

At June 30, 2024 and 2023, the Fiber Telecommunication Utility fund had a deficit fund balance of $(1,684,141) and $(2,526,600), respectively. The deficit is the result of start-up costs incurred to initiate the utility service. The deficit will be eliminated in future periods through net customer charges.

REQUIRED SUPPLEMENTARY INFORMATION

Indianola Municipal Utilities
SCHEDULE OF THE UTILITIES' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Iowa Public Employees' Retirement System
(In Thousands)
Required Supplementary Information

	Year ended June 30				
	2024	**2023**	**2022**	**2021**	**2020**
Utilities' proportion of the net pension liability	.032690%	.031803%	(.012514)%	.027970%	.028976%
Utilities' proportionate share of the net pension liability	$1,475	$1,202	$43	$1,965	$1,678
Utilities' covered payroll	$3,010	$2,873	$2,561	$2,508	$2,220
Utilities' proportionate share of the net pension liability as a percentage of its covered payroll	49%	42%	2%	78%	76%
IPERS' net position as a percentage of the total pension liability	90%	91%	101%	83%	85%

	Year ended June 30				
	2019	**2018**	**2017**	**2016**	**2015**
Utilities' proportion of the net pension liability	.024173%	.019030%	.018187%	.018879%	.019396%
Utilities' proportionate share of the net pension liability	$1,593	$1,268	$1,145	$933	$769
Utilities' covered payroll	$2,205	$1,845	$1,643	$1,517	$1,502
Utilities' proportionate share of the net pension liability as a percentage of its covered payroll	72%	69%	70%	62%	51%
IPERS' net position as a percentage of the total pension liability	84%	82%	81%	85%	88%

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

See accompanying independent auditor's report.

Indianola Municipal Utilities
SCHEDULE OF UTILITIES' PENSION CONTRIBUTIONS
Iowa Public Employees' Retirement System
(In Thousands)
Required Supplementary Information

	Year ended June 30				
	2024	**2023**	**2022**	**2021**	**2020**
Statutorily required contribution	$ 284	$ 271	$ 242	$ 236	$ 210
Contributions in relation to the statutorily required contribution	284	271	242	236	210
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –
Utilities' covered payroll	$3,010	$2,873	$2,561	$2,508	$2,220
Contributions as a percentage of covered payroll	9.4%	9.4%	9.4%	9.4%	9.5%

	Year ended June 30				
	2019	**2018**	**2017**	**2016**	**2015**
Statutorily required contribution	$ 208	$ 165	$ 147	$ 135	$ 134
Contributions in relation to the statutorily required contribution	208	165	147	135	134
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –
Utilities' covered-payroll	$2,205	$1,845	$1,643	$1,517	$1,502
Contributions as a percentage of covered payroll	9.4%	8.9%	8.9%	8.9%	8.9%

CHANGES OF BENEFIT TERMS

There are no significant changes in benefit terms

CHANGES OF ASSUMPTIONS

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for regular members.
- Lowered disability rates for regular members.
- Adjusted termination rates for all membership groups.

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

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

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

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

Indianola Municipal Utilities
SCHEDULE OF CHANGES IN THE UTILITIES' TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
For the last seven years
Required Supplementary Information

	2024	2023	2022
Service cost	$ 18,032	$ 21,457	$ 30,270
Interest cost	13,041	16,335	11,663
Differences between expected and actual experience	13,260	(69,906)	(64,200)
Changes in assumptions	20,925	(872)	(43,337)
Benefit payments	(36,512)	(57,751)	(59,991)
Net change in OPEB liability	28,746	(90,737)	(125,595)
OPEB liability, beginning of year	315,789	406,526	532,121
OPEB liability, end of year	$ 344,535	$ 315,789	$ 406,526
Covered-employee payroll	$3,268,675	$2,905,322	$2,711,842
OPEB liability as a percentage of covered-employee payroll	10.54%	10.87%	14.99%

	2021	2020	2019	2018
Service cost	$ 29,294	$ 19,391	$ 25,760	$ 29,982
Interest cost	15,309	15,115	17,601	13,139
Differences between expected and actual experience	(41,253)	133,829	(37,790)	81,522
Changes in assumptions	14,799	18,399	10,934	(11,224)
Benefit payments	(64,086)	(39,491)	(29,190)	(13,769)
Net change in OPEB liability	(45,937)	147,243	(12,685)	99,650
OPEB liability, beginning of year	578,058	430,815	443,500	343,850
OPEB liability, end of year	$ 532,121	$ 578,058	$ 430,815	$ 443,500
Covered-employee payroll	$2,367,394	$2,292,876	$2,345,471	$2,271,642
OPEB liability as a percentage of covered-employee payroll	22.48%	25.21%	18.37%	19.52%

NOTES TO SCHEDULE

Changes in benefit terms

There were no significant changes in benefit terms.

Changes in assumptions

Changes in assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2018	3.87%
Year ended June 30, 2019	3.51%
Year ended June 30, 2020	2.66%
Year ended June 30, 2021	2.19%
Year ended June 30, 2022	4.09%
Year ended June 30, 2023	4.13%
Year ended June 30, 2024	4.21%

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

Indianola Municipal Utilities
BUDGETARY COMPARISON SCHEDULE
OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES -
BUDGET AND ACTUAL (CASH BASIS)
Year ended June 30, 2024

		Budget Amounts			
	Actual	**Original**	**Amendments**	**Final**	**Variance**
Receipts					
Use of money and property	$ 1,662,158	$ 500,000	$ –	$ 500,000	$1,162,158
Charges for service	25,529,729	27,848,834	150,000	27,998,834	(2,469,105)
Miscellaneous	–	1,329,354	–	1,329,354	(1,329,354)
Total receipts	27,191,887	29,678,188	150,000	29,828,188	(2,636,301)
Disbursements					
Business type activities	25,746,058	29,810,335	2,124,000	31,934,335	(6,188,277)
Excess of receipts over (under) disbursements	1,445,829	(132,147)	(1,974,000)	(2,106,147)	3,551,976
Other financing sources	122,823	–	–	–	122,823
Excess of receipts and other financing sources over (under) disbursements and other financing uses	1,568,652	(132,147)	(1,974,000)	(2,106,147)	3,674,799
Balances, beginning of year	22,287,776	18,772,385	18,772,385	18,772,385	3,515,391
Balances, end of year	$23,856,428	$18,640,238	$16,798,385	$16,666,238	$7,190,190

See accompanying independent auditor's report.

Indianola Municipal Utilities
NOTE TO SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year ended June 30, 2024

In accordance with the Code of Iowa, the Board of Trustees, with the approval of the City Council, annually adopts a budget on the cash basis following required public notice and hearing for all funds except Internal Service Funds and Fiduciary Funds. The annual budget may be amended during the year utilizing statutorily prescribed procedures.

Formal and legal budgetary control is based upon classes of disbursements known as functions not by fund. The Utilities' disbursements are budgeted in the business-type activities function.

There were two amendments to the budget during the year ended June 30, 2024. Disbursements did not exceed the amount budgeted during the fiscal year.

Indianola Municipal Utilities
SCHEDULE OF OPERATING EXPENSES
Year ended June 30, 2024

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Eliminations	Total
Plant operations and programming						
Personnel	$ 27,632	$ 320,420	$ 783,965	$ –	$ –	$ 1,132,017
Utilities	–	222,197	28,161	–	–	250,358
Material and supplies	41,646	161,930	11,959	–	–	215,535
Maintenance and repair	16,482	14,072	196,553	–	–	227,107
Training	1,043	2,657	3,881	–	–	7,581
Communication services and programming	–	–	1,388,347	–	–	1,388,347
Telecommunication infrastructure lease	–	–	300,000	–	(300,000)	–
Professional fees	4,052	–	58,473	–	–	62,525
Other	–	4,539	15,543	–	–	20,082
Total plant operations	90,855	725,815	2,786,882	–	(300,000)	3,303,552
Plant maintenance						
Personnel	236,261	–	–	–	–	236,261
Fuel	47,821	–	–	–	–	47,821
Material and supplies	–	3,890	–	–	–	3,890
Maintenance and repair	787,172	41,947	–	–	–	829,119
Other	–	1,739	–	–	–	1,739
Total plant maintenance	1,071,254	47,576	–	–	–	1,118,830
Purchased energy	9,697,772	–	–	–	–	9,697,772
Depreciation	1,652,337	626,039	656,097	35,392	–	2,969,865
Distribution operation						
Equipment	154,851	363,171	–	–	–	518,022
Utilities	32,576	–	–	–	–	32,576
Material and supplies	18,451	19,078	–	–	–	37,529
Maintenance and repair	–	49,449	–	–	–	49,449
Training	8,620	–	–	–	–	8,620
Professional fees	–	3,967	–	–	–	3,967
Other	25,960	3,505	–	–	–	29,465
Total distribution operation	240,458	439,170	–	–	–	679,628
Distribution maintenance						
Personnel	1,157,973	–	–	–	–	1,157,973
Material and supplies	124,990	–	–	–	–	124,990
Maintenance and repair	47,092	–	–	–	–	47,092
Total distribution maintenance	1,330,055	–	–	–	–	1,330,055
Transmission operation and maintenance						
Personnel	8,088	–	–	–	–	8,088
Other	896	–	–	–	–	896
Total transmission operation and maintenance	8,984	–	–	–	–	8,984
Meter reading						
Personnel	43,387	42,955	–	–	–	86,342
Maintenance and repair	3,006	3,006	–	–	–	6,012
Total meter reading	46,393	45,961	–	–	–	92,354

See accompanying independent auditor's report.

Indianola Municipal Utilities
SCHEDULE OF OPERATING EXPENSES (continued)
Year ended June 30, 2024

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Eliminations	Total
Administrative and general						
Personnel	28,114	18,096	14,780	890,244	–	951,234
Utilities	–	–	–	7,344	–	7,344
Material and supplies	–	–	–	3,037	–	3,037
Maintenance and repair	76,417	24,956	–	53,773	–	155,146
Training	150	–	–	2,171	–	2,321
Office	4,111	3,577	129,040	228,333	–	365,061
Other	4,119	11,068	29,539	493	–	45,219
Accounting and collections – transfers to Joint Utility	544,684	357,257	271,649	–	(1,173,590)	–
Payments in lieu of property taxes	789,216	96,301	63,263	–	–	948,780
Transfers to City for Clerk's operations	34,538	13,815	16,117	–	–	64,470
Insurance	130,904	50,048	26,609	16,464	–	224,025
Professional fees	2,500	–	–	17,500	–	20,000
Legal fees and publications	34,823	6,068	500	5,563	–	46,954
Dues and subscriptions	28,513	–	11,292	762	–	40,567
Energy efficiency programs	5,877	–	–	–	–	5,877
Miscellaneous	–	–	–	14,139	–	14,139
Total administrative and general	1,683,966	581,186	562,789	1,239,823	(1,173,590)	2,894,174
Total operating expenses	$15,822,074	$2,465,747	$4,005,768	$1,275,215	$(1,473,590)	$22,095,214

See accompanying independent auditor's report.

Denman CPA LLP
1601 22nd Street, Suite #400
West Des Moines, Iowa 50266-1453
www.denman.cpa 515-225-8400

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Indianola Municipal Utilities
Indianola, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Indianola Municipal Utilities (the Utilities) as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the Utilities' basic financial statements, and have issued our report thereon dated October 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indianola Municipal Utilities' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Utilities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Utilities' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utilities' financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Indianola Municipal Utilities' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that is described in the accompanying schedule of findings.

Comments involving statutory and other legal matters about the Utilities' operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Utilities. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Indianola Municipal Utilities' Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Utilities' response to the finding identified in our audit and described in the accompanying schedule of findings. The Utilities' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Utilities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utilities' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
October 17, 2024

Indianola Municipal Utilities
SCHEDULE OF FINDINGS
Year ended June 30, 2024

SECTION I – FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL DEFICIENCIES

No matters were noted.

INSTANCES OF NONCOMPLIANCE

No matters were noted.

Part II—Findings Related to Required Statutory Reporting

24-II-A CERTIFIED BUDGET

Disbursements during the year ended June 30, 2024 did not exceed the amounts budgeted.

24-II-B QUESTIONABLE EXPENSES

No disbursements that may not meet the requirements of public purpose as defined in an Attorney General's Opinion dated April 25, 1979 were noted.

24-II-C TRAVEL EXPENSE

No expenditures of Utilities money for travel expenses of spouses of Utilities' officials or employees were noted.

24-II-D BUSINESS TRANSACTIONS

We noted no business transactions between the Utilities and Utilities' officials or employees in excess of $1,500.

24-II-E RESTRICTED DONOR ACTIVITY

In accordance with Chapter 65B of the Code of Iowa, no transactions were noted between the Utilities, Utilities' officials, Utilities' employees and restricted donors.

24-II-F BOND COVERAGE

Surety bond coverage of Utilities' officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

24-II-G BOARD MINUTES

We noted no transactions requiring Trustee approval which had not been approved in the Trustee minutes

24-II-H DEPOSITS AND INVESTMENTS

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Utilities' investment policy were noted.

24-II-I REVENUE BONDS AND NOTES

No instances of noncompliance with the revenue bond and note resolutions were noted.

24-II-J TELECOMMUNICATIONS SERVICES

No instances of noncompliance with Chapter 388.10 of the Code of Iowa were noted.

Part II—Findings Related to Required Statutory Reporting (continued)

24-II-K FINANCIAL CONDITION

At June 30, 2024, the Utilities' Fiber Telecommunication fund held a deficit fund balance of $1,684,141.

Recommendation

The Utilities should investigate alternatives to eliminate the deficit and return the fund to a sound financial position.

Response

This deficit balance was expected in the start-up status and is less than the business plan projection at this time. Staff continues to budget effectively and appropriately to improve the fiscal position with an emphasis on developing a positive fund balance. This is expected to take several years.

Conclusion

Response accepted.