INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

IMU BOARD OF TRUSTEES OF THE ELECTRIC,
WATER AND COMMUNICATIONS UTILITIES
November 10, 2025
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
   - C. Resolution Approving Payment application #1 to Miller Electric for the NE-SE Alley Premise Wiring Modification Project
   - D. Resolution Approving Payment #1 to Morris Enterprises for the East 3rd Avenue Water Main Improvement Project
   - E. Authorization for Warren Water District to serve a customer within their territory upon proper notice to IMU since the customer is within 2 miles of the IMU territory, located at 9455 110th Ave.
   - F. September FY2026 Financial Report
5. **Electric Utility Action Items**
   - A. Discussion on Potential Refinancing of Electric Utility Debt for Interest Savings
6. **Electric Utility Informational Items**
7. **Water Utility Action Items**
   - A. Resolution Approving a Proposal for Roof Replacement
8. **Water Utility Informational Items**
9. **Communications Utility Informational Items**
10. **Combined Electric, Water and Communications Action Items**
    - A. Presentation of the FY25 Financial Audit
    - B. Resolution Approving Account Policy Updates
11. **Combined Electric, Water and Communications Informational Items**
12. **Other Business**
13. **Closed Session: Telecommunication Marketing and Pricing**

A. Enter into closed session in accordance with Iowa Code Section 388.9(1) to discuss marketing and pricing strategies and proprietary information of the telecommunications division whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure.

B. Action after Closed Session: Any action necessitated by closed session.

14. Closed Session: Regarding Participation in IPPA MISO tranche 2.1 transmission projects

A. Closed Session pursuant to Iowa Code Sections 21.5(1)(a), 388.9(1), and 21.5(1)(k), to review or discuss records which are required or authorized by state or federal law to be kept confidential; to discuss proprietary information and information required by a noncustomer contracting party to be kept confidential pursuant to a nondisclosure agreement which relates to electric transmission planning and construction and critical energy infrastructure; and to discuss information contained in records in the custody of a governmental body that are confidential records pursuant to section 22.7, subsection 50.

B. Action after Closed Session: Any action necessitated by closed session.

15. Adjourn

INDIANOLA MUNICIPAL UTILITIES
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Approval of Claims

Recommendation:

Attachments:
1. 102825 AP Check Preview
2. 111225 AP Check Preview

AP Check Preview

Date Range: All Dates

Indianola Municipal Utilities

Wednesday, October 22, 2025
1:57:42 PM

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**									
3E - Electrical Engineering & Equipment Co - VEND-1114 - Check										
11/2/2025	Scott Felton Project - Meter Ped	Net 30	603.31	0.00	15.00	603.31	603.31	8979115-00	BL-17334	Check
						603.31	**603.31**			
ACCO UNLIMITED CORP. - VEND-2810 - EFT File										
10/8/2025	Chlorine Parts and Granular Chlorine	Open Terms	386.66	0.00	0.00	386.66	386.66	0257146-IN	BL-17335	EFT File
						386.66	**386.66**			
Ahlers & Cooney P.C. - VEND-1002 - EFT File										
10/30/2025	0925 Legal Expense	Net 30	153.00	0.00	15.00	153.00	153.00	900268	BL-17299	EFT File
						153.00	**153.00**			
Border States Industries Inc - VEND-1070 - EFT File										
11/9/2025	Knockout Plugs	Net 30	20.17	0.00	15.00	20.17	20.17	931279234	BL-17338	EFT File
11/14/2025	knockout Plugs	Net 30	49.04	0.00	15.00	49.04	49.04	931309027	BL-17336	EFT File
11/16/2025	Knockout Plugs	Net 30	1.24	0.00	15.00	1.24	1.24	931322644	BL-17337	EFT File
						70.45	**70.45**			
Calix Inc - VEND-1028 - EFT File										
11/9/2025	Extended Warranty - Inv #393199	Net 30	215.60	0.00	15.00	215.60	215.60	4052373	BL-17300	EFT File
11/9/2025	Extended Warranty - Inv #393199	Net 30	215.60	0.00	15.00	215.60	215.60	4052374	BL-17301	EFT File
11/9/2025	Extended Warranty - Inv #393199	Net 30	517.44	0.00	15.00	517.44	517.44	4052375	BL-17302	EFT File
11/9/2025	ONTs & Routers	Net 30	48,617.22	0.00	15.00	48,617.22	48,617.22	393199	BL-17303	EFT File
						49,565.86	**49,565.86**			
Casual Rags - VEND-1006 - EFT File										
11/12/2025	Uniform Shirts - Fiber	Net 30	150.87	0.00	15.00	150.87	150.87	240953	BL-17304	EFT File
11/12/2025	Uniform Shirts - WA	Net 30	195.00	0.00	15.00	195.00	195.00	240954	BL-17305	EFT File
						345.87	**345.87**			
Cedar Falls Utilities - VEND-1045 - EFT File										
11/4/2025	0925 Transit & Transport	Net 30	9,645.00	0.00	15.00	9,645.00	9,645.00	Sep 25	BL-17306	EFT File
						9,645.00	**9,645.00**			
CORE & MAIN - VEND-102636 - Check										
9/26/2025	Lab Supplies	Open Terms	570.42	0.00	0.00	570.42	570.42	INV0021679	BL-17307	Check

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						570.42	**570.42**			
Delta Dental Vision Of Iowa - VEND-1481 - Check										
10/31/2025	1025 Vision -	Net 30	439.54	0.00	15.00	439.54	439.54	202510	BL-17339	Check
						439.54	**439.54**			
DICKINSON LAW - VEND-101709 - EFT File										
10/14/2025	0925 Legal Services	Open Terms	1,512.00	0.00	0.00	1,512.00	1,512.00	1171427	BL-17308	EFT File
						1,512.00	**1,512.00**			
Dickinson Law Firm Trust Account - VEND-1487 - EFT File										
11/20/2025	Land Purchase - WC AG District	Net 30	545.00	0.00	15.00	545.00	545.00	IMU 9.16.25 Land	BL-17380	EFT File
						545.00	**545.00**			
DOWNEY TIRE PROS - VEND-11879 - EFT File										
10/17/2025	Tire Repair	Open Terms	27.98	0.00	0.00	27.98	27.98	35338	BL-17340	EFT File
						27.98	**27.98**			
Dust Pros Janitorial - VEND-1011 - EFT File										
11/14/2025	1025 Cleaning - Fiber	Net 30	856.00	0.00	15.00	856.00	856.00	3443	BL-17309	EFT File
11/14/2025	Cleaning Supplies - EL	Net 30	187.25	0.00	15.00	187.25	187.25	3442	BL-17341	EFT File
11/14/2025	1025 Cleaning - EL	Net 30	856.00	0.00	15.00	856.00	856.00	3441	BL-17342	EFT File
						1,899.25	**1,899.25**			
Gradient9 - VEND-1392 - EFT File										
11/20/2025	1025 Monthly Newsletter/Website	Net 30	2,310.00	0.00	15.00	2,310.00	2,310.00	INV-5528	BL-17343	EFT File
						2,310.00	**2,310.00**			
Independent Advocate - VEND-1136 - EFT File										
11/6/2025	Grain Bin Safety Notification - EL	Net 30	233.73	0.00	15.00	233.73	233.73	7094	BL-17310	EFT File
						233.73	**233.73**			
Infomax Office Systems Inc - VEND-1013 - Check										
11/12/2025	1025 Copier Contract	Net 30	758.54	0.00	15.00	758.54	758.54	40332679	BL-17344	Check
						758.54	**758.54**			
Internal Revenue Service - VEND-1307 - Online Payments										
11/9/2025	941 Income Tax Payable - 101025 Payroll	Net 30	32,863.27	0.00	15.00	32,863.27	32,863.27	101025 Payroll	BL-17311	Online Payments

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						32,863.27	**32,863.27**			
Iowa Department Of Human Services - VEND-1310 - Online Payments										
11/9/2025	Garnishment Payable - 101025 Payroll	Net 30	653.99	0.00	15.00	653.99	653.99	101025 Payroll	BL-17312	Online Payments
						653.99	**653.99**			
Iowa Department Of Revenue - VEND-1117 - Online Payments										
11/9/2025	IA Income Tax Payable - 101025 Payroll	Net 30	3,692.87	0.00	15.00	3,692.87	3,692.87	101025 Payroll	BL-17313	Online Payments
						3,692.87	**3,692.87**			
Irby - VEND-1259 - EFT File										
11/6/2025	Cutouts	Net 30	2,054.40	0.00	15.00	2,054.40	2,054.40	S014357482.004	BL-17345	EFT File
11/6/2025	Connectors	Net 30	240.75	0.00	15.00	240.75	240.75	S014392562.001	BL-17346	EFT File
						2,295.15	**2,295.15**			
ISolved - VEND-1363 - Online Payments										
11/9/2025	FSA Payable - 101025 Payroll	Net 30	192.31	0.00	15.00	192.31	192.31	101025 Payroll	BL-17314	Online Payments
						192.31	**192.31**			
LOGAN CONTRACTORS SUPPLY INC. - VEND-32620 - EFT File										
10/17/2025	Line Shop Concrete Project	Open Terms	90.00	0.00	0.00	90.00	90.00	G46530	BL-17347	EFT File
						90.00	**90.00**			
Mid American Energy Co - VEND-1018 - EFT File										
11/9/2025	Electric - 11634 R63 Hwy, West Substation	Net 30	10.00	0.00	15.00	10.00	10.00	572542135	BL-17348	EFT File
11/15/2025	Gas - 111 S Buxton St	Net 30	63.41	0.00	15.00	63.41	63.41	572797573	BL-17349	EFT File
11/15/2025	Gas - 210 W 2nd Ave	Net 30	14.58	0.00	15.00	14.58	14.58	572817206	BL-17350	EFT File
11/15/2025	Gas - 1300 E Iowa Ave Bldg B	Net 30	14.58	0.00	15.00	14.58	14.58	572772986	BL-17351	EFT File
11/15/2025	1300 E Iowa Ave Bldg A	Net 30	35.69	0.00	15.00	35.69	35.69	572782025	BL-17352	EFT File
11/15/2025	Gas - 110 S B St	Net 30	15.64	0.00	15.00	15.64	15.64	572797448	BL-17353	EFT File
11/15/2025	Gas - 909 E Hillcrest Ave, Generator	Net 30	14.58	0.00	15.00	14.58	14.58	572793790	BL-17354	EFT File
						168.48	**168.48**			
Mission Square - VEND-1303 - Online Payments										
11/9/2025	457 Payable - 101025 Payroll	Net 30	7,078.48	0.00	15.00	7,078.48	7,078.48	101025 Payroll	BL-17317	Online Payments
						7,078.48	**7,078.48**			
MUNICIPAL ENERGY AGENCY OF NEBRASKA - VEND-35805 - EFT File										
10/30/2025	Purchased Power - Sep25	Net 30	932,726.42	0.00	15.00	932,726.42	932,726.42	310099	BL-17318	EFT File

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						932,726.42	**932,726.42**			
MUNICIPAL SUPPLY INC - VEND-35810 - Check										
10/8/2025	6x30 repair clamp, 6x20 repair clamp	Open Terms	818.97	0.00	0.00	818.97	818.97	0956792-IN	BL-17357	Check
10/14/2025	6x30 repair clamp, 2-6" hymax, 40" of 6" C900	Open Terms	2,018.42	0.00	0.00	2,018.42	2,018.42	0957596-IN	BL-17319	Check
10/16/2025	26" valve box top, 2 - 24" valve box bottom.	Open Terms	331.00	0.00	0.00	331.00	331.00	0957892-IN	BL-17356	Check
10/17/2025	Underground Splice Kit	Open Terms	101.00	0.00	0.00	101.00	101.00	0958006-IN	BL-17355	Check
						3,269.39	**3,269.39**			
Mutual Of Omaha - VEND-1107 - Check										
10/31/2025	1025 Premiums	Net 30	6,439.96	0.00	15.00	6,439.96	6,439.96	1959103061	BL-17358	Check
						6,439.96	**6,439.96**			
Norwalk Ready Mix Concrete, Inc. - VEND-1119 - Check										
10/30/2025	Pour Back for Valve Replacement	Net 30	760.00	0.00	15.00	760.00	760.00	376111	BL-17320	Check
10/31/2025	Line Shop Concrete	Net 30	1,973.88	0.00	15.00	1,973.88	1,973.88	376211	BL-17360	Check
11/1/2025	Line Shop Concrete	Net 30	1,480.41	0.00	15.00	1,480.41	1,480.41	376313	BL-17359	Check
11/2/2025	Line Shop Concrete	Net 30	1,151.43	0.00	15.00	1,151.43	1,151.43	376428	BL-17361	Check
11/7/2025	Line Shop Concrete	Net 30	1,398.17	0.00	15.00	1,398.17	1,398.17	376655	BL-17363	Check
11/8/2025	Line Shop Concrete	Net 30	1,398.17	0.00	15.00	1,398.17	1,398.17	376767	BL-17362	Check
						8,162.06	**8,162.06**			
Precision Optical Technologies, Inc - VEND-1489 - EFT File										
10/24/2025	Band Pass Filter	Net 30	3,063.24	0.00	15.00	3,063.24	3,063.24	INV202510590	BL-17321	EFT File
						3,063.24	**3,063.24**			
ProImage Sign & Lighting - VEND-1150 - Check										
11/7/2025	IMU Fiber Graphic for Truck	Net 30	159.70	0.00	15.00	159.70	159.70	6330	BL-17322	Check
						159.70	**159.70**			
Secure Shred - VEND-1063 - EFT File										
11/7/2025	Shred Service	Net 30	54.00	0.00	15.00	54.00	54.00	97349	BL-17323	EFT File
						54.00	**54.00**			
STATE HYGIENIC LABORATORY - VEND-23245 - EFT File										
10/1/2025	Testing	Open Terms	1,091.00	0.00	0.00	1,091.00	1,091.00	308925	BL-17364	EFT File
						1,091.00	**1,091.00**			
STERNQUIST CONST. INC. - VEND-50360 - Check										

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
10/10/2025	Rock for Main Break 1100 E Girard	Open Terms	898.63	0.00	0.00	898.63	898.63	4383	BL-17324	Check
10/11/2025	Crushed Concrete - Storage Bin	Open Terms	96.47	0.00	0.00	96.47	96.47	4384	BL-17365	Check
						995.10	**995.10**			
Teklink - VEND-1262 - EFT File										
11/14/2025	Bore & Drop	Net 30	1,859.00	0.00	15.00	1,859.00	1,859.00	WE 10/12/2025	BL-17366	EFT File
11/14/2025	Bore & Drop	Net 30	1,700.00	0.00	15.00	1,700.00	1,700.00	WE 10/5/2025	BL-17367	EFT File
						3,559.00	**3,559.00**			
Terry-Durin Co - VEND-1038 - EFT File										
11/8/2025	Pulling Rope and Pulling Soap	Net 30	700.34	0.00	15.00	700.34	700.34	200974-00	BL-17369	EFT File
						700.34	**700.34**			
TrueNorth Companies LC - VEND-1100 - EFT File										
11/19/2025	Oct Safety Meeting	Net 30	138.47	0.00	15.00	138.47	138.47	185275	BL-17370	EFT File
						138.47	**138.47**			
UMB BANK N.A. - VEND-103242 - EFT File										
9/4/2025	Series 2017C - Interest Payment - Issue ID 01	Open Terms	126,900.00	0.00	0.00	126,900.00	126,900.00	09032025	BL-17371	EFT File
						126,900.00	**126,900.00**			
VEENSTRA & KIMM - VEND-57600 - Check										
9/27/2025	Engineering Svcs Water Treatment Facility Filt	Open Terms	279.40	0.00	0.00	279.40	279.40	285113-4	BL-17372	Check
						279.40	**279.40**			
VERMEER SALES & SERVICE - VEND-57608 - EFT File										
10/7/2025	Directional Drill Materials	Open Terms	204.66	0.00	0.00	204.66	204.66	P1316705	BL-17373	EFT File
10/7/2025	Directional Drill Materials	Open Terms	1,096.51	0.00	0.00	1,096.51	1,096.51	P1316805	BL-17374	EFT File
						1,301.17	**1,301.17**			
VESSCO INC - VEND-57620 - EFT File										
10/11/2025	Chlorine Pump Parts	Open Terms	580.47	0.00	0.00	580.47	580.47	099056	BL-17375	EFT File
						580.47	**580.47**			
WALDINGER CORP. THE - VEND-6920 - Check										
10/8/2025	Turbine 8 - Data Collection	Open Terms	1,112.80	0.00	0.00	1,112.80	1,112.80	7594845-1	BL-17376	Check
						1,112.80	**1,112.80**			
Waste Management - VEND-1086 - Check										

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
11/2/2025	1025 2yd Dumpster Service - WA	Net 30	154.97	0.00	15.00	154.97	154.97	8731588-0516-8	BL-17377	Check
						154.97	**154.97**			
WESCO - VEND-60220 - EFT File										
10/15/2025	Trench Tape	Open Terms	137.82	0.00	0.00	137.82	137.82	703344	BL-17378	EFT File
						137.82	**137.82**			

Total Payment Count:	**43**	Totals:	**$1,206,926.47**	**$1,206,926.47**
Total Check Count:	**12**	Check Totals:	**$22,945.19**	**$22,945.19**
Total EFT File Count:	**26**	EFT File Totals:	**$1,139,500.36**	**$1,139,500.36**
Total Online Payments Count:	**5**	Online Payments Totals:	**$44,480.92**	**$44,480.92**
Total Bank Draft Count:	**0**	Bank Draft Totals:	**$0.00**	**$0.00**
Total No Check Count:	**0**	No Check Totals:	**$0.00**	**$0.00**

AP Check Preview

Date Range: All Dates

Indianola Municipal Utilities

Wednesday, November 5, 2025
4:04:26 PM

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**									
3E - Electrical Engineering & Equipment Co - VEND-1114 - Check										
11/19/2025	Turbine Ratchet Motor Rewind/Repair	Net 30	1,490.33	0.00	15.00	1,490.33	1,490.33	319488-00	BL-17415	Check
						1,490.33	**1,490.33**			
Aaron Gebhart - VEND-1486 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17403	EFT File
						75.00	**75.00**			
ACCO UNLIMITED CORP. - VEND-2810 - EFT File										
10/14/2025	ACCO Liquid Chlorinating Solution	Open Terms	2,612.80	0.00	0.00	2,612.80	2,612.80	0257296-IN	BL-17386	EFT File
						2,612.80	**2,612.80**			
AGRILAND FS INC - VEND-48228 - EFT File										
11/1/2025	1025 Fuel Distribution	Open Terms	4,317.27	0.00	0.00	4,317.27	4,317.27	7156286-1025	BL-17416	EFT File
						4,317.27	**4,317.27**			
A-Tec Recycling - VEND-1360 - EFT File										
11/20/2025	Recycle Electronics	Net 30	1,896.56	0.00	15.00	1,896.56	1,896.56	251013-59623	BL-17387	EFT File
						1,896.56	**1,896.56**			
Big Ten Network - VEND-1096 - EFT File										
11/30/2025	1025 BTN - Core Exp Basic	Net 30	2,014.00	0.00	15.00	2,014.00	2,014.00	Oct25	BL-17410	EFT File
						2,014.00	**2,014.00**			
Border States Industries Inc - VEND-1070 - EFT File										
11/15/2025	1 1/2" PVC - 20' STICK	Net 30	3,949.26	0.00	15.00	3,949.26	3,949.26	931315683	BL-17388	EFT File
11/27/2025	Fiberglass Patch	Net 30	656.59	0.00	15.00	656.59	656.59	931383549	BL-17419	EFT File
12/3/2025	1" PVC - 10' STICK	Net 30	245.24	0.00	15.00	245.24	245.24	931420667	BL-17418	EFT File
						4,851.09	**4,851.09**			
BRAND, JUSTIN - VEND-100310 - EFT File										
11/2/2025	1125 Mobile Device Allowance	Open Terms	75.00	0.00	0.00	75.00	75.00	Nov25	BL-17409	EFT File
						75.00	**75.00**			
Calix Inc - VEND-1028 - EFT File										
11/23/2025	XGS-PON SFP-DD Dual Channel	Net 30	8,395.63	0.00	15.00	8,395.63	8,395.63	394750	BL-17411	EFT File

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						8,395.63	**8,395.63**			
Cedar Falls Utilities - VEND-1045 - EFT File										
12/3/2025	1025 Labor & Rack Space 28E Agreement (IP	Net 30	5,860.20	0.00	15.00	5,860.20	5,860.20	94356	BL-17412	EFT File
						5,860.20	**5,860.20**			
CHEMTREAT INC - VEND-8300 - EFT File										
10/25/2025	Polymer	Open Terms	7,800.00	0.00	0.00	7,800.00	7,800.00	CIN010927771	BL-17389	EFT File
						7,800.00	**7,800.00**			
Cintas Corporation - VEND-1007 - EFT File										
11/26/2025	First Aid Supplies - Fiber	Net 30	81.63	0.00	15.00	81.63	81.63	5299455104	BL-17390	EFT File
11/28/2025	AED Checked	Net 30	72.03	0.00	15.00	72.03	72.03	8407673882	BL-17435	EFT File
						153.66	**153.66**			
Citrus Communications, Inc. - VEND-1474 - EFT File										
11/26/2025	ROUTER - GS4220E	Net 30	1,861.86	0.00	15.00	1,861.86	1,861.86	11098	BL-17423	EFT File
						1,861.86	**1,861.86**			
City Of Indianola - VEND-1008 - BL-17424										
12/5/2025	1125 Professional Services	Net 30	6,513.39	0.00	15.00	6,513.39	6,513.39	INV-00084	BL-17424	EFT File
						6,513.39	**6,513.39**			
Communication Innovators - VEND-1329 - EFT File										
11/23/2025	Security Camera	Net 30	2,792.00	0.00	15.00	2,792.00	2,792.00	124022	BL-17425	EFT File
11/23/2025	Plant Substation Camera	Net 30	1,739.00	0.00	15.00	1,739.00	1,739.00	124021	BL-17426	EFT File
						4,531.00	**4,531.00**			
Consortia Consulting - VEND-1009 - EFT File										
11/23/2025	0925 Consulting	Net 30	1,200.00	0.00	15.00	1,200.00	1,200.00	27912	BL-17427	EFT File
						1,200.00	**1,200.00**			
DES PLANQUES, CHRIS - VEND-101766 - EFT File										
11/2/2025	1125 Mobile Device Allowance	Open Terms	75.00	0.00	0.00	75.00	75.00	Nov25	BL-17407	EFT File
						75.00	**75.00**			
Doug Pagel - VEND-1283 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17408	EFT File

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						75.00	**75.00**			
Doug Shull - VEND-1105 - EFT File										
12/1/2025	1125 Treasurer Contract	Net 30	83.34	0.00	15.00	83.34	83.34	Nov25	BL-17428	EFT File
						83.34	**83.34**			
Dylan Michelsen - VEND-1180 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17402	EFT File
						75.00	**75.00**			
ECHO Group, Inc - VEND-1061 - EFT File										
11/29/2025	12/2 UF	Net 30	1,947.22	0.00	15.00	1,947.22	1,947.22	S011476915.001	BL-17429	EFT File
						1,947.22	**1,947.22**			
Electromark - VEND-1491 - EFT File										
11/19/2025	Lockout Tags	Net 30	416.64	0.00	15.00	416.64	416.64	9360245473	BL-17430	EFT File
						416.64	**416.64**			
Elisha Brown - VEND-1209 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17406	EFT File
						75.00	**75.00**			
FanDuel Sports Network - VEND-1446 - EFT File										
11/30/2025	1025 Expanded Basic	Net 30	4,666.40	0.00	15.00	4,666.40	4,666.40	29431	BL-17431	EFT File
						4,666.40	**4,666.40**			
Finley Law Firm, P.C. - VEND-1439 - EFT File										
11/27/2025	0925 Legal Services	Net 30	600.00	0.00	15.00	600.00	600.00	524974	BL-17432	EFT File
						600.00	**600.00**			
GRAYMONT WESTERN LIME INC - VEND-101387 - EFT File										
10/30/2025	High Calcium Quicklime	Open Terms	6,409.65	0.00	0.00	6,409.65	6,409.65	14-207936	BL-17436	EFT File
						6,409.65	**6,409.65**			
IMWCA - VEND-1130 - Check										
12/1/2025	Premiums - Installment 5	Net 30	1,826.00	0.00	15.00	1,826.00	1,826.00	INV95957	BL-17433	Check
						1,826.00	**1,826.00**			
Independent Advocate - VEND-1136 - EFT File										

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
11/21/2025	BOT Meeting/Publication Report - 10.14.25	Net 30	223.02	0.00	15.00	223.02	223.02	7117	BL-17434	EFT File
						223.02	**223.02**			
Indianola Robotics Team - VEND-1490 - Check										
11/30/2025	2025-2026 Season Sponsorship	Net 30	500.00	0.00	15.00	500.00	500.00	2025-01	BL-17437	Check
						500.00	**500.00**			
Innovative Systems - VEND-1048 - EFT File										
12/1/2025	Nov Elation Maint Fee	Net 30	12,774.84	0.00	15.00	12,774.84	12,774.84	INV-28070	BL-17438	EFT File
						12,774.84	**12,774.84**			
Internal Revenue Service - VEND-1307 - Online Payments										
11/23/2025	941 Income Tax Payable - 102425 Payroll	Net 30	33,874.64	0.00	15.00	33,874.64	33,874.64	102425 Payroll	BL-17439	Online Payments
						33,874.64	**33,874.64**			
Iowa Department Of Human Services - VEND-1310 - Online Payments										
11/23/2025	Garnishment Payable - 102425 Payroll	Net 30	653.99	0.00	15.00	653.99	653.99	102425 Payroll	BL-17440	Online Payments
						653.99	**653.99**			
Iowa Department Of Revenue - VEND-1117 - Online Payments										
11/23/2025	IA Income Tax Payable - 102425 Payroll	Net 30	3,814.50	0.00	15.00	3,814.50	3,814.50	102425 Payroll	BL-17443	Online Payments
11/30/2025	1025 Use Tax	Net 30	5.40	0.00	15.00	5.40	5.40	Oct25	BL-17442	Online Payments
12/1/2025	Sales Tax Billed - 110125	Net 30	49,608.12	0.00	15.00	49,608.12	49,608.12	Sales Tax Billed Nov25	BL-17441	Online Payments
						53,428.02	**53,428.02**			
Iowa One Call - VEND-1015 - EFT File										
11/28/2025	0925 Locates - WA	Net 30	181.80	0.00	15.00	181.80	181.80	276398	BL-17444	EFT File
11/28/2025	0925 Locates - EL	Net 30	170.10	0.00	15.00	170.10	170.10	275826	BL-17445	EFT File
11/28/2025	0925 Locates - Fiber	Net 30	194.40	0.00	15.00	194.40	194.40	276397	BL-17446	EFT File
						546.30	**546.30**			
Iowa Public Power Agency - VEND-1492 - EFT File										
11/28/2025	Seed Capital, IPPA	Net 30	26,000.00	0.00	15.00	26,000.00	26,000.00	08-2025-01	BL-17449	EFT File
						26,000.00	**26,000.00**			
IOWA RURAL WATER ASSOC - VEND-90245 - Check										
11/5/2025	Community Membership Dues - FY2026	Open Terms	465.00	0.00	0.00	465.00	465.00	FY2026	BL-17450	Check

AP Check Preview

Date Range: All Dates

Indianola Municipal Utilities

Wednesday, November 5, 2025
4:04:26 PM

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						465.00	**465.00**			
Iowa Utilities Commission - VEND-1016 - EFT File										
12/4/2025	IUC/OCA FY25 Assessment - EL	Net 30	9,375.00	0.00	15.00	9,375.00	9,375.00	66130	BL-17447	EFT File
12/4/2025	IUC/OCA FY25 Assessment - Fiber	Net 30	570.00	0.00	15.00	570.00	570.00	66411	BL-17448	EFT File
						9,945.00	**9,945.00**			
IPERS - VEND-1309 - Online Payments										
11/30/2025	IPERS Payable - Oct25	Net 30	42,997.76	0.00	15.00	42,997.76	42,997.76	Oct25	BL-17451	Online Payments
						42,997.76	**42,997.76**			
ISolved - VEND-1363 - Online Payments										
11/23/2025	FSA Payable - 102425 Payroll	Net 30	192.31	0.00	15.00	192.31	192.31	102425 Payroll	BL-17452	Online Payments
						192.31	**192.31**			
Kimball Construction - VEND-1146 - Check										
12/2/2025	Fiber Optic Hand Holes Install - Pickard	Net 30	1,460.00	0.00	15.00	1,460.00	1,460.00	11.2.25	BL-17454	Check
12/5/2025	Fiber Optic Hand Holes Install - Quail Meadow	Net 30	1,020.00	0.00	15.00	1,020.00	1,020.00	10.18.25	BL-17453	Check
						2,480.00	**2,480.00**			
KNIA/KRLS - VEND-1090 - EFT File										
11/25/2025	1025 Sports Stream Spot	Net 30	65.00	0.00	15.00	65.00	65.00	25100555	BL-17455	EFT File
11/25/2025	1025 :30 Spot Hometown Values	Net 30	739.44	0.00	15.00	739.44	739.44	25100554	BL-17456	EFT File
						804.44	**804.44**			
Kurt Gocken - VEND-1023 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17399	EFT File
						75.00	**75.00**			
Kurt Ripperger - VEND-1025 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17400	EFT File
						75.00	**75.00**			
LONGER, CHRIS - VEND-34025 - EFT File										
11/2/2025	1125 Mobile Device Allowance	Open Terms	75.00	0.00	0.00	75.00	75.00	Nov25	BL-17404	EFT File
						75.00	**75.00**			
Marquee Sports Network - VEND-1165 - EFT File										
11/30/2025	1025 Expanded Basic	Net 30	3,223.26	0.00	15.00	3,223.26	3,223.26	Oct25	BL-17457	EFT File

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
						3,223.26	**3,223.26**			
METCALF, MIKE - VEND-34230 - EFT File										
11/2/2025	1125 Mobile Device Allowance	Open Terms	75.00	0.00	0.00	75.00	75.00	Nov25	BL-17405	EFT File
						75.00	**75.00**			
Microbac Laboratories Inc - VEND-1421 - EFT File										
11/23/2025	Nitrogen	Net 30	39.50	0.00	15.00	39.50	39.50	NT2509816	BL-17460	EFT File
11/27/2025	Manganese Sample	Net 30	17.50	0.00	15.00	17.50	17.50	NT2509886	BL-17459	EFT File
						57.00	**57.00**			
MILLER ELECTRIC SERVICES - VEND-34642 - Check										
11/4/2025	Dntn Underground Conversion - Pay App 1	Open Terms	51,918.50	0.00	0.00	51,918.50	51,918.50	19871	BL-17461	Check
						51,918.50	**51,918.50**			
Mission Square - VEND-1303 - Online Payments										
11/23/2025	457 Payable - 102425 Payroll	Net 30	7,246.42	0.00	15.00	7,246.42	7,246.42	102425 Payroll	BL-17462	Online Payments
						7,246.42	**7,246.42**			
MSC - VEND-1250 - Check										
11/23/2025	Work Gloves and Safety Glasses	Net 30	224.00	0.00	15.00	224.00	224.00	68223080	BL-17463	Check
						224.00	**224.00**			
MUNICIPAL SUPPLY INC - VEND-35810 - Check										
10/28/2025	6x15 repair clamp	Open Terms	230.00	0.00	0.00	230.00	230.00	0959127-IN	BL-17464	Check
11/1/2025	4x15 repair clamp, (2) 4" hymax	Open Terms	874.75	0.00	0.00	874.75	874.75	0959814-IN	BL-17458	Check
						1,104.75	**1,104.75**			
National Cable Television Cooperative, Inc. - VEND-1095 - EFT File										
11/28/2025	1025 Cable Programming	Net 30	61,342.56	0.00	15.00	61,342.56	61,342.56	25100682	BL-17465	EFT File
						61,342.56	**61,342.56**			
NewCom Technologies, Inc - VEND-1091 - EFT File										
11/28/2025	RS No 16	Net 30	2,267.30	0.00	15.00	2,267.30	2,267.30	51518	BL-17466	EFT File
11/30/2025	NOFA - RS No 17	Net 30	3,120.00	0.00	15.00	3,120.00	3,120.00	51517	BL-17467	EFT File
						5,387.30	**5,387.30**			
Nexstar Broadcasting, Inc - VEND-1092 - EFT File										
11/30/2025	1025 NewsNation	Net 30	486.40	0.00	15.00	486.40	486.40	621000	BL-17468	EFT File

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
11/30/2025	1025 Nexstar - WHO	Net 30	10,958.23	0.00	15.00	10,958.23	10,958.23	620838	BL-17469	EFT File
						11,444.63	**11,444.63**			
Norwalk Ready Mix Concrete, Inc. - VEND-1119 - Check										
11/15/2025	Line Shop Concrete	Net 30	4,774.78	0.00	15.00	4,774.78	4,774.78	377264	BL-17474	Check
11/21/2025	Concrete Pour Back - E Girard	Net 30	315.50	0.00	15.00	315.50	315.50	377700	BL-17471	Check
11/22/2025	Concrete Pour Back - E Girard Ave	Net 30	1,113.00	0.00	15.00	1,113.00	1,113.00	377812	BL-17472	Check
11/22/2025	Line Shop Concrete	Net 30	4,727.50	0.00	15.00	4,727.50	4,727.50	377813	BL-17473	Check
11/28/2025	Concrete Pour Back - N 9th & Euclid	Net 30	930.00	0.00	15.00	930.00	930.00	378145	BL-17470	Check
						11,860.78	**11,860.78**			
Pella Printing Co, Inc - VEND-1062 - EFT File										
11/30/2025	Door Hanger Notices	Net 30	254.74	0.00	15.00	254.74	254.74	70515	BL-17475	EFT File
						254.74	**254.74**			
Power & Tel - VEND-1037 - EFT File										
11/12/2025	Tray and Closure	Net 30	2,468.37	0.00	15.00	2,468.37	2,468.37	8193768-00	BL-17476	EFT File
11/29/2025	CLOSURE DROP TERMINAL KIT	Net 30	381.06	0.00	15.00	381.06	381.06	8202909-00	BL-17477	EFT File
						2,849.43	**2,849.43**			
Segra / Unite Private Networks - VEND-1054 - EFT File										
12/1/2025	Dark Fiber	Net 30	3,817.18	0.00	15.00	3,817.18	3,817.18	SI-25-047582	BL-17478	EFT File
						3,817.18	**3,817.18**			
Skye McBroom - VEND-1026 - EFT File										
12/1/2025	1125 Mobile Device Allowance	Net 30	75.00	0.00	15.00	75.00	75.00	Nov25	BL-17401	EFT File
						75.00	**75.00**			
Teklink - VEND-1262 - EFT File										
11/26/2025	Bore & Drop	Net 30	2,653.00	0.00	15.00	2,653.00	2,653.00	WE 10/25/2025	BL-17480	EFT File
12/3/2025	Bore & Drop	Net 30	1,588.00	0.00	15.00	1,588.00	1,588.00	WE 11/2/2025	BL-17479	EFT File
						4,241.00	**4,241.00**			
Terry-Durin Co - VEND-1038 - EFT File										
11/28/2025	1/2" INNER DUCT	Net 30	4,012.50	0.00	15.00	4,012.50	4,012.50	202617-00	BL-17481	EFT File
11/28/2025	3/4" INNER DUCT	Net 30	2,782.00	0.00	15.00	2,782.00	2,782.00	202616-00	BL-17483	EFT File
						6,794.50	**6,794.50**			
TRM DISPOSAL LLC - VEND-101016 - EFT File										

AP Check Preview

Date Range: All Dates

Indianola Municipal Utilities

Wednesday, November 5, 2025
4:04:26 PM

Vendor Due Date	Notes	Terms	Bill Total	Discount	Interest	Amount Due	Payment	Invoice Number	Bill Number	Payment Type
10/25/2025	1125 Recycle - Fiber/111 S Buxton	Open Terms	78.00	0.00	0.00	78.00	78.00	37718	BL-17484	EFT File
10/25/2025	1125 Trash/Recycle - Util Svcs	Open Terms	52.50	0.00	0.00	52.50	52.50	37717	BL-17485	EFT File
						130.50	**130.50**			
VAN WERT INC - VEND-101069 - EFT File										
10/23/2025	(2) 1.5 meters with ERT	Open Terms	2,415.10	0.00	0.00	2,415.10	2,415.10	82619	BL-17486	EFT File
						2,415.10	**2,415.10**			
VEENSTRA & KIMM - VEND-57600 - Check										
10/25/2025	Engineering Svcs N 6th St Place Water Main I	Open Terms	15,916.00	0.00	0.00	15,916.00	15,916.00	285116-2	BL-17487	Check
						15,916.00	**15,916.00**			
Viking Automatic Sprinkler - VEND-1473 - EFT File										
11/20/2025	Fire Extenguisher Annual Testing - EL	Net 30	295.32	0.00	15.00	295.32	295.32	1025-F448668	BL-17488	EFT File
11/20/2025	2025 Annual Fire Extinguisher Inspection - WA	Net 30	107.54	0.00	15.00	107.54	107.54	1025-F448674	BL-17489	EFT File
11/20/2025	2025 Annual Extinguisher Inspection - Fiber	Net 30	97.91	0.00	15.00	97.91	97.91	1025-F448671	BL-17490	EFT File
						500.77	**500.77**			
WESCO - VEND-60220 - EFT File										
10/22/2025	Transformer Basements	Open Terms	7,220.09	0.00	0.00	7,220.09	7,220.09	713470	BL-17492	EFT File
10/29/2025	Locate Flags	Open Terms	406.77	0.00	0.00	406.77	406.77	724844	BL-17491	EFT File
						7,626.86	**7,626.86**			
Wiegert Disposal Inc - VEND-1081 - EFT File										
11/30/2025	1025 Trash - Fiber/111 S Buxton	Net 30	110.00	0.00	15.00	110.00	110.00	11.1.25	BL-17493	EFT File
						110.00	**110.00**			

Total Payment Count:	**67**	Totals:	**$453,622.64**	**$453,622.64**
Total Check Count:	**10**	Check Totals:	**$87,785.36**	**$87,785.36**
Total EFT File Count:	**51**	EFT File Totals:	**$227,444.14**	**$227,444.14**
Total Online Payments Count:	**6**	Online Payments Totals:	**$138,393.14**	**$138,393.14**
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
IMU
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Approval of Minutes of the prior meetings

Recommendation:

Attachments:
1. 10-2-2025 Minutes
2. 10-13-2025 Minutes

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

October 2, 2025, 3:30 PM IMU Boardroom Minutes

The IMU Board of Trustees met in special session at 3:30 pm on October 2, 2025, in the IMU Conference Room. Acting Board Chair Lori Smith called the meeting to order and on roll call the following board members were present: Adam Voigts, Deb White, and Lori Smith, and Paul Craven.
There was no public comment.

Communications Utility Action Items

Craven motioned and White seconded approving **Resolution 2025-081 Authorization for Termination of Agreement M516509 UNDER Iowa Code Chapter 28E.** In discussion, Telecommunications Director Kurt Ripperger explained the reasoning and process to end the agreement, and board members discussed the impact on customers and how best to educate them if any questions arise.

Craven moved to **Adjourn** at 3:44 pm, and White seconded. On Voice vote, Ayes: Voigts, White, Smith, Craven; Nays: None, motion passed unanimously.

IMU BOARD OF TRUSTEES OF THE ELECTRIC, WATER AND COMMUNICATIONS UTILITIES
October 13, 2025, 5:30 PM IMU Boardroom Minutes

The IMU Board of Trustees met in regular session at 5:30 pm on October 13, 2025, in the IMU Conference Room. Acting Board Chair Adam Voigts called the meeting to order and on roll call the following board members were present: Deb White, Lori Smith, Adam Voigts, and Paul Craven.
There was no public comment.
Craven moved to approve the **Consent Agenda** as follows: Approval of Claims, Approval of Minutes of the prior meetings, August 2026 Financial Report (reviewed by Doug Shull), and **Resolution 2025-082 Authorizing Payment of Retainage Funds to Central Tank**; and Smith seconded it. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.

Electric Utility Action Items
White motioned to enter into **Public Hearing regarding the plans, specifications, form of contract and estimate of cost for NE-SE Alley Premise Wiring Modification Project** and Smith seconded. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. There was no public comment and Smith motioned to exit public hearing, and Craven seconded. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.
White moved to approve **Resolution 2025-083 approving the plans, specifications, form of contract and estimate of cost for NE-SE Alley Premise Wiring Modification Contract** and Craven seconded. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.
Smith moved to approve **Resolution 2025-084 awarding a contract for the NE-SE Alley Premise Wiring Modification Project to Miller Electric** and Craven seconded. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.

Electric Utility Informational Items
Electric Director Mike Metcalf, shared that the IMU's Electric Department has finished their portion of the Solar Project. The Scott Felton underground conversion is completed. Crews are working on IUC maintenance projects and new developments. The apprentice linemen attended the IAMU Fall Workshop.

Water Utility Informational Items
Water Director Justin Brand shared staff have been busy with a few main breaks, valve replacement and restoration work, the E 3rd Water Main project is quickly progressing, the generator project pre construction meetings are being held and crews are working on meter swaps.

Communications Utility Informational Items
Communications Director Kurt Ripperger; Business as usual- staff are very busy with fall rush—with 45+ installs and upgrades so far this month. NOFA 7 South splicing has begun and invitations will be sent to residents in the area to offer services before winter. TV Signal acquisition research continues with more updates to come. IMU Fiber will participate in the ICYS Trunk or Treat 10-18, and Ripperger and Kurt Gocken are attending the Calix Conference in Las Vegas next week.

Combined Electric, Water and Communications Action Items
Craven motioned to approve utility accounts to be written off and to use any customary collection method, including submission to the state offset program, and to charge any applicable collection fees, and White seconded. On roll call, Ayes: Smith, Rozga, Voigts, Craven; Nays: None.

Smith moved to approve **Resolution 2025-085 to Approve Purchase Agreement for Parcel ID 48020230060** and White seconded. This property is adjacent to the IMU Offices, and closing is set for October 29. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.

White moved to approve **Resolution 2025-086 approving Application and Agreement for Membership in the Iowa Public Power Agency** and Craven seconded. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.

Smith moved to approve **Resolution 2025-087 Resolution Approving a Health Insurance Holiday** for November, December 2025 and January 2026 and White seconded. On roll call, the vote was AYES: Smith, White, Voigts, Craven. NAYS: None. Whereas the motion carried unanimously.

Combined Electric, Water and Communications Informational Items

General Manager Chris Desplanques shared; Solar Project is going very well, the real estate purchase is on track for on-time closing, Water Department hosted a facility tour with Mayor Richardson, as well as legislative discussions with Representative Fett. Representative Boden is chair of the state's local government committee, and DesPlanques hopes to work with her closely on utility related issues. IPPA meetings regarding the transmission purchase continue, and IMU and the City are working with attorneys to expedite removal of remaining services on the obsolete utility poles in the downtown areas as well as those left on the east side of town. Staff are working on CIP budget items, rate adjustments, and coordination with city staff.

No Other Business was discussed.

Smith moved to **Adjourn** at 6:09 pm, and Craven seconded. On Voice vote, Ayes: Smith, White, Voigts, Craven; Nays: None, motion passed unanimously.

4.C.

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Resolution Approving Payment application #1 to Miller Electric for the NE-SE Alley Premise Wiring Modification Project

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Recommendation:

Attachments:

1. Res 2025 Approving Payment Application 1 to Miller Electric for the Downtown Underground Conversion Project NORTH-EAST SOUTH-EAST ALLEY PREMISE WIRIN
2. Recommendation for Payment #1

Indianola Municipal Utilities

RESOLUTION NO 2025-

RESOLUTION APPROVING PAY APP 1 TO MILLER ELECTRIC FOR THE DOWNTOWN UNDERGROUND CONVERSION PROJECT NORTH-EAST SOUTH-EAST ALLEY PREMISE WIRING PROJECT

WHEREAS, the Board of Trustees of the Indianola Municipal Utilities has deemed it necessary to move forward with the Downtown Underground Conversion Project NE-SE Alley Premise Wiring Project in the Electric Department; and

WHEREAS, on October 13, 2025, the Board passed and approved “Resolution 2025-084 awarding a contract for the NE-SE Alley Premise Wiring Modification Project to Miller Electric”; and

WHEREAS, the contract was awarded to Miller Electric. in the amount of $ 136,640.00

WHEREAS, on Nov 3, 2025, Miller Electric submitted a recommendation for payment #1 for said contract in the amount of $ 51,918.50.

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

1. The payment to Miller Electric Inc. in the amount of $51,918.50 hereby approved; and
2. The IMU staff is authorized and directed to execute the payment application on behalf of the IMU Board of Trustees.

Passed and approved this 10th day of November 2025.

____
Dom Selgrade, Chairperson

ATTEST:

____
Monica Thompson, Board Secretary

P&E ENGINEERING CO.
POWER SYSTEMS ANALYSIS AND DESIGN
Richard D. Kline, P.E. Timothy G. Ernst, P.E.
Jared A. Kline, P.E. Mark C. Reisinger, P.E.
500 SW 7th Street, Suite 100, Des Moines, IA 50309
p. 515-989-3083 pe@peengr.com

RECOMMENDATION FOR PAYMENT

Date	11/3/2025
Owner:	Indianola Municipal Utilities
Contractor:	Miller Electrical Services
Project:	Downtown Underground Conversion Project NE-SE Alley Premise Wiring
P&E Project No.	9790
Date of Application	10/29/2025
Application No.	1
Invoice No.	19871

Contract Amount	$	136,640.00
Change Order Adjustments	$	-
Current Value of Contract	$	136,640.00
Estimated Percentage of Completion		40.0%
Estimated Value of Completed Work	$	54,650.00
Less 5% Retainage	$	2,731.50
Total Amount Due Contractor	$	51,918.50
Less Previously Approved Applications	$	-
Amount Due with this Application	**$**	**51,918.50**
(Payable to Miller Electrical Services, Inc.)		
Payment Remaining on Contract	$	84,721.50

The status of the work as reported by Miller Electric is shown on the attached sheets. I recommend the above amounts for payment, based on the status of the work, and the terms of the Contract.

Allan Powers

Allan Powers, P.E.
P & E Engineering Co.

Miller Electrical Services, Inc.

PO Box 354
Indianola, IA 50125

Phone# (515) 961-5842
E-mail: office@mmillerelectric.com

Date	Invoice #
10/29/2025	19871

Bill To

IMU
Att: Mike Metcalf
210 W 2nd Ave
Indianola, IA 50125

P.O. No.	Terms	Due Date
	Due in 10 days	11/8/2025

Qty	Description	U/M	Rate	Amount
	IMU NORTHEAST & SOUTHEAST SQUARE PROJECT			
	B17 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		5,465.00	5,465.00
	B18 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		2,732.00	2,732.00
	B19 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		16,396.00	16,396.00
	B20 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		2,732.00	2,732.00
	B20A MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		5,465.00	5,465.00
	B63 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		16,396.00	16,396.00

We appreciate your business!

Subtotal	
Sales Tax (7.0%)	
Total	
Payments/Credits	
Balance Due	

Miller Electrical Services, Inc.

PO Box 354
Indianola, IA 50125

Phone# (515) 961-5842
E-mail: office@mmillerelectric.com

Date	Invoice #
10/29/2025	19871

Bill To
IMU Att: Mike Metcalf 210 W 2nd Ave Indianola, IA 50125

P.O. No.	Terms	Due Date
	Due in 10 days	11/8/2025

Qty	Description	U/M	Rate	Amount
	B64 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		2,732.00	2,732.00
	B65 MATERIAL METERING EQUIPMENT, CONDUIT, AND FITTINGS		2,732.00	2,732.00
	RETAINAGE		-2,731.50	-2,731.50

We appreciate your business!

Please send payment within 10 days of receipt of this invoice. A finance charge of 1.5% per month will be assessed on all unpaid amounts more than 30 days past due.

Subtotal	$51,918.50
Sales Tax (7.0%)	$0.00
Total	$51,918.50
Payments/Credits	$0.00
Balance Due	$51,918.50

Building	Amount	% Complete	Invoice# 19871 Amount	Totals	% Complete
B17	$13,664.00		$5,465.00	$5,465.00	40%
B18	$6,832.00		$2,732.00	$2,732.00	40%
B19	$40,992.00		$16,396.00	$16,396.00	40%
B20	$6,832.00		$2,732.00	$2,732.00	40%
B20A	$13,664.00		$5,465.00	$5,465.00	40%
B63	$40,992.00		$16,396.00	$16,396.00	40%
B64	$6,832.00		$2,732.00	$2,732.00	40%
B65	$6,832.00		$2,732.00	$2,732.00	40%
Work Completed	$136,640.00		$54,650.00	$54,650.00	40%
Retainage (5%)			$2,731.50		
Total Due	136,640.00		~~$51,898.50~~ $51,918.50		

Indianola Municipal Utilities
NE-SE Alley Premise Wiring Modification Contract
Miller Electric Invoice Record

		Pay App 1, Invoice 19871, 10/29/25	
Building	Amount	% Complete	Amount
B17	$13,664.00	40%	$5,465.00
B18	$6,832.00	40%	$2,732.00
B19	$40,992.00	40%	$16,396.00
B20	$6,832.00	40%	$2,732.00
B20A	$13,664.00	40%	$5,465.00
B63	$40,992.00	40%	$16,396.00
B64	$6,832.00	40%	$2,732.00
B65	$6,832.00	40%	$2,732.00
Contract	$136,640.00		
Work Completed		40.0%	$54,650.00
Retainage (5%)			$2,731.50
Total Due to Date			$51,918.50
Prev Payments			$0.00
Due this invoice			$51,918.50

INDIANOLA MUNICIPAL UTILITIES
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Resolution Approving Payment #1 to Morris Enterprises for the East 3rd Avenue Water Main Improvement Project

Recommendation:

Attachments:

1. Res 2025 Approving Payment Application 1 to Morris Enterprises, Inc. for the East 3rd Avenue Water Main Improvements project
2. 285115_Partial Payment No. 1

Indianola Municipal Utilities

RESOLUTION NO 2025-

RESOLUTION APPROVING PAY APP 1 TO MORRIS ENTERPRISES, INC. FOR THE EAST 3RD AVENUE WATER MAIN IMPROVEMENTS PROJECT

WHEREAS, the Board of Trustees of the Indianola Municipal Utilities has deemed it necessary to move forward with the East 3rd Avenue Water Main Improvements project in the Water Department; and

WHEREAS, on May 12, 2025, the Board passed and approved "Resolution 2025-042 Resolution Awarding and approving contract to Morris Enterprises for the East 3rd Avenue Water Main Improvement" and

WHEREAS, the contract was awarded to Morris Enterprises, Inc. in the amount of $135,231.00

WHEREAS, on Nov 6, 2025, Morris Enterprises, Inc submitted a recommendation for payment #1 for said contract in the amount of $123,123.07.

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

1. The payment to Morris Enterprises, Inc. in the amount of $123,123.07 hereby approved; and
2. The IMU staff is authorized and directed to execute the payment application on behalf of the IMU Board of Trustees.

Passed and approved this 10th day of November 2025.

____
Dom Selgrade, Chairperson

ATTEST:

____
Monica Thompson, Board Secretary

VEENSTRA & KIMM INC.
6775 Vista Drive
West Des Moines, Iowa 50266

515.225.8000 // 800.241.8000
www.v-k.net

A Kleinfelder Company

ESTIMATE OF CONSTRUCTION COMPLETED

PARTIAL PAYMENT NO. 1

PROJECT TITLE: East 3rd Avenue Water Main Improvements

Owner: Indianola Municipal Utilities **Date: November 6, 2025**

Contractor: Morris Enterprises, Inc.

Original Contract Amount & Date: $135,231.00; May 12, 2025 **Pay Period: September 1, 2025 to October 31, 2025**

BID ITEMS

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED (ORIG. CONT.)	UNIT PRICE	EXTENDED PRICE	QUANTITY COMPLETED TO DATE	VALUE COMPLETED TO DATE
1.1	Mobilization	LS	XXXXX	$ 25,000.00	$ 25,000.00	100%	$25,000.00
1.2	Traffic Control	LS	XXXXX	$ 4,500.00	$ 4,500.00	100%	$4,500.00
1.3	Construction Staking	LS	XXXXX	$ 1.00	$ 1.00	100%	$1.00
1.4	Water Main Directional Bored, PVC, 8"	LF	410	$ 125.00	$ 51,250.00	440	$55,000.00
1.5	Hydrant Assembly	EA	1	$ 8,500.00	$ 8,500.00	1	$8,500.00
1.6	Water Service Connections	EA	6	$ 1,250.00	$ 7,500.00	6	$7,500.00
1.7	Curb Stop and Box	EA	6	$ 1,350.00	$ 8,100.00	6	$8,100.00
1.8	Water Service Pipe	LF	200	$ 50.00	$ 10,000.00	158	$7,900.00
1.9	Tapping Sleeve & Valve, 12"x8"	EA	1	$ 6,200.00	$ 6,200.00	1	$6,200.00
1.10	Pavement, PCC, Remove & Replace, 8"	SY	20	$ 225.00	$ 4,500.00	5.5	$1,237.50
1.11	Pavement, PCC, Remove & Replace, 4"	SY	68	$ 25.00	$ 1,700.00	12.5	$312.50
1.12	Detectable Warning Panels	SF	16	$ 80.00	$ 1,280.00	1	$80.00
1.13	Salvage Existing Fire Hydrant	EA	1	$ 1,500.00	$ 1,500.00	1	$1,500.00
1.14	Abandon Existing 4" Water Main	EA	1	$ 1,100.00	$ 1,100.00	1	$1,100.00
1.15	Sod	SQ	10	$ 410.00	$ 4,100.00	0	$0.00
	Total Value Completed - Bid Items						**$126,931.00**

SUMMARY

	Original Contract	Total Completed
Bid Item Subtotal	$135,231.00	$126,931.00

APPROVED CHANGE ORDERS

Change Order No.	Description/Notes	Total Approved	Total Completed
1		$0.00	$0.00
2		$0.00	$0.00
3		$0.00	$0.00
4		$0.00	$0.00
5		$0.00	$0.00
6		$0.00	$0.00
7		$0.00	$0.00
8		$0.00	$0.00
9		$0.00	$0.00
10		$0.00	$0.00
	Total Change Orders	$0.00	$0.00

	Total Approved	Total Completed
Revised Contract Price	$135,231.00	$126,931.00

	Total Completed
Total Materials Stored	$0.00
Total Completed Plus Materials Stored	$126,931.00
Retainage (3%)	$3,807.93
Total Earned Less Retainage	$123,123.07

APPROVED PARTIAL PAYMENTS

Partial Payment No.	Period	Total Approved	
1		$0.00	
2		$0.00	
3		$0.00	
4		$0.00	
5		$0.00	
6		$0.00	
7		$0.00	
8		$0.00	
9		$0.00	
10		$0.00	
		Total Previously Approved	$0.00
		Amount Due This Request	**$123,123.07**

Note: The amount **$123,123.07** is recommended for approval for payment in accordance with the terms of the Contract.

CONTRACT SUMMARY

ORIGINAL CONTRACT AMOUNT	$135,231.00
TOTAL CONTRACT AMOUNT PLUS CHANGE ORDERS	$135,231.00
THIS PARTIAL PAYMENT	$123,123.07
TOTAL PARTIAL PAYMENTS INCL THIS PAYMENT	$123,123.07
BALANCE	$12,107.93
PERCENT COMPLETE	93.9%

Recommended By: ***Veenstra & Kimm, Inc.***		***Contractor:*** ***Morris Enterprises, Inc.***		***Approved by:*** ***Indianola Municipal Utilities***	
Signature	Vincent Driscoll	Signature	Ryan Morris	Signature	
Name	Vincent Driscoll	Name	Ryan Morris	Name	
Title	Project Engineer	Title	President	Title	
Date	11/6/2025	Date	11-6-25	Date	

INDIANOLA MUNICIPAL UTILITIES
Electric • Communications • Water

MEMORANDUM

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

From:

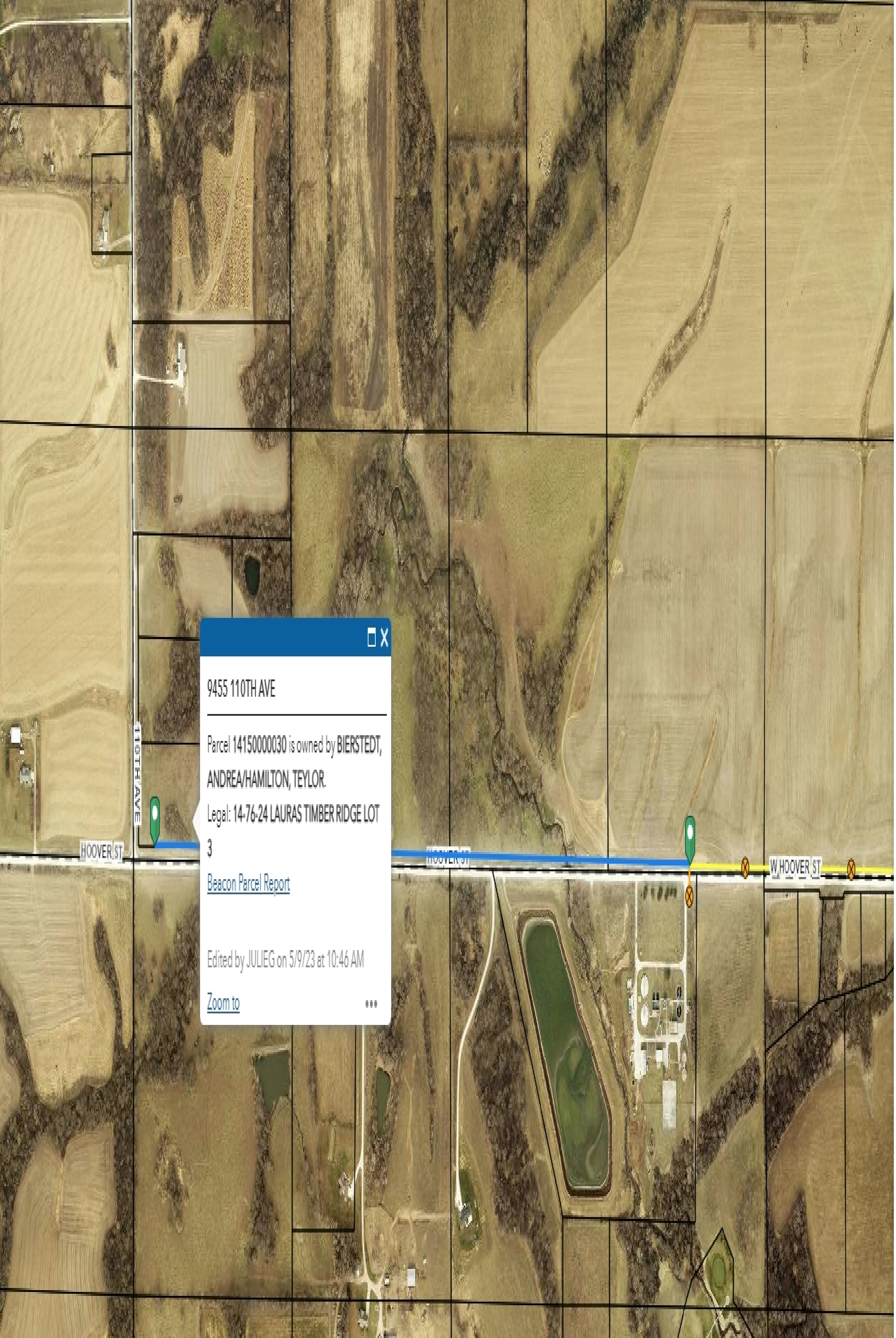
Date: November 10, 2025

Subject: Authorization for Warren Water District to serve a customer within their territory upon proper notice to IMU since the customer is within 2 miles of the IMU territory, located at 9455 110th Ave.

Recommendation: Under state regulations for water service territories, Warren Water District (WWD) is required to provide notice to IMU when a customer has requested service from WWD when the location is within 2 miles of the IMU service territory. A resident at 9455 110th Ave has requested service from WWD and WWD has provided notification to IMU as the property is within 2 miles of the IMU water district. To serve this customer outside of the IMU district, IMU would have to construct a 4,457.7 foot extension to the property. Superintendent Brand is recommending the Board of Trustees acknowledge the notification from WWD to serve the property as it is within WWD service territory and WWD already has a water main at this location.

A simple motion approving the notification from WWD to service this property outside of the IMU water service territory is in order.

Attachments: 1. 9455 110th ave



Measurement Result

4,457.7 Feet (US)

Clear

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: September FY2026 Financial Report

Recommendation:

Attachments: 1. 0925 Financial Report

Water Utility Financial Summary
September 30, 2025

	FY25			FY26		
	Budget	**YTD Actual**	**% of Budget**	**Budget**	**YTD Actual**	**% of Budget**
600 WATER OPERATING FUND						
Water Service Sales	3,473,300	776,365	22.4%	3,637,072	788,500	21.7%
Other Water Revenue	587,684	161,272	27.4%	595,584	138,581	23.3%
Total Revenue:	**4,060,984**	**937,637**		**4,232,656**	**927,081**	
Water O&M Expense	2,301,497	572,466	24.9%	2,436,707	587,715	24.1%
Water O&M Transfers Out	1,950,600	487,650	25.0%	1,526,200	0	0.0%
YTD Depreciation		163,164			165,506	
Total Expense, Transfers & Depreciation:	**4,252,097**	**1,223,279**		**3,962,907**	**753,220**	
Beginning Net Position		14,593,603			13,881,413	
Net Surplus (Deficit)		(285,642)			173,861	
Ending Net Position		14,307,961			14,055,274	
700 WATER CAPITAL FUND						
From Water Operations	1,950,600	487,650	25.0%	1,526,200	0	0.0%
Total Transfers In:	**1,950,600**	**487,650**		**1,526,200**	**0**	
Water Capital Expense	2,085,600	302,307	14.5%	1,526,200	294,728	19.3%
Total Expense:	**2,085,600**	**302,307**		**1,526,200**	**294,728**	
Beginning Net Position		4,151,843			6,102,443	
Net Surplus (Deficit)		185,343			(294,728)	
Ending Net Position		4,337,186			5,807,716	
780 WATER IMPROVE FUND						
Beginning Net Position		75,000			75,000	
Net Surplus (Deficit)		0			0	
Ending Net Position		75,000			75,000	

	Gallons Billed FY25-26	**Gallons Billed FY24-25**
July	37,025,070	40,148,770
August	33,440,200	32,039,780
September	33,464,030	36,328,770
October		
November		
December		
January		
February		
March		
April		
May		
June		
YTD TOTAL	103,929,300	108,517,320
	-4.2%	

	Inventory on Hand FY25-26	**Inventory on Ha FY24-25**
July	$ 335,804	$ 408,909
August	$ 321,662	$ 401,413
September	$ 318,511	$ 390,131
October		
November		
December		
January		
February		
March		
April		
May		
June		
YTD AVG	$ 325,326	$ 400,151
	-18.7%	

WATER CASH ON HAND	O&M	$ (197,281)
(110 days or greater)	Capital	$ 4,900,205
	Debt Service	$ 75,000
440 days		$ 4,777,924

IMU Admin/US Financial Summary
September 30, 2025

	FY25			FY26		
	Budget	YTD Actual	% of Budget	Budget	YTD Actual	% of Budget
620 ADMIN & UTILITY SERVICES						
Admin/US Revenue	1,409,493	399,716	28.4%	1,444,214	334,335	23.1%
Total Revenue:	**1,409,493**	**399,716**		**1,444,214**	**334,335**	
Admin/US O&M Expense	1,409,493	357,322	25.4%	1,444,214	361,380	25.0%
YTD Depreciation		8,848			8,848	
Total Expense, Transfers & Depreciation:	**1,409,493**	**366,170**		**1,444,214**	**370,228**	
Beginning Net Position		181,343			247,710	
Net Surplus (Deficit)		33,546			(35,893)	
Ending Net Position		214,889			211,817	
855 LIABILITY INS FUND						
Beginning Net Position		9,099			9,099	
Net Surplus (Deficit)		0			0	
Ending Net Position		9,099			9,099	

US/ADMIN CASH ON HAND	O&M	$ 580,517
Transfer of city services collected in September 2025		$ (537,211)
		$ 43,305

Electric Utility Financial Summary
September 30, 2025

	FY25			FY26		
	Budget	YTD Actual	% of Budget	Budget	YTD Actual	% of Budget
630 ELECTRIC OPERATING FUND						
Electric Service Sales	16,405,606	5,356,339	32.6%	17,225,886	5,616,205	32.6%
Other Electric Revenue	2,043,100	574,511	28.1%	2,084,700	512,367	24.6%
Total Revenue:	**18,448,706**	**5,930,850**		**19,310,586**	**6,128,572**	
Electric O&M Expense	16,893,220	4,695,403	27.8%	17,510,259	4,489,570	25.6%
Electric O&M Transfer Out	1,981,202	807,800	40.8%	3,178,800	169,700	5.3%
YTD Depreciation		415,966			419,667	
Total Expense, Transfers & Depreciation:	**18,874,422**	**5,919,169**		**20,689,059**	**5,078,937**	
Beginning Net Position		33,316,174			32,262,212	
Net Surplus (Deficit)		11,682			1,049,635	
Ending Net Position		33,327,856			33,311,847	
730 ELECTRIC CAPITAL FUND						
Electric Capital Revenue	1,274,100	458,025	35.9%	1,510,100	391,557	25.9%
From Electric Operations	1,250,000	625,000	50.0%	2,500,000	0	0.0%
Total Revenue and Transfers In:	**2,524,100**	**1,083,025**		**4,010,100**	**391,557**	
Electric Capital Expense	2,579,400	313,809	12.2%	2,421,000	419,363	17.3%
Total Expense:	**2,579,400**	**313,809**		**2,421,000**	**419,363**	
Beginning Net Position		11,764,299			14,770,282	
Net Surplus (Deficit)		769,216			(27,806)	
Ending Net Position		12,533,515			14,742,476	
793 ELECTRIC DEBT SERVICE						
From Electric Operations	731,202	182,801	25.0%	678,800	169,700	25.0%
Total Transfers In:	**731,202**	**182,801**		**678,800**	**169,700**	
Electric Debt Service	731,202	145,896	20.0%	678,800	140,833	20.7%
Total Expense:	**731,202**	**145,896**		**678,800**	**140,833**	
Beginning Net Position		1,379,914			1,384,135	
Net Surplus (Deficit)		36,905			28,867	
Ending Net Position		1,416,819			1,413,002	

	Kwhs Billed FY25-26	Kwhs Billed FY24-25
July	9,967,863	11,504,883
August	12,994,911	11,693,918
September	13,609,870	12,751,518
October		
November		
December		
January		
February		
March		
April		
May		
June		
YTD TOTAL	36,572,644	35,950,319
	1.7%	

	Inventory on Hand FY25-26	Inventory on Hand FY24-25
July	$ 1,755,215	$ 1,678,539
August	$ 1,738,861	$ 1,646,986
September	$ 1,710,662	$ 1,656,391
October		
November		
December		
January		
February		
March		
April		
May		
June		
YTD AVG	$ 1,734,912	$ 1,660,639
	4.5%	

ELECTRIC CASH ON HAND		
(110 days or greater)	O&M	$ 7,144,712
	Capital	$ 11,566,456
	Debt Service	$ 1,413,002
356 days		$ 20,124,170

Fiber Utility Financial Summary
September 30, 2025

	FY25			FY26		
	Budget	YTD Actual	% of Budget	Budget	YTD Actual	% of Budget
640 FIBER OPERATING FUND						
Fiber Service Sales	5,230,000	1,284,193	24.6%	5,365,000	1,358,375	25.3%
Other Fiber Revenue	410,050	46,747	11.4%	490,450	92,702	18.9%
Total Revenue:	**5,640,050**	**1,330,940**		**5,855,450**	**1,451,076**	
Fiber O&M Expense	3,627,836	900,667	24.8%	3,725,015	971,053	26.1%
Fiber O&M Transfer Out	2,022,828	361,215	17.9%	2,125,420	281,655	13.3%
YTD Depreciation		68,499			128,522	
Total Expense, Transfers & Depreciation:	**5,650,664**	**1,330,381**		**5,850,435**	**1,381,230**	
Beginning Net Position		(2,673,110)			(2,307,139)	
Net Surplus (Deficit)		559			69,846	
Ending Net Position		(2,672,551)			(2,237,293)	
740 FIBER CAPITAL FUND						
Fiber Capital Revenue	0	282			141	
From Fiber Operations	896,300	79,583	8.9%	998,800	0	0.0%
Total Revenue and Transfers In:	**896,300**	**79,865**		**998,800**	**141**	
Fiber Capital Expense	1,121,300	254,985	22.7%	998,800	337,178	33.8%
YTD Depreciation		83,431		0	90,176	
Total Expense, Transfers & Depreciation:	**1,121,300**	**338,417**		**998,800**	**427,354**	
Beginning Net Position		984,304			1,508,816	
Net Surplus (Deficit)		(258,552)			(427,213)	
Ending Net Position		725,752			1,081,603	
795 FIBER DEBT SERVICE						
From Fiber Operations	1,126,528	281,632	25.0%	1,126,620	281,655	25.0%
Total Transfers In:	**1,126,528**	**281,632**		**1,126,620**	**281,655**	
Fiber Debt Service	1,126,528	4,397	0.4%	1,126,620	7,538	0.7%
Total Expense:	**1,126,528**	**4,397**		**1,126,620**	**7,538**	
Beginning Net Position		4,668			7,859	
Net Surplus (Deficit)		277,235			274,117	
Ending Net Position		281,903			281,976	
***Fund 640 Ending Fund Balance**		(2,390,648)			(1,955,317)	
***Fund 740 Ending Fund Balance**		725,752			1,081,603	
		(1,664,897)			(873,714)	

	Subscriptions FY25-26	Subscriptions FY24-25	YOY Increase %
July	4,444	4,177	6.4%
August	4,459	4,204	6.1%
September	4,446	4,230	5.1%
October			
November			
December			
January			
February			
March			
April			
May			
June			
YTD AVG	4,450	4,204	
	5.9%		

	Inventory on Hand FY25-26	Inventory on Hand FY24-25	YOY Increase %
July	$ 2,035,210	$ 1,819,505	11.9%
August	$ 2,025,066	$ 1,823,670	11.0%
September	$ 2,030,392	$ 1,875,146	8.3%
October			
November			
December			
January			
February			
March			
April			
May			
June			
YTD AVG	$ 2,030,223	$ 1,839,440	
	10.4%		

FIBER CASH ON HAND	O&M	$ (322,743)
(110 days or greater)	Capital	$ 520,132
	Debt Service	$ 281,976
30 days		$ 479,365

The Fiber Utility fund has a deficit fund balance of ($873,714).
The deficit fund balance 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.

September 2025

You should expect to see YTD revenue and expenses to be 3/12 (or 25%) of Budget.

Health Insurance Fund Balance on September 30, 2025 was not available at the time of publishing.

FY26 beginning balances have been updated with the completion of the FY25 financial audit.

As discussed in our strategic planning meeting, we will be collapsing the capital funds into the O&M funds to eliminate negative cash fund balances. Debt service funds will remain as is.

Water and Electric service revenue may fall ahead or behind budget due to seasonal fluctuations, September revenue reflects July-August usage.

We are reporting each departments net position, which is cash and all other assets (such as billing receivables and capital assets) less accumulated depreciation and liabilities.

Cash on Hand - 110 days or more of cash on hand based on the recommended 90-120 days to maintain our bond rating (A-).

This report is on a modified cash basis, with monthly (non-cash) depreciation included.

Water Notes: Capital expenses may fall ahead or behind budget due to timing of project completion and payments.

US/Admin Notes: The 620 fund is intended to be a zero balance fund and doesn't have any significant stand alone obligations. Any balance or deficit here is timing related or is city services collected from the current month to be transferred in the following month.

Electric Notes: Capital expenses may fall ahead or behind budget due to timing of project completion and payments.

Fiber Notes: Inventory on hand includes both customer premise equipment, $1,788,511 and stock supply inventory, $241,881
Capital expenses may fall ahead or behind budget due to timing of project completion and payments.

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Discussion on Potential Refinancing of Electric Utility Debt for Interest Savings

---

Recommendation:

Attachments: 1. Davidson Memo Regarding Potential Electric Debt Refinaning_11-04-25

Memorandum

To:	Board of Trustees, Indianola Municipal Utilities Chris DesPlanques, General Manager, Indianola Municipal Utilities, Chris Longer, Finance and HR Director, Indianola Municipal Utilities
From:	Michael Maloney, Managing Director – D.A. Davidson & Co. Telephone: 515.471.2723 Email: mmaloney@dadco.com
Date:	Tuesday, November 4, 2025 Page 1 of 2
Re:	Electric Utility Debt – Potential Refinancing for Interest Savings

The Series 2017C Electric Revenue Notes reached their call date on 5/1/25. That means that the Board is now able to redeem or refinance that debt at its discretion without penalty. This is unique to the bond market and differs from a personal/commercial loan where you can usually payoff the loan at anytime. IMU can just pay these normally through 2037 if it so chooses.

However, D.A. Davidson is always reviewing potential refinancing savings for our clients and since reaching the call date earlier this year has been evaluating the opportunity as interest rates have trended downward in the municipal bond market. The interest rate on the outstanding debt is 4%. Under current market conditions, IMU could potentially borrow in the low-to-mid-3% range.

The interest rates available to IMU are comprised of two elements: 1) the current municipal yield curve index (based on a AAA rated municipal bond), and 2) IMU's credit spread to the index (based on IMU's recently upgraded S&P Global Ratings 'A' rating, Iowa, municipal electric utility; the potential for bond insurance – like used in 2017; and recent financial performance).

The recent downward move in interest rates (especially shorter-term rates) has provided some light that there could be potential savings for IMU. However, interest rates move daily and there is no guarantee savings that is projected will actually materialize by the time we can/we want to proceed.

There are three administrative steps for the Board to take before being able to capture savings:

A) Set public hearing on refinancing – just need purpose (refinancing Series 2017C) and not-to-exceed borrowing amount.

B) Hold public hearing on refinancing – this provides authority for refinancing at any future meeting date. Note that this allows IMU to proceed, but does NOT obligate ANY borrowing.

C) Approve use of preliminary official statement (offering document for financing) – we have a good template from 2017 and have made IMU's annual continuing disclosure filings since that debt issue, so this is something D.A. Davidson can help prepare efficiently for IMU.

Please consider a refinancing process like this as having multiple 'off-ramps'. The off-ramps would be related to both effort and spending money. D.A. Davidson would work on this knowing we would only be compensated if the refinancing proceeds and actually closes. Where IMU would have expenses would be with the bond attorneys (Steve at Ahlers is who you worked with in 2017). Usually, the public hearing process is pretty inexpensive for legal proceedings, where costs start would be review of the offering document. With this in mind, a reasonable process may be to knock out the hearing steps starting at a subsequent Board meeting, and then have D.A. Davidson update the offering document draft to be in good condition by year-end. Then in 2026, we can review potential savings for the Board monthly to make a decision to proceed with review and finalizing the offering document, and then go from there. The attached timeline is a simple outline of how this process could work.

The next step would be regarding targeted savings. I appreciate the Board would like to see any cash flow help that is available. However, we have some metrics that are industry standard to evaluate a refinancing like this. Primarily, we would look at net present value (NPV) savings. This is discounting the future cash flow savings using the expected interest rate on the new debt, net of all related issuance costs.

The minimum target is net present value savings of 3% of the refinanced principal amount, and obviously more savings than that is better. With just under $6 million of potential debt to refinance, IMU would be looking for $175,000 of net present value savings to meet that minimum target (cash flow savings in this case would be more, $220,000, or around $20,000 per year).

Right now, we are about 0.25% - 0.35% of interest rate movement away from reaching this target. I think there is significant uncertainty about where interest rates are headed, but it is in the ballpark where some discussion is now merited and wanted to at least put this on the Board's radar.

Happy to discuss further to the extent useful. There is no rush, so my goal is to make sure that stays the case. Please let us know if there is any additional information that would be useful to provide.

INDIANOLA MUNICIPAL UTILITIES, IOWA

Electric Revenue Refunding Capital Loan Notes, Series 2026

Purpose: Refinancing Series 2017C Notes

Projected Timeline

Prepared: November 3, 2025

December 2025						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	**8**	9	10	11	12	13
14	15	16	17	18	19	20
21	**22**	23	24	25	26	27
28	29	30	31			

January 2026						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	**12**	13	14	15	16	17
18	19	20	21	22	23	24
25	**26**	27	28	29	30	31

February 2026						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	**9**	10	11	12	13	14
15	16	17	18	19	20	21
22	**23**	24	25	26	27	28

Financing Action Items

November 10th Board Meeting:
- Board reviews potential refinancing opportunity
- Board reviews projected timeline

December 8th Board Meeting:
- Board sets public hearing for refinancing for January 12th

4 – 20 Days Prior to Public Hearing:
- Publish notice of public hearing

January 12th Board Meeting:
- Board holds public hearing for refinancing
- Board reviews potential savings

Future Board Meeting #1: (when savings merited)
- Board approves use of Preliminary Official Statement (offering document for investors)

Future Board Meeting #2:
- Board considers approval of Note Purchase Agreement (locks in rates/savings on refinancing)

Future Board Meeting #3:
- Board authorizes issuance / legal documents relating to Notes

16 days after Meeting #3: (no meeting required)
- Closing / delivery of funds
- Redemption of Series 2017C Notes

* Preliminary, subject to change.

RESOLUTION NO 2025

RESOLUTION APPROVING A PROPOSAL FOR ROOF REPLACEMENT

WHEREAS, it has been deemed necessary to replace the roof on the main building and garage in the Water Department; and

WHEREAS, the Water Department received 3 bids for the project; and

WHEREAS, staff recommend the lowest bid from Hawkeye Flat Roof Solutions, LLC. for $196,220.00 be approved.

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

1. The proposal from Hawkeye Flat Roof Solutions, LLC. for $196,220.00 is hereby approved; and
2. The IMU staff is authorized and directed to execute the payment application on behalf of the IMU Board of Trustees.

Passed and approved this 10th day of November, 2025.

____
Dom Selgrade, Chairperson

ATTEST:

____
Monica Thompson, Board Secretary

Roof Quotes

The Duerson Corporation:

Option 1:	Main building	$217,928.00
	Garage	$72,656.00
	Total	$290,584.00
Option 2:	Main building	$233,511.00
	Garage	$76,971.00
	Total	$310,482.00

Hawkeye Flat Roof Solutions, LLC

Option 1:	Main building	$164,136.00
	Garage	$32,084.00
	Total	$196,220.00

Academy Roofing

Option 1: No response.

HAWKEYE
FLAT ROOF SOLUTIONS, LLC

HAWKEYE
FLAT ROOF SOLUTIONS, LLC

ESTIMATE

NOV 04, 2025

Mark@hawkeyeflatroofsolutions.com
6417509844

INDIANOLA WATER DEPARTMENT

1602 K St.
Indianola, IA
50125
jbrand@indianolaiowa.gov
5159619444

OVERVIEW

BUILDING 1

Description	Qty	Unit price	Line total
Building 1			
Scope of Work: 1. Remove and dispose of ballast rock. 2. Tear off existing roofing down to deck. 3. Install two layers of 1.5" ISO insulation and cover board. 4. Install 60 mil TPO membrane, heat-weld seams. 5. Flash all penetrations and curbs. 6. Clean up debris and haul offsite.	1	$158,814.00	$158,814.00
Section Total			**$158,814.00**

Description	Qty	Unit price	Line total
Parapet Wall Coping Caps			
- Furnish and install new metal coping caps around building perimeter, including removal of existing caps, prep, secure installation, and sealing for watertight finish.	1	$5,322.00	$5,322.00
Section Total			**$5,322.00**

Estimate subtotal	$164,136.00
Total	$164,136.00

BUILDING 2

Description	Qty	Unit price	Line total
Building 2			
Scope of Work: 1. Remove and dispose of ballast rock. 2. Tear off existing roofing down to deck. 3. Install two layers of 1.5" ISO insulation and cover board. 4. Install 60 mil TPO membrane, heat-weld seams. 5. Flash all penetrations and curbs. 6. Clean up debris and haul offsite.	1	$29,900.00	$29,900.00
	Section Total		**$29,900.00**

Description	Qty	Unit price	Line total
Parapet Wall Coping Caps			
- Furnish and install new metal coping caps around building perimeter, including removal of existing caps, prep, secure installation, and sealing for watertight finish.	1	$2,184.00	$2,184.00
	Section Total		**$2,184.00**

Estimate subtotal	$32,084.00
Total	$32,084.00

SIGNING

☐ **Building 1**	$164,136.00	**Name:**	Justin Brand
☐ **Building 2**	$32,084.00	**Address:**	1602 K St., Indianola, IA

Deposit

Deposit Due Upon Acceptance: 35%

Customer Comments / Notes

Justin Brand: ____________________ **Date:** ____________

TERMS & CONDITIONS

If any electrical or HVAC components need to be moved, disconnected, or otherwise modified, this will incur an additional charge unless specifically included in the scope of work. Likewise, the replacement of any damaged or deteriorated decking will be billed separately unless otherwise noted. Any roof components that cannot be reused—such as drains, metal trim, or similar items—will also result in extra costs.

All materials provided will meet the specified requirements, and the work will be performed in accordance with standard industry practices. Any changes or deviations from the agreed-upon specifications that result in additional expenses will only be made with written authorization from the customer and will be billed over and above the original estimate.

This agreement is subject to circumstances beyond our control, including but not limited to strikes, accidents, and delays. It is the responsibility of the property owner to obtain adequate insurance coverage for fire, tornadoes, and other potential hazards. Hawkeye Flat Roof Solutions, LLC is not responsible for any condensation-related issues that may occur.

In the event the customer cancels the contract, the deposit will be non-refundable. If payment of any outstanding balance is delayed, the customer agrees to bear all associated collection costs, including reasonable attorney fees. Invoices not paid on time will be subject to a finance charge of 1.5% per month.

THE DUERSON CORPORATION

Commercial & Industrial Roofing Contractors

601 1ST AVENUE N • ALTOONA, IA 50009
Phone: 515-967-8300 • Fax: 515-967-8305 • www.duersoncorporation.com

DATE: October 31, 2025

TO: Indianola Water
1602 S K St
Indianola, IA 50125

RE: ***Indianola Water***

The Duerson Corporation is pleased to provide Indianola Water with this proposal for the roofing system installation. We are proud to offer over 30 years of experience in the roofing industry and all our employees share our success ---

Proposed Scope of Work Main Facility:

- Remove existing surface mount counterflashing metal.
- Remove and haul away rock and dispose at desired location in Indianola.
- Remove the existing roof system down to the deck.
- Fully adhere (1) layer of 2" Nailbase to the deck. (1.5" ISO + 7/16" OSB)
- Mechanically attach tapered ISO panels to ensure proper drainage. ISO taper to average R30.
- Install one layer of 50-mil Duro-Last membrane over the new insulation.
- Install the prefabricated curb and pipe flashings as needed to complete the new roofing system.
- Install parapet flashings on each wall as needed.
- Install new metal surface mount counterflashing. Standard Color Options Available.
- All materials – membrane, insulation, and metals are furnished and warranted by Duro-Last Roofing, Inc. to create the Full Systems Warranty.
- Any Mechanical, Electric, or Plumbing (MEP) modifications are the responsibility of the owner.

Total Roof Investment: **$217,928**

Proposed Scope of Work Main Facility Coverboard Option:

- Remove existing surface mount counterflashing metal.
- Remove and haul away rock and dispose at desired location in Indianola.
- Remove the existing roof system down to the deck.
- Fully adhere (1) layer of 2" Nailbase to the concrete deck. (1.5" ISO + 7/16" OSB)
- Install tapered ISO panels to ensure proper drainage. ISO taper to average R30.
- Install one (1) layer of ¼" Coverboard. Provides Class A fire rating and a Class 4 Hail Rating.
- Install one layer of 50-mil Duro-Last membrane over the new insulation.
- Install the prefabricated curb and pipe flashings as needed to complete the new roofing system.
- Install parapet flashings on each wall as needed.
- Install new metal surface mount counterflashing. Standard Color Options Available.
- All materials - membrane, insulation, and metals are furnished and warranted by Duro-Last Roofing, Inc. to create the Full Systems Warranty.
- Any Mechanical, Electric, or Plumbing (MEP) modifications are the responsibility of the owner.

Total Roof Investment: **$233,511**

Proposed Scope of Work Garage Section:

- Remove existing surface mount counterflashing metal.
- Remove and haul away rock and dispose at desired location in Indianola.
- Remove the existing roof system down to the deck.
- Fully Adhere one (1) layer of 2" ISO Nailbase to the existing deck. (1.5" ISO + 7/16" OSB)
- Install tapered panels of ISO to provide a taper to the roof for proper drainage.
- Install one layer of 50-mil Duro-Last membrane over the new insulation.
- Install the prefabricated curb and pipe flashings as needed to complete the new roofing system.
- Install parapet flashings on each wall as needed.
- Install new metal surface mount couterflashing. Standard Color Options Available.
- All materials – membrane, insulation, and metals are furnished and warranted by Duro-Last Roofing, Inc. to create the Full Systems Warranty.
- Any Mechanical, Electric, or Plumbing (MEP) modifications are the responsibility of the owner.

Total Roof Investment: **$72,656**

Proposed Scope of Work Garage Section with Coverboard Option:

- Remove existing surface mount counterflashing metal.
- Remove and haul away rock and dispose at desired location in Indianola.
- Remove the existing roof system down to the deck.
- Fully Adhere one (1) layer of 2" ISO Nailbase to the existing deck. (1.5" ISO + 7/16" OSB)
- Install tapered panels of ISO to provide a taper to the roof for proper drainage.
- Install one (1) layer of 1/4" Coverboard. Provides a Class A fire rating and a Class 4 Hail Rating.
- Install one layer of 50-mil Duro-Last membrane over the new insulation.
- Install the prefabricated curb and pipe flashings as needed to complete the new roofing system.
- Install parapet flashings on each wall as needed.
- Install new metal surface mount counterflashing. Standard Color Options Available.
- All materials - membrane, insulation, and metals are furnished and warranted by Duro-Last Roofing, Inc. to create the Full Systems Warranty.
- Any Mechanical, Electric, or Plumbing (MEP) modifications are the responsibility of the owner.

Total Roof Investment: **$76,971**

Quality Assurance:

If this project includes any siding systems that interact with the Duro-Last membrane, such as stucco or E.I.F.S., **be advised that the Duro-Last membrane must be fastened directly to the substrate.** The Duro-Last Quality Assurance department will not warrant the installation of material fastened to the exterior of these products.

Any blocking used to support gas lines, conduits, condensers, etc., must have separation from the roofing membrane. All fasteners will be **ACQ approved** where applicable for installation into pressure treated lumber.

Warranty:

Duro-Last 20-year material and labor warranty. Warranty certificate issued after Duro-Last Quality Assurance Representative has inspected the installation.

Exclusions:

- Snow removal (Charged at $80 per man hour.)
- The use of Fire-Retardant lumber (FRT) is not included.

Changes:

Return trips for changes, add-ons and/or third-party damage repair will be at a rate of $80.00 per man-hour, port to port. All materials will be cost plus twenty-five percent (25%).

Terms:

Half will be invoiced when materials are ordered, the remaining will be invoiced at the completion of the job.

Respectfully submitted,

Adam Davis

Adam Davis
The Duerson Corporation

THE AGREEMENT

The Duerson Corporation will provide the installation of a new Duro-Last Roofing system as per previous information and as per manufacturers' specifications.

The conditions and terms of this agreement are not subject to verbal changes or other agreements unless approved in writing by the buyer and the seller. All quotations and agreements are contingent upon strikes, accidents, fires, availability of materials and all other causes beyond our control. Not responsible for damage to conduits installed at or near the underside of the roof deck or hidden within the existing roofing system.

Select Options: $__________

The terms of payment are as follows:
Fifty percent (50%) of this agreement is due upon ordering materials; the balance is due upon completion of the project, receipt of invoice.

Any additional work needed outside of this agreement will be charged at $80.00 per man hour, and 25% above cost of material.

Your project will be inspected by Duro-Last Roofing, Inc. when complete, and the warranty will be issued at that time. The Duerson Corporation has no scheduling authority with the Duro-Last Roofing Quality Assurance Department.

One and one-half percent (1 ½%) per month service charge, (18% per year), added to all past due accounts.

Building owner will be responsible for non-workmanship related service calls.

In the event the client fails to pay as required herein, or in the event of any other default by client in performance of the terms of this contract, the client shall pay all expenses of collection and all costs incurred by The Duerson Corporation in enforcing the terms of this contract, including but not limited to, payment by client of all attorney's fees, court costs and other expenses incurred by The Duerson Corporation.

____
Adam Davis
The Duerson Corporation
10/31/25

____
Indianola Water, *Agent*

____
Date

INDIANOLA MUNICIPAL UTILITIES

Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Presentation of the FY25 Financial Audit

Recommendation:

Attachments:
1. FINAL IMU 2025 Governance Letter
2. FINAL 2025 IMU Audit Report
3. 2025 IMU Audit Presentation_Denman

DENMAN

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

Board of Trustees
Indianola Municipal Utilities

We have audited the financial statements of Indianola Municipal Utilities for the year ended June 30, 2025. 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 June 17, 2025. 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. During the year ended June 30, 2025, the Utilities implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. No other 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 5 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 11, 2025.

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 11, 2025

Indianola Municipal Utilities
Indianola, Iowa

FINANCIAL REPORT

June 30, 2025 and 2024

TABLE OF CONTENTS

	Page
OFFICIALS	3
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	4-6
MANAGEMENT'S DISCUSSION AND ANALYSIS	7-10
FINANCIAL STATEMENTS	
Statements of net position	11-12
Statements of revenues, expenses and changes in net position	13-14
Statements of cash flows	15-18
Notes to financial statements	19-36
REQUIRED SUPPLEMENTARY INFORMATION	37
Schedule of the Utilities' proportionate share of the net pension liability	38
Schedule of the Utilities' pension contributions	39
Notes to required supplementary information – pension liability	40
Schedule of changes in the Utilities' total OPEB liability, related ratios and notes	41
SUPPLEMENTARY INFORMATION	42
Budgetary comparison schedule	43
Note to supplementary information – budgetary reporting	44
Schedule of operating expenses	45-46
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*	47-48
SCHEDULE OF FINDINGS	49-51

Indianola Municipal Utilities
OFFICIALS

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

DENMAN

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, 2025 and 2024, 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, 2025 and 2024, 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, the Utilities adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 the Utilities' pension contributions and the schedule of changes in the Utilities' total OPEB liability, related ratios and notes on pages 7 through 10 and 38 through 41 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 11, 2025, 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 11, 2025

Indianola Municipal Utilities
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Indianola Municipal Utilities (the Utilities), we offer readers of the Utilities' financial statements this narrative overview and analysis of the financial performance for the fiscal years ended June 30, 2025, 2024 and 2023. We encourage readers to consider this information with Indianola Municipal Utilities' financial statements that follow this section.

FINANCIAL HIGHLIGHTS

Year ended June 30, 2025

- Operating revenues increased by 5.57% to $26,629,221. Increases were driven by an increase in operating revenues across all three utilities.
- Operating expenses increased by 6.62% to $23,557,655 due primarily to an increase in Electric utility operating expenses.
- Unrestricted net position increased by $2,750,583 to $26,326,457.

Year ended June 30, 2024

- Operating revenues decreased by 2.14% to $25,223,535. The decrease was driven by a decrease in Electric Utility 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.

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

	2025	2024	Change	% Change	2023
Cash and other current assets	$ 31,742,330	$ 29,834,800	$ 1,907,530	6.39 %	$ 27,760,362
Restricted assets	1,471,068	1,466,441	4,627	0.32 %	1,465,153
Lease receivable	273,853	199,726	74,127	37.11 %	73,905
Capital assets	53,836,744	52,747,568	1,089,176	2.06 %	51,747,193
Total assets	87,323,995	84,248,535	3,075,460	3.65 %	81,046,613
Deferred outflows of resources	523,187	753,931	(230,744)	(30.61)%	599,771
Current liabilities	4,400,719	4,186,401	214,318	5.12 %	3,919,762
Noncurrent liabilities	15,210,230	16,794,859	(1,584,629)	(9.44)%	17,818,253
Total liabilities	19,610,949	20,981,260	(1,370,311)	(6.53)%	21,738,015
Deferred inflows of resources	294,403	234,070	60,333	25.78 %	259,605
Net position					
Net investment in capital assets	40,211,407	38,818,376	1,393,031	3.59 %	37,925,813
Restricted	1,403,966	1,392,886	11,080	0.80 %	1,376,580
Unrestricted	26,326,457	23,575,874	2,750,583	11.67 %	20,346,371
Total net position	$ 67,941,830	$ 63,787,136	$ 4,154,694	6.51 %	$ 59,648,764

The table above shows that net position increased approximately $4,200,000 in 2025 and approximately $4,100,000 in 2024. 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 $26,326,457 and $23,575,874 as of June 30, 2025 and 2024, respectively.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2025	2024	Change	% Change	2023
Operating revenues					
Utility service sales	$ 24,125,135	$ 23,226,552	$ 898,583	3.87 %	$ 23,203,879
Other operating revenues	2,504,086	1,996,983	507,103	25.39 %	2,571,754
Total operating revenues	26,629,221	25,223,535	1,405,686	5.57 %	25,775,633
Operating expenses					
Operating expense	20,435,116	19,125,349	1,309,767	6.85 %	18,064,002
Depreciation	3,122,539	2,969,865	152,674	5.14 %	2,714,796
Total operating expenses	23,557,655	22,095,214	1,462,441	6.62 %	20,778,798
Income from operations	3,071,566	3,128,321	(56,755)	(1.81)%	4,996,835
Nonoperating revenues (expenses)	501,932	528,429	(26,497)	(5.01)%	(262,889)
Capital contributions	581,196	481,622	99,574	20.67 %	586,311
Change in net position	4,154,694	4,138,372	16,322	0.39 %	5,320,257
Beginning, net position	63,787,136	59,648,764	4,138,372	6.94 %	54,328,507
Ending, net position	$ 67,941,830	$ 63,787,136	$ 4,154,694	6.51 %	$ 59,648,764

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 5.57% and 2.14% in fiscal years 2025 and 2024, respectively, while operating expenses increased 6.62% and 6.34%, respectively. The changes in operating revenues and expenses was driven by increases in operating revenues across all three Utilities and increases in the Electric Utility's purchased energy expense.

INDIVIDUAL MAJOR FUND ANALYSIS

Electric Utility

The Electric Utility experienced an increase in operating revenues of 4.10% in fiscal year 2025 while operating expenses increased by 6.91%. The net position of the Electric Utility increased by approximately $2.0 million in 2025, compared to approximately $2.0 million in the prior year.

Water Utility

Operating revenues of the Water Utility increased by 7.26% in fiscal year 2025, while operating expenses of the utility increased by 5.21% from the prior year. The net position of the Water Utility increased by approximately $1.2 million in 2025, compared to approximately $1.3 million in the prior year.

Fiber Telecommunication Utility

Operating revenues of the Fiber Telecommunication Utility increased by 7.88% in the current year, and operating expenses increased, 6.50% from the prior year. The Utility reported an increase in net position of approximately $890,000 in 2025, compared to a net increase of approximately $840,000 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 no budget amendments during fiscal year 2025.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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

	June 30		
	2025	2024	2023
Electric Utility	$ 32,031,150	$ 31,505,235	$ 31,948,432
Water Utility	14,585,807	14,210,517	13,763,929
Fiber Telecommunication Utility	7,048,726	6,825,363	5,792,987
Joint Utility	171,061	206,453	241,845
	$ 53,836,744	$ 52,747,568	$ 51,747,193

Capital improvements from 2025 included completion of the downtown streetscape project in the electric utility.

Long-Term Debt

Following is a summary of the Utilities' debt obligations:

	June 30		
	2025	2024	2023
General obligation bonds	$ –	$ 37,000	$ 89,500
Revenue bonds/notes, net of unamortized premiums	6,576,611	6,946,829	6,980,893
Direct borrowings	8,363,000	9,283,000	10,893,000
	$ 14,939,611	$ 16,266,829	$ 17,963,393

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, 2025

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor Enterprise Fund Joint utility	Eliminations	Total
CURRENT ASSETS						
Cash and investments	$18,352,595	$ 4,762,604	$ 549,641	$ 741,262	$ –	$24,406,102
Accounts receivable	2,652,989	583,669	121,426	29,965	–	3,388,049
Due from other governments	342,416	150,940	175,802	177,813	(26,118)	820,853
Prepaid expenses and other assets	14,128	2,546	48,729	2,830	–	68,233
Inventories	2,457,633	340,233	261,227	–	–	3,059,093
Total current assets	23,819,761	5,839,992	1,156,825	951,870	(26,118)	31,742,330
RESTRICTED ASSETS						
Restricted cash	1,370,202	–	100,866	–	–	1,471,068
Total restricted assets	1,370,202	–	100,866	–	–	1,471,068
LEASE RECEIVABLES	–	273,853	–	–	–	273,853
CAPITAL ASSETS	68,826,342	29,543,704	11,427,841	353,920	–	110,151,807
Less accumulated depreciation	36,795,192	14,957,897	4,379,115	182,859	–	56,315,063
Net capital assets	32,031,150	14,585,807	7,048,726	171,061	–	53,836,744
Total assets	57,221,113	20,699,652	8,306,417	1,122,931	(26,118)	87,323,995
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	211,515	93,238	108,596	109,838	–	523,187
Total deferred outflows of resources	211,515	93,238	108,596	109,838	–	523,187
CURRENT LIABILITIES						
Accounts payable	1,067,582	74,594	355,413	6,089	(26,118)	1,477,560
Due to other governments	58,067	8,708	15,530	538,813	–	621,118
Accrued payroll and employee benefits	243,638	98,514	126,767	107,433	–	576,352
Accrued interest payable	42,300	–	24,802	–	–	67,102
Deferred revenue	404,587	–	–	–	–	404,587
Revenue notes payable, current	425,000	–	–	–	–	425,000
Direct borrowings, current	–	–	829,000	–	–	829,000
Total current liabilities	2,241,174	181,816	1,351,512	652,335	(26,118)	4,400,719
NONCURRENT LIABILITIES						
Revenue notes payable	6,151,611	–	–	–	–	6,151,611
Direct borrowings	–	–	7,534,000	–	–	7,534,000
Net pension liability	479,809	211,503	246,341	249,159	–	1,186,812
Total OPEB liability	136,570	60,201	70,117	70,919	–	337,807
Total noncurrent liabilities	6,767,990	271,704	7,850,458	320,078	–	15,210,230
Total liabilities	9,009,164	453,520	9,201,970	972,413	(26,118)	19,610,949
DEFERRED INFLOWS OF RESOURCES						
Pension related	6,834	3,012	3,508	3,548	–	16,902
Leases	–	277,501	–	–	–	277,501
Total deferred inflows of resources	6,834	280,513	3,508	3,548	–	294,403
NET POSITION						
Net investment in capital assets	25,454,539	14,585,807	–	171,061	–	40,211,407
Restricted						
Debt service	1,327,902	–	76,064	–	–	1,403,966
Unrestricted	21,634,189	5,473,050	(866,529)	85,747	–	26,326,457
Total net position	$48,416,630	$20,058,857	$ (790,465)	$ 256,808	$ –	$67,941,830

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF NET POSITION (continued)
June 30, 2024

	Electric Utility	Water Utility	Fiber Telecomm-unication Utility	Nonmajor Enterprise Fund Joint utility	Eliminations	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						
Restricted cash	1,369,293	–	97,148	–	–	1,466,441
Total restricted assets	1,369,293	–	97,148	–	–	1,466,441
LEASE RECEIVABLES	–	199,726	–	–	–	199,726
CAPITAL ASSETS	66,800,967	28,514,716	10,523,558	353,920	–	106,193,161
Less accumulated depreciation	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
GO bonds payable, current	–	37,000	–	–	–	37,000
Revenue notes payable, current	335,000	–	–	–	–	335,000
Direct borrowings, current	120,000	–	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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended June 30, 2025

	Electric Utility	Water Utility	Fiber Telecomm-unication Utility	Nonmajor Enterprise Fund Joint utility	Eliminations	Total
OPERATING REVENUES						
Utility service sales	$15,561,336	$ 3,243,274	$ 5,320,525	$ –	$ –	$24,125,135
Capacity contract fees	1,151,771	–	–	–	–	1,151,771
Transmission revenue	612,996	–	–	–	–	612,996
Connection fees	77,544	19,970	–	–	–	97,514
Telecommunications advertising	–	–	4,395	–	–	4,395
Other charges for service	64,578	120,859	36,534	1,412,923	(1,270,011)	364,883
Rental income	300,000	63,700	131,367	–	(300,000)	195,067
Miscellaneous	64,920	2,377	5,515	4,648	–	77,460
Total operating revenues	17,833,145	3,450,180	5,498,336	1,417,571	(1,570,011)	26,629,221
OPERATING EXPENSES						
Plant operations and programming	114,425	753,044	2,880,730	–	(300,000)	3,448,199
Plant maintenance	1,336,812	42,994	–	–	–	1,379,806
Purchased energy	10,426,857	–	–	–	–	10,426,857
Depreciation	1,672,806	653,698	760,643	35,392	–	3,122,539
Distribution operation	228,863	475,133	–	–	–	703,996
Distribution maintenance	1,331,865	–	–	–	–	1,331,865
Transmission operation and maintenance	10,026	–	–	–	–	10,026
Meter reading	23,350	22,598	–	–	–	45,948
Administrative and general	1,771,129	646,750	624,739	1,315,812	(1,270,011)	3,088,419
Total operating expenses	16,916,133	2,594,217	4,266,112	1,351,204	(1,570,011)	23,557,655
Income from operations	917,012	855,963	1,232,224	66,367	–	3,071,566
NONOPERATING REVENUES (EXPENSES)						
Interest on investments	901,000	191,090	37,719	–	–	1,129,809
Gain (loss) on disposal of capital assets	40,640	–	(52,930)	–	–	(12,290)
Interest expense	(291,425)	(825)	(323,337)	–	–	(615,587)
Total nonoperating revenues (expenses)	650,215	190,265	(338,548)	–	–	501,932
Income before contributions and transfers	1,567,227	1,046,228	893,676	66,367	–	3,573,498
Capital contributions	389,014	192,182	–	–	–	581,196
Change in net position	1,956,241	1,238,410	893,676	66,367	–	4,154,694
NET POSITION, beginning of year	46,460,389	18,820,447	(1,684,141)	190,441	–	63,787,136
NET POSITION, end of year	$48,416,630	$20,058,857	$ (790,465)	$ 256,808	$ –	$67,941,830

See Notes to Financial Statements.

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

	Electric Utility	Water Utility	Fiber Telecomm-unication 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 CASH FLOWS
Year ended June 30, 2025

	Electric Utility	Water Utility	Fiber Telecomm-unication Utility	Nonmajor Enterprise Fund Joint utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$17,585,860	$ 3,382,504	$ 5,361,101	$ 144,720	$26,474,185
Cash received from short-term rental activities	300,000	–	131,367	–	431,367
Cash paid to suppliers for goods and services	(13,039,106)	(781,284)	(2,282,087)	(394,452)	(16,496,929)
Cash paid to employees for services	(1,653,255)	(754,620)	(866,743)	(913,416)	(4,188,034)
Cash received (paid) for interfund utility services	(585,057)	(370,470)	(288,366)	1,243,893	–
Net cash flows from operating activities	2,608,442	1,476,130	2,055,272	80,745	6,220,589
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on direct borrowings	(120,000)	–	(800,000)	–	(920,000)
Principal payments on revenue bonds	(335,000)	–	–	–	(335,000)
Principal payments on general obligation bonds	–	(37,000)	–	–	(37,000)
Interest and other fiscal charges	(329,955)	(900)	(326,478)	–	(657,333)
Acquisition of capital assets	(1,809,707)	(836,806)	(841,773)	–	(3,488,286)
Cash received on sale of capital assets	40,640	–	–	–	40,640
Net cash flows from capital and related financing activities	(2,554,022)	(874,706)	(1,968,251)	–	(5,396,979)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from lease receivable	–	67,323	–	–	67,323
Interest received	901,000	191,090	37,719	–	1,129,809
Net cash flows from investing activities	901,000	258,413	37,719	–	1,197,132
NET CHANGE IN CASH AND CASH EQUIVALENTS	955,420	859,837	124,740	80,745	2,020,742
CASH AND CASH EQUIVALENTS					
Beginning	18,767,377	3,902,767	525,767	660,517	23,856,428
Ending	$19,722,797	$ 4,762,604	$ 650,507	$ 741,262	$25,877,170
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	$ 917,012	$ 855,963	$ 1,232,224	$ 66,367	$ 3,071,566
Adjustments to reconcile operating income to net cash flows from operating activities					
Depreciation expense	1,672,806	653,698	760,643	35,392	3,122,539
Income from lease receivable	–	(63,700)	–	–	(63,700)
Changes in assets, deferred outflows, liabilities and deferred inflows of resources					
Accounts receivable	135,594	(3,976)	(5,868)	(61,093)	64,657
Due from other governments	34,591	18,984	5,969	23,949	83,493
Prepaid expenses	(12,564)	(982)	34,189	(1,041)	19,602
Inventories	(150,556)	73,054	(7,660)	–	(85,162)
Deferred outflows of resources	126,516	34,482	27,935	41,811	230,744
Accounts payable	15,248	(63,510)	5,497	(3,355)	(46,120)
Due to other governments	1,928	303	–	32,135	34,366
Accrued compensation	78,981	35,789	44,437	25,104	184,311
Deferred revenue	(82,879)	–	–	–	(82,879)
Net pension liability	(118,114)	(57,992)	(41,748)	(70,829)	(288,683)
Total OPEB liability	(3,048)	(2,727)	2,847	(3,800)	(6,728)
Deferred inflows of resources	(7,073)	(3,256)	(3,193)	(3,895)	(17,417)
Net cash flows from operating activities	$ 2,608,442	$ 1,476,130	$ 2,055,272	$ 80,745	$ 6,220,589

See Notes to Financial Statements.

Indianola Municipal Utilities
STATEMENTS OF CASH FLOWS (continued)
Year ended June 30, 2025

	Electric Utility	Water Utility	Fiber Telecomm-unication 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	$18,352,595	$ 4,762,604	$ 549,641	$ 741,262	$24,406,102
Restricted assets – cash and investments					
Restricted cash	1,370,202	–	100,866	–	1,471,068
	$19,722,797	$ 4,762,604	$ 650,507	$ 741,262	$25,877,170
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions from developers and customers	$ 389,014	$ 192,182	$ –	$ –	$ 581,196

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
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)
Proceeds from issuance of revenue bonds	(369,906)	(2,100)	(354,142)	–	(726,148)
Interest and other fiscal charges	(1,078,618)	(845,412)	(1,803,117)	–	(3,727,147)
Acquisition 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 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 compensation	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 Telecomm-unication 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					
Restricted cash	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.

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, 2025 and 2024 was $846,971 and $930,341, 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:

Infrastructure	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

The Utilities recognizes a liability for accumulated time off which is more likely than not to be used or otherwise paid to employees. 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 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.

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.

NOTE 2 CHANGE IN ACCOUNTING PRINCIPLE

Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, was implemented in fiscal year 2025. This statement replaces previous guidance on compensated absences and requires the Utilities to recognize a liability for leave that accumulates and is more likely than not to be used for time off or otherwise paid to employees. Implementation did not have a material effect on the Utilities' financial statements; therefore, prior period amounts were not restated.

NOTE 3 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 4 CAPITAL ASSETS

During the year ended June 30, 2025, capital asset additions and disposals by type were as follows:

	Balance July 1, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Electric Utility					
Capital assets not being depreciated					
Land	$ 359,207	$ 496,473	$ –	$ –	$ 855,680
Construction in progress	779,632	536,769	–	–	1,316,401
Total capital assets not being depreciated	1,138,839	1,033,242	–	–	2,172,081
Capital assets being depreciated					
Infrastructure	51,922,017	989,125	–	–	52,911,142
Transmission system	4,783,828	73,842	–	–	4,857,670
Plant and buildings	4,320,182	36,901	–	–	4,357,083
Equipment	4,636,101	100,611	(173,346)	(35,000)	4,528,366
Total capital assets being depreciated	65,662,128	1,200,479	(173,346)	(35,000)	66,654,261
Less accumulated depreciation					
Infrastructure	30,004,787	1,205,664	–	–	31,210,451
Transmission system	1,194,175	122,066	–	–	1,316,241
Plant and buildings	1,497,140	76,501	–	–	1,573,641
Equipment	2,599,630	268,575	(173,346)	–	2,694,859
Total accumulated depreciation	35,295,732	1,672,806	(173,346)	–	36,795,192
Total capital assets being depreciated, net	30,366,396	(472,327)	–	(35,000)	29,859,069
Total capital assets, net	$31,505,235	$ 560,915	$ –	$ (35,000)	$32,031,150
Water Utility					
Capital assets not being depreciated					
Land	$ 227,441	$ –	$ –	$ –	$ 227,441
Construction in progress	123,885	35,524	–	(133,603)	25,806
Total capital assets not being depreciated	351,326	35,524	–	(133,603)	253,247
Capital assets being depreciated					
Infrastructure	20,123,235	987,500	–	133,603	21,244,338
Plant and buildings	7,313,730	5,964	–	–	7,319,694
Equipment	726,425	–	–	–	726,425
Total capital assets being depreciated	28,163,390	993,464	–	133,603	29,290,457
Less accumulated depreciation					
Infrastructure	9,463,560	431,175	–	–	9,894,735
Plant and buildings	4,392,783	183,094	–	–	4,575,877
Equipment	447,856	39,429	–	–	487,285
Total accumulated depreciation	14,304,199	653,698	–	–	14,957,897
Total capital assets being depreciated, net	13,859,191	339,766	–	133,603	14,332,560
Total capital assets, net	$14,210,517	$ 375,290	$ –	$ –	$14,585,807

NOTE 4 CAPITAL ASSETS (continued)

	Balance July 1, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Fiber Telecommunication Utility					
Capital assets not being depreciated					
Construction in progress	$ –	$ –	$ –	$ –	$ –
Total capital assets not being depreciated	–	–	–	–	–
Capital assets being depreciated					
Infrastructure	4,966,322	533,610	–	–	5,499,932
Plant and buildings	1,134,854	33,461	–	–	1,168,315
Equipment	4,422,382	434,865	(132,653)	35,000	4,759,594
Total capital assets being depreciated	10,523,558	1,001,936	(132,653)	35,000	11,427,841
Less accumulated depreciation					
Infrastructure	724,826	218,108	–	–	942,934
Plant and buildings	177,067	28,789	–	–	205,856
Equipment	2,796,302	513,746	(79,723)	–	3,230,325
Total accumulated depreciation	3,698,195	760,643	(79,723)	–	4,379,115
Total capital assets being depreciated, net	6,825,363	241,293	(52,930)	35,000	7,048,726
Total capital assets, net	$ 6,825,363	$ 241,293	$ (52,930)	$ 35,000	$ 7,048,726
Joint Utility					
Capital assets being depreciated					
Equipment	$ 353,920	$ –	$ –	$ –	$ 353,920
Total capital assets being depreciated	353,920	–	–	–	353,920
Less accumulated depreciation					
Equipment	147,467	35,392	–	–	182,859
Total accumulated depreciation	147,467	35,392	–	–	182,859
Total capital assets being depreciated, net	206,453	(35,392)	–	–	171,061
Total capital assets, net	$ 206,453	$ (35,392)	$ –	$ –	$ 171,061

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

Indianola Municipal Utilities
NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS (continued)

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
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
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 5 LONG-TERM LIABILITIES

A summary of the changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	Balance beginning of year	Increases	Decreases	Balance end of year	Due within one year
General obligation bonds/notes	$ 37,000	$ –	$ 37,000	$ –	$ –
Revenue capital loan notes	6,680,000	–	335,000	6,345,000	425,000
Direct borrowings	9,283,000	–	920,000	8,363,000	829,000
Total OPEB liability	344,535	–	6,728	337,807	–
Net pension liability	1,475,495	–	288,683	1,186,812	–
Unamortized bond premiums	266,829	–	35,218	231,611	–
Totals	$ 18,086,859	$ –	$ 1,622,629	$ 16,464,230	$ 1,254,000

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

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 bonds were paid in full during the year ended June 30, 2025.

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 $8,111,200. In 2025, principal and interest paid and total customer net revenues (operating income plus depreciation/amortization expense) were $605,500 and $2,589,818, 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 were paid off in the year ended June 30, 2025. In 2025, principal and interest paid and total customer net revenues (operating income plus depreciation/amortization expense) were $125,652 and $2,589,818, respectively.

NOTE 5 LONG-TERM LIABILITIES (continued)

On September 28, 2022, the Utility refinanced Telecommunications Utility 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 $9,874,688. In 2025, interest paid and total customer net revenue (operating income plus depreciation/amortization expense) were $1,126,528 and $1,992,867, respectively.

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, 2025 and 2024.

Details of the Utilities' revenue capital loan notes and direct borrowings as of June 30, 2025 are as follows:

Issue	Date of issue	Interest rates	Maturity date	Annual payments	Amount original issue	Outstanding June 30, 2025
Electric Utility						
Revenue Note Series 2017C	September 13, 2017	4.00%	May 1, 2037	425,000 - 645,000	$6,680,000	$ 6,345,000
Fiber Telecommunication Utility						
Revenue refunding Note Series 2022A	September 28, 2022	3.35%	June 1, 2034	571,000 – 961,000	$7,976,000	$ 6,309,000
Revenue refunding Note Series 2022B	September 28, 2022	4.20%	June 1, 2032	258,000 – 331,000	$2,805,000	$ 2,054,000

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

	Capital Loan Notes			Direct Borrowings		
Year ending June 30	Principal	Interest	Total	Principal	Interest	Total
2026	$ 425,000	$ 253,800	$ 678,800	$ 829,000	$ 299,620	$ 1,128,620
2027	440,000	236,800	676,800	859,000	267,656	1,126,656
2028	455,000	219,200	674,200	890,000	236,592	1,126,592
2029	475,000	201,000	676,000	922,000	204,388	1,126,388
2030	490,000	182,000	672,000	956,000	171,020	1,127,020
2031-2035	2,790,000	596,800	3,386,800	3,907,000	332,412	4,239,412
2036-2037	1,270,000	76,600	1,346,600	–	–	–
	6,345,000	1,766,200	8,111,200	8,363,000	1,511,688	9,874,688
Plus unamortized premium	231,611	–	231,611	–	–	–
	$ 6,576,611	$ 1,766,200	$ 8,342,811	$ 8,363,000	$ 1,511,688	$ 9,874,688

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.

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.

NOTE 6 PENSION PLAN (continued)

Contributions (continued)

In fiscal years 2025 and 2024, 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, 2025 and 2024 were $319,218 and $284,143, respectively.

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

At June 30, 2025 and 2024, the Utilities reported a liability of $1,186,812 and $1,475,495, respectively, for its proportionate share of the net pension liability. The Utilities' net pension liability was measured as of June 30, 2024 and 2023, 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		
	2024	**2023**	**Change**
Utilities' proportionate share	0.032591 %	0.032690 %	0.000099%
	2023	**2022**	**Change**
Utilities' proportionate share	0.032690 %	0.031803 %	0.000887%

For the years ended June 30, 2025 and 2024, the Utilities recognized pension expense of $189,199 and $198,569, respectively. At June 30, 2025 and 2024, 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	
	2025	2024	2025	2024
Difference between expected and actual experience	$ 94,436	$ 124,829	$ 737	$ 6,065
Change in assumptions	–	–	17	23
Net difference between projected and actual earnings on pension plan investments	14,843	136,649	–	–
Change in proportion and difference between Utilities contributions and proportionate share of contributions	94,690	153,648	16,148	28,231
Utilities contributions subsequent to the measurement date	319,218	284,143	–	–
Totals	$ 523,187	$ 699,269	$ 16,902	$ 34,319

NOTE 6 PENSION PLAN (continued)

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

$319,218 and $284,143 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, 2026 and 2025, 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,	
2026	$ (117,843)
2027	311,022
2028	25,251
2029	(31,974)
2030	611
Totals	$ 187,067

There were no non-employer contributing entities at IPERS.

Payables to the Pension Plan

All legally required Utilities contributions and legally required employee contributions which had been withheld from employee wages were remitted by the Utilities to IPERS by June 30, 2025 and 2024, respectively.

Actuarial Assumptions

The total pension liability in the June 30, 2024 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, 2024 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 2024 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%	3.5%
International equity	13.0	5.2
Global smart beta equity	5.0	4.1
Core plus fixed income	25.5	3.0
Public credit	3.0	4.5
Cash	1.0	1.7
Private equity	17.0	8.9
Private real assets	9.0	4.3
Private credit	5.5	6.6
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 (asset) calculated using the discount rate of 7.0%, as well as what the Utilities' proportionate share of the net pension liability (asset) 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, 2025	$ 2,912,417	$ 1,186,812	$ (259,390)
As of June 30, 2024	$ 3,137,232	$ 1,475,495	$ 82,933

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 2029 and 2030, respectively, and have renewal options which may be exercised by the lessee. The Utilities recognized approximately $60,000 in revenue in each of the years ended June 30, 2025 and 2024.

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, 2025 and 2024 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 805 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, automobile physical damage, property, 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, 2025 and 2024 were $181,377 and $122,263, 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, 2025 and 2024, no liability has been recorded in the Utilities' financial statements. As of June 30, 2025, 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, 2025, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	45
Total	46

OPEB Liability

The Utilities' total OPEB liability of $337,807 and $344,535 was measured as of June 30, 2025 and 2024, 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, 2025 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%
Discount rate	5.20% 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 5.20% and 4.21% as of June 30, 2025 and 2024, 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	
	2025	**2024**
OPEB liability, beginning	$ 344,535	$ 315,789
Changes for the year		
Service cost	21,703	18,032
Interest cost	14,859	13,041
Difference between expected and actual experience	(26,238)	13,260
Change in assumptions	9,832	20,925
Benefit payments	(26,884)	(36,512)
OPEB liability, ending	$ 337,807	$ 344,535

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, 2025	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Utilities' OPEB liability	$ 366,118	$ 337,807	$ 311,558

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

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, 2025	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	$ 299,553	$ 337,807	$ 382,440

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

OPEB Expense

For the years ended June 30, 2025 and 2024, the Utilities recognized OPEB expense of $20,156 and $65,528, respectively.

NOTE 10 DEFICIT BALANCE

At June 30, 2025 and 2024, the Fiber Telecommunication Utility fund had a deficit fund balance of $(790,465) and $(1,684,141), 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.

NOTE 11 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 11 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 12 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, and human resources services. Total expenses were as follows:

	Year ended June 30	
	2025	2024
Payments in lieu of taxes	$ 973,613	$ 948,780
Information technology	20,085	23,381
Human resources	48,145	41,089
	$ 1,041,843	$ 1,013,250

At June 30, 2025 and 2024, the Utilities owed the City $82,305 and $79,952, 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, 2025 and 2024 the Utilities owed to the City $538,813 and $506,678, respectively, for Utilities collected on the City's behalf but not yet remitted to the City. The City paid to the Utilities $165,000 and $124,328 for utility billing services during the years ended June 30, 2025 and 2024, 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, 2025 and 2024 was $846,971 and $930,341, respectively.

NOTE 13 BOARD DESIGNATED RESERVES

The Utilities' Board of Trustees has established board designated reserves for future investment in the Utility system's infrastructure. Reserve balances, by utility, as of June 30, 2025 and 2024 were as follows:

	June 30	
	2025	2024
Electric	$ 11,555,340	$ 9,610,404
Water	5,323,877	3,152,631
Fiber	940,054	378,093
Total	$ 17,819,271	$ 13,141,128

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				
	2025	**2024**	**2023**	**2022**	**2021**
Utilities' proportion of the net pension liability	0.032591 %	0.032690 %	0.031803 %	(0.012514)%	0.027970 %
Utilities' proportionate share of the net pension liability	$ 1,187	$ 1,475	$ 1,202	$ 43	$ 1,965
Utilities' covered payroll	$ 3,382	$ 3,010	$ 2,873	$ 2,561	$ 2,508
Utilities' proportionate share of the net pension liability as a percentage of its total covered payroll	35 %	49 %	42 %	2 %	78 %
IPERS net position as a percentage of the total pension liability	92 %	90 %	91 %	101 %	83 %

	Year ended June 30				
	2020	**2019**	**2018**	**2017**	**2016**
Utilities' proportion of the net pension liability	0.028976 %	0.024173 %	0.019030 %	0.018187 %	0.018879 %
Utilities' proportionate share of the net pension liability	$ 1,678	$ 1,593	$ 1,268	$ 1,145	$ 933
Utilities' covered payroll	$ 2,200	$ 2,205	$ 1,845	$ 1,643	$ 1,517
Utilities' proportionate share of the net pension liability as a percentage of its total covered payroll	76 %	72 %	69 %	70 %	62 %
IPERS net position as a percentage of the total pension liability	85 %	83 %	82 %	81 %	85 %

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 note to required supplementary information - net pension liability.

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

	Year ended June 30				
	2025	2024	2023	2022	2021
Statutory required contribution	$ 319	$ 284	$ 271	$ 242	$ 236
Contributions in relation to the statutorily required contribution	319	284	271	242	236
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –
Utilities' covered payroll	$ 3,382	$ 3,010	$ 2,873	$ 2,561	$ 2,508
Contributions as a percentage of covered payroll	9.4 %	9.4 %	9.4 %	9.4 %	9.4 %

	Year ended June 30				
	2020	2019	2018	2017	2016
Statutory required contribution	$ 210	$ 208	$ 165	$ 147	$ 135
Contributions in relation to the statutorily required contribution	210	208	165	147	135
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –
Utilities' covered payroll	$ 2,200	$ 2,205	$ 1,845	$ 1,643	$ 1,517
Contributions as a percentage of covered payroll	9.5 %	9.4 %	8.9 %	8.9 %	8.9 %

See accompanying note to required supplementary information - net pension liability.

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 eight years
Required Supplementary Information

	2025	2024	2023	2022
Service cost	$ 21,703	$ 18,032	$ 21,457	$ 30,270
Interest cost	14,859	13,041	16,335	11,663
Differences between expected and actual experience	(26,238)	13,260	(69,906)	(64,200)
Changes in assumptions	9,832	20,925	(872)	(43,337)
Benefit payments	(26,884)	(36,512)	(57,751)	(59,991)
Net change in OPEB liability	(6,728)	28,746	(90,737)	(125,595)
OPEB liability, beginning of year	344,535	315,789	406,526	532,121
OPEB liability, end of year	$ 337,807	$ 344,535	$ 315,789	$ 406,526
Covered-employee payroll	$ 3,374,907	$ 3,268,675	$ 2,905,322	$ 2,711,842
OPEB liability as a percentage of covered-employee payroll	10.01 %	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 %
Year ended June 30, 2025	5.20 %

SUPPLEMENTARY INFORMATION

Indianola Municipal Utilities
BUDGETARY COMPARISON SCHEDULE
OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES -
BUDGET AND ACTUAL (CASH BASIS)
Year ended June 30, 2025

		Budget Amounts			
	Actual	**Original**	**Amendments**	**Final**	**Variance**
Receipts					
Use of money and property	$ 1,628,499	$ 1,123,500	$ –	$ 1,123,500	$ 504,999
Charges for service	26,474,185	28,137,156	–	28,137,156	(1,662,971)
Miscellaneous	–	165,600	–	165,600	(165,600)
Total receipts	28,102,684	29,426,256	–	29,426,256	(1,323,572)
Disbursements					
Business type activities	26,122,582	29,054,390	–	29,054,390	(2,931,808)
Excess of receipts over (under) disbursements	1,980,102	371,866	–	371,866	1,608,236
Other financing sources	40,640	–	–	–	40,640
Excess of receipts and other financing sources over (under) disbursements and other financing uses	2,020,742	371,866	–	371,866	1,648,876
Balances, beginning of year	23,856,428	20,969,569	–	20,969,569	2,886,859
Balances, end of year	$25,877,170	$21,341,435	$ –	$21,341,435	$ 4,535,735

See accompanying independent auditor's report.

Indianola Municipal Utilities
NOTE TO SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year ended June 30, 2025

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 no amendments to the budget during the year ended June 30, 2025. Disbursements did not exceed the amount budgeted during the fiscal year.

See accompanying independent auditor's report.

Indianola Municipal Utilities
SCHEDULE OF OPERATING EXPENSES
Year ended June 30, 2025

	Electric Utility	Water Utility	Fiber Telecomm-unication Utility	Nonmajor Enterprise Fund Joint utility	Eliminations	Total
Plant operations and programming						
Personnel	$ 33,209	$ 345,607	$ 910,490	$ –	$ –	$ 1,289,306
Utilities	–	222,385	29,492	–	–	251,877
Material and supplies	40,582	167,054	14,479	–	–	222,115
Maintenance and repair	40,603	15,951	191,865	–	–	248,419
Training	31	2,047	3,998	–	–	6,076
Communication services and programming	–	–	1,392,376	–	–	1,392,376
Telecommunication infrastructure lease	–	–	300,000	–	(300,000)	–
Professional fees	–	–	30,315	–	–	30,315
Other	–	–	7,715	–	–	7,715
Total plant operations	114,425	753,044	2,880,730	–	(300,000)	3,448,199
Plant maintenance						
Personnel	338,264	–	–	–	–	338,264
Fuel	240,604	–	–	–	–	240,604
Material and supplies	–	1,352	–	–	–	1,352
Maintenance and repair	757,944	39,562	–	–	–	797,506
Other	–	2,080	–	–	–	2,080
Total plant maintenance	1,336,812	42,994	–	–	–	1,379,806
Purchased energy	10,426,857	–	–	–	–	10,426,857
Depreciation	1,672,806	653,698	760,643	35,392	–	3,122,539
Distribution operation						
Equipment	161,994	406,653	–	–	–	568,647
Utilities	34,989	–	–	–	–	34,989
Material and supplies	13,241	7,287	–	–	–	20,528
Maintenance and repair	–	57,226	–	–	–	57,226
Training	8,552	–	–	–	–	8,552
Professional fees	1,044	3,967	–	–	–	5,011
Other	9,043	–	–	–	–	9,043
Total distribution operation	228,863	475,133	–	–	–	703,996
Distribution maintenance						
Personnel	1,196,036	–	–	–	–	1,196,036
Material and supplies	77,600	–	–	–	–	77,600
Maintenance and repair	58,229	–	–	–	–	58,229
Total distribution maintenance	1,331,865	–	–	–	–	1,331,865
Transmission operation and maintenance						
Personnel	9,148	–	–	–	–	9,148
Other	878	–	–	–	–	878
Total transmission operation and maintenance	10,026	–	–	–	–	10,026
Meter reading						
Personnel	20,206	19,407	–	–	–	39,613
Maintenance and repair	3,144	3,191	–	–	–	6,335
Total meter reading	23,350	22,598	–	–	–	45,948

See accompanying independent auditor's report.

Indianola Municipal Utilities
SCHEDULE OF OPERATING EXPENSES (continued)
Year ended June 30, 2025

	Electric Utility	Water Utility	Fiber Telecommunication Utility	Nonmajor enterprise fund Joint Utility	Eliminations	Total
Administrative and general						
Personnel	33,073	16,710	9,056	938,487	–	997,326
Utilities	–	–	–	7,485	–	7,485
Material and supplies	–	–	–	3,078	–	3,078
Maintenance and repair	80,369	45,452	–	47,910	–	173,731
Training	183	–	–	3,030	–	3,213
Office	5,188	3,799	184,471	229,209	–	422,667
Other	3,818	11,219	25,347	564	–	40,948
Accounting and collections – transfers to Joint Utility	586,733	392,533	290,371	374	(1,270,011)	–
Payments in lieu of property taxes	808,687	103,376	61,550	–	–	973,613
Transfers to City for Clerk's operations	37,449	13,135	17,646	–	–	68,230
Insurance	176,245	59,952	24,457	19,508	–	280,162
Professional fees	1,500	–	–	42,290	–	43,790
Legal fees and publications	15,307	574	73	16,273	–	32,227
Dues and subscriptions	13,810	–	11,768	1,276	–	26,854
Energy efficiency programs	8,767	–	–	–	–	8,767
Miscellaneous	–	–	–	6,328	–	6,328
Total administrative and general	1,771,129	646,750	624,739	1,315,812	(1,270,011)	3,088,419
Total operating expenses	$16,916,133	$ 2,594,217	$ 4,266,112	$ 1,351,204	$(1,570,011)	$23,557,655

See accompanying independent auditor's report.

DENMAN

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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, 2025, and the related notes to financial statements, which collectively comprise the Utilities' basic financial statements, and have issued our report thereon dated October 11, 2025.

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, 2025 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 11, 2025

Indianola Municipal Utilities
SCHEDULE OF FINDINGS
Year ended June 30, 2025

SECTION I – FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL DEFICIENCIES

No matters were noted.

INSTANCES OF NONCOMPLIANCE

No matters were noted.

Section II—Findings Related to Required Statutory Reporting

25-II-A CERTIFIED BUDGET

Disbursements during the year ended June 30, 2025 did not exceed the amounts budgeted.

25-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.

25-II-C TRAVEL EXPENSE

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

25-II-D BUSINESS TRANSACTIONS

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

25-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.

25-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.

25-II-G BOARD MINUTES

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

25-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.

25-II-I REVENUE BONDS AND NOTES

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

25-II-J TELECOMMUNICATIONS SERVICES

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

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

25-II-K FINANCIAL CONDITION

At June 30, 2025, the Utilities' Fiber Telecommunication fund held a deficit fund balance of $790,465.

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 occur during fiscal year 2026 or 2027.

Conclusion

Response accepted.

Financial Audit Presentation

Fiscal year ended June 30, 2025

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 11, 2025. 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, 2025 Financial Performance**
- **Internal Control and Statutory Compliance**
- **Communications With Those Charged With Governance**

DENMAN

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

	2025	2024	Change
Assets & Deferred Outflows			
Cash and investments	**$ 24,406,102**	$ 22,389,987	$ 2,016,115
Capital assets	**53,836,744**	52,747,568	1,089,176
Other assets and deferred outflows	**9,604,336**	9,864,911	(260,575)
Totals	**87,847,182**	85,002,466	2,844,716
Liabilities and Deferred Inflows			
Current liabilities	**4,400,719**	4,186,401	214,318
Noncurrent liabilities	**15,210,230**	16,794,859	(1,584,629)
Deferred inflows	**294,403**	234,070	60,333
Totals	**19,905,352**	21,215,330	(1,309,978)
Net Position			
Net capital assets	**40,211,407**	38,818,376	1,393,031
Restricted	**1,403,966**	1,392,886	11,080
Unrestricted	**26,326,457**	23,575,874	2,750,583
Totals	**67,941,830**	63,787,136	4,154,694

DENMAN

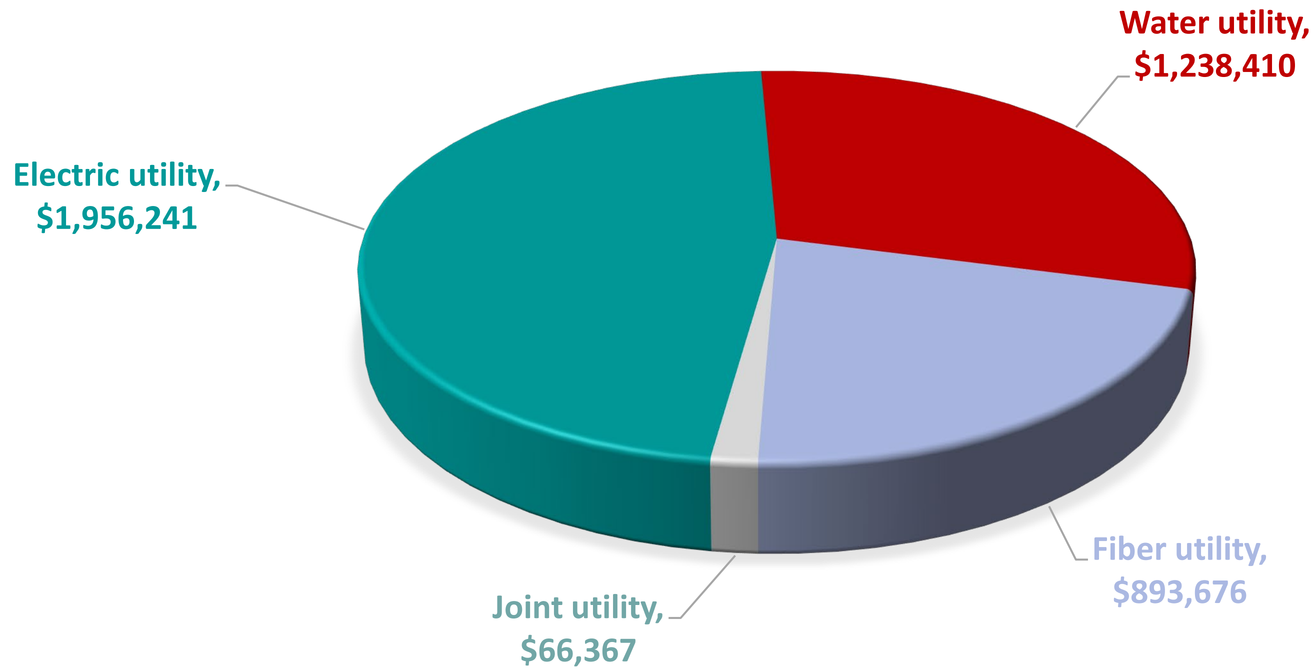
Indianola Municipal Utilities

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024	Change
Operating revenues			
Utility service	**$ 24,125,135**	$ 23,226,552	$ 898,583
Other	**2,504,086**	1,996,983	507,103
Total operating revenues	**26,629,221**	25,223,535	1,405,686
Operating expenses	**23,557,655**	22,095,214	1,462,441
Net operating income	**3,071,566**	3,128,321	(56,755)
Nonoperating activity	**1,083,128**	1,010,051	73,077
Change in net position	**$ 4,154,694**	$ 4,138,372	$ 16,322

Indianola Municipal Utilities

CHANGE IN NET POSITION



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Indianola Municipal Utilities

Footnote Disclosures

Note 4: Long-term Liabilities

The Utilities is reporting long-term liabilities totaling $16.5MM, including 3 general obligation and revenue capital loan notes with payable through 2037.

Note 10: Deficit Balance

IMU’s fiber utility reported a deficit fund balance of $790K at June 30, 2025 and $1.68MM as of June 30, 2024.

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.

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Resolution Approving Account Policy Updates

Recommendation:

Attachments: 1. Resolution Approving Account Policy Updates

Indianola Municipal Utilities

RESOLUTION NO 2025-

Resolution Approving Account Policy Updates

WHEREAS, the Board of Trustees of the Indianola Municipal Utilities has determined that Accounting Liabilities of the Administrative Fund (620) such as IPERS or other post-employment benefits will be recorded to the revenue generating utilities (example, Water/Fiber/Electric) based on the administrative share established every budget year; and

WHEREAS, If that the liability comes due, they will be payable via cash transfer to the administrative fund based on that same administrative share; and

WHEREAS, until such payments are required those funds will remain with the revenue generating utilities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Indianola Municipal Utilities, Indianola Iowa: The accounting policy update is approved by the IMU Board and shall be enacted.

Approved this 10th day of November 2025.

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Dom Selgrade, Board Chair

ATTEST:

____

Monica Thompson,
Board Secretary

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Enter into closed session in accordance with Iowa Code Section 388.9(1) to discuss marketing and pricing strategies and proprietary information of the telecommunications division whose competitive position will be harmed by public disclosure that is not required of potential or actual competitors and no public purpose is served by such disclosure.

Recommendation:

Attachments: None

INDIANOLA MUNICIPAL UTILITIES
IMU
Electric • Communications • Water

MEMORANDUM

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

From:

Date: November 10, 2025

Subject: Closed Session pursuant to Iowa Code Sections 21.5(1)(a), 388.9(1), and 21.5(1)(k), to review or discuss records which are required or authorized by state or federal law to be kept confidential; to discuss proprietary information and information required by a noncustomer contracting party to be kept confidential pursuant to a nondisclosure agreement which relates to electric transmission planning and construction and critical energy infrastructure; and to discuss information contained in records in the custody of a governmental body that are confidential records pursuant to section 22.7, subsection 50.

Recommendation:

Attachments: None