



CITY OF INDIANOLA COUNCIL MEETING

April 6, 2015

6:00 p.m.

Agenda

1. Call to order
2. Pledge of allegiance
3. Roll call
4. Public Comment
5. Consent
 - A. Approve agenda
 - B. March 24, 2015 Minutes
 - C. Applications
 1. A renewal Class "B" Wine, Class "C" Beer, Class "E" Liquor License and Sunday Sales Privilege for Wal Mart - 1500 N. Jefferson
 2. A renewal Class "C" Liquor License, Sunday Sales Privilege and Outdoor Area for Babars Entertainment, dba The Garage - 114 E. Ashland
 3. A renewal Class "B" Wine, Class "C" Beer permit, Class "E" Liquor License and Sunday Sales Privilege for Walgreens - 1000 N. Jefferson Street
 4. A new Class "B" Native Wine Permit for Casey's 1006 W. 2nd Avenue
 5. A new cigarette/vapor permit for Warren County Vapor Products - 106 N. Howard Street
 - D. Set May 4, 2015 as a public hearing to amend the FY 2015 Budget
 - E. Shull & Co. annual audit proposal
 - F. \$9,483.75 proposal from Clear Channel Outdoor for digital network advertising of the City of Indianola
 - G. Street closure requests from the following:

- a. Warren County Corvette Club - June 6, 2015 from 7:00 a.m. - 3:50 p.m.- request is to close both sides of Ashland between Howard and Buxton and the inside lanes of Buxton, Salem and Howard on the square
 - b. Warren County Health Services - June 23, 2015 from 8:00 a.m. - 7:00 p.m. - will close the inside lanes of Ashland Avenue and Howard Street on the square
 - H. Noise permit for The Hide Out - 204 E. Clinton
 - I. Claims on the computer printout for April 6, 2015
- 6. Council Representative Reports
 - A. Resolution approving salaries
- 7. Council Reports
 - A. Receive FY 13/14 Audit Report from Shull & Co.
 - B. Receive Park and Recreation Highlights of 2014 and Annual Report
- 8. Mayor's Report - Kelly Shaw
 - A. Proclamation declaring the month of April as Keep Indianola Beautiful
 - B. Community Update
- 9. Public Consideration
 - A. Old Business
 - 1. Final consideration of the following:
 - a. Amending the Municipal Code of the City of Indianola, Iowa, Chapter 166 "Site Plan" to include minimum paving requirements for parking stalls along highway corridors (P&Z approved unanimously on February 10, 2015)
 - b. An amendment to the traffic control provisions of the Municipal Code of the City of Indianola, Iowa by providing for special speed zone on East Hillcrest Avenue
 - * Will change the speed to 35 mph from 65/69 to 14th Street on Hillcrest east and westbound
 - B. New Business
 - 1. Consider \$35,778.42 proposal to recoat, installation of tiled depth markers and signage for the Veteran Memorial Aquatic Center
 - * Quote consist of \$28,333.42 from Western Waterproofing (recoat project) and \$7,445.00 from Acco Unlimited (tiled depth markers and signage)
- 10. Other Business
- 11. Adjourn

Information

Subject
March 24, 2015 Minutes

Information

Attachments

Minutes

REGULAR SESSION – MARCH 24, 2015

The City Council met in regular session at 6:00 p.m. on March 24, 2015. Mayor Kelly Shaw called the meeting to order and on roll call the following members were present: Greg Marchant, Eric Mathieu, John Parker Jr., Pam Pepper and Brad Ross. Absent: Greta Southall.

Item C-3 – A renewal refuse hauling permit for Waste Management of Iowa was pulled from the consent agenda.

The consent agenda consisting of the following was approved on a motion by Ross and seconded by Pepper. Question was called for and upon the council member votes, the Mayor declared the motion carried unanimously.

Approve agenda

March 2, 2015 Minutes

Applications:

- A new Class “B” Beer permit and Outdoor Area for the Square Bar Association – Indianola Town Square
- A renewal Class “E” Liquor, Class “B” Wine, Class “C” Beer and Sunday Sales Privilege for DanLee Corp. dba Indy 66 – 1201 N. Jefferson
- A renewal refuse hauling permit for Waste Connections Of Iowa, Inc.

Hiring of Karla Fultz, Attorney At Law, Hopkins & Huebner, P.C. to represent the City of Indianola regarding the renewal of the 28E Annexation Moratorium Agreement between the City of Des Moines, Warren County and the City of Indianola

2015-2017 mowing proposals from Woosley Landscaping for the Parks, Memorial Aquatic Center, Library and Waste Water Pollution Control Plant

Noise permit for Mike Murphy – Indianola Classic Car-Truck Show and Shine-every Saturday night starting May 9, 2015 through September 26, 2015 from 4:00 p.m. – 9:00 p.m. located at 1401 N. Jefferson

Prior approval applications for urban revitalization designation

Drake Homes - 808 E. Scenic Valley Ct. - SFD

Final approval applications for urban revitalization designation

Greg Johansen - 813/815/817/819 E. Lincoln Avenue - 4-plex

Autumn Ridge Development - 400 S. 8th Ct. #68 - Duplex

Barry Alyssa Hill - 1306 S. "O" Street - SFD

Claims on the computer printout for March 24, 2015 and the February 2015 receipts

The renewal refuse hauling permit for Waste Management of Iowa was approved on a motion by Mathieu and seconded by Pepper. Question was called for and on voice vote the Mayor declared the motion carried unanimously.

Council member Pepper moved to approve the following Resolution Approving Personnel Salaries. Council member Ross seconded the motion. On roll call the vote was, AYES: Mathieu, Parker,

Ross, Marchant and Pepper. NAYS: None. ABSENT: Southall. Whereupon the Mayor declared the motion carried unanimously and the following resolution duly adopted:

RESOLUTION APPROVING SALARIES

(The complete resolution may be viewed at the City Clerk's Office

A motion as made by Marchant and seconded by Parker to approve the February 2015 City Treasurer's Report. Question was called for and on voice vote the Mayor declared the motion carried unanimously.

Mary Donaghy presented the Keep Indianola Beautification report.

Mayor Shaw declared the month of March as Colorectal Cancer Awareness Month.

It was moved by Ross and seconded by Parker to approve the Wastewater Facility Plan Service Agreement with HR Green in an amount of \$68,000. Question was called for and on voice vote the Mayor declared the motion carried unanimously.

The second consideration to amend the Municipal Code of the City of Indianola, Iowa, Chapter 166 "Site Plan" to include minimum paving requirements for parking stalls along highway corridors was approved on a motion by Parker and seconded by Marchant. Question was called for and on voice vote the Mayor declared the motion carried unanimously.

The second consideration of an amendment to the traffic control provisions of the Municipal Code of the City of Indianola, Iowa by providing for special speed zone on East Hillcrest Avenue was approved on a motion by Marchant and seconded by Parker. Question was called for and on voice vote the Mayor declared the motion carried unanimously.

A motion was made by Marchant and seconded by Pepper to approve the parking lot lease agreement between Alex Venneir and the City of Indianola (parking lots are located west of North 1st and between E. Ashland and E. Salem). Question was called for and on voice vote the Mayor declared the motion carried unanimously.

Meeting adjourned on a motion by Mathieu and seconded by Parker.

Kelly B. Shaw, Mayor

Diana Bowlin, City Clerk

Information

Subject

A renewal Class "B" Wine, Class "C" Beer, Class "E" Liquor License and Sunday Sales Privilege for Wal Mart - 1500 N. Jefferson

Information

This is a renewal of Wal Mart's liquor license at 1500 N. Jefferson. All the paperwork is in order and staff has approved.

Attachments

Wal Mart Permit

March 12, 2015

NAME OF APPLICANT: Wal Mart – 1500 N. Jefferson

TYPE OF LICENSE/PERMIT: Class "B" Wine, Class "C" Beer, Class "E" Liquor and Sunday Sales

	<u>Date & Initial</u>	<u>Approve</u>	<u>Disapprove*</u>
Police Chief	<u>3/13/15 DB</u>	<u>/</u>	<u>_____</u>
Fire Chief	<u>3/26/15 PB</u>	<u>✓</u>	<u>_____</u>
B&Z Official	<u>3-13-15 CB</u>	<u>✓</u>	<u>_____</u>
Sign Compliance	<u>OK CB</u>	<u>✓</u>	<u>_____</u>

*Reasons for disapproval

*REMOVED E-85 GROUND SIGN @
MURPHY OIL GUN STATION. 3-13-15*

Applicant License Application (LE0001011)

Name of Applicant: <u>Wal-Mart Stores, Inc.</u>		
Name of Business (DBA): <u>Wal-Mart Supercenter #1491</u>		
Address of Premises: <u>1500 N Jefferson</u>		
City <u>Indianola</u>	County: <u>Warren</u>	Zip: <u>5012500</u>
Business	<u>(515) 961-7937</u>	
Mailing	<u>702 SW 8th Street</u>	
City <u>Bentonville</u>	State <u>AR</u>	Zip: <u>727160500</u>

Contact Person

Name	<u>Tara Stegall</u>		
Phone:	<u>(479) 204-2233</u>	Email	<u>tara.stegall@walmart.com</u>

Classification Class E Liquor License (LE)

Term: 12 months

Effective Date: 05/15/2015

Expiration Date: 05/14/2016

Privileges:

Class B Wine Permit

Class C Beer Permit (Carryout Beer)

Class E Liquor License (LE)

Sunday Sales

Status of Business

BusinessType:	<u>Publicly Traded Corporation</u>		
Corporate ID Number:	<u>[REDACTED]</u>	Federal Employer ID	<u>[REDACTED]</u>

Ownership

Doug McMillon

First Name:	<u>Doug</u>	Last Name:	<u>McMillon</u>	
City:	<u>Bentonville</u>	State:	<u>Arizona</u>	Zip: <u>72712</u>
Position:	<u>President & CEO</u>			
% of Ownership:	<u>0.00%</u>	U.S. Citizen:	Yes	

Amy Thrasher

First Name:	<u>Amy</u>	Last Name:	<u>Thrasher</u>	
City:	<u>Bella Vista</u>	State:	<u>Arkansas</u>	Zip: <u>72714</u>
Position:	<u>Assistant Secretary</u>			
% of Ownership:	<u>0.00%</u>	U.S. Citizen:	Yes	

Phyllis Harris

First Name:	<u>Phyllis</u>	Last Name:	<u>Harris</u>
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City: Rogers State: Arkansas Zip: 72758
Position: SVP & Chief Compliance Officer
% of Ownership: 0.00% U.S. Citizen: Yes

Jeff Davis

First Name: Jeff Last Name: Davis
City: Rogers State: Arkansas Zip: 72758
Position: Treasurer
% of Ownership: 0.00% U.S. Citizen: Yes

Andrea Marie Lazenby

First Name: Andrea Marie Last Name: Lazenby
City: Lowell State: Arkansas Zip: 72745
Position: Assistant Secretary
% of Ownership: 0.00% U.S. Citizen: Yes

James Robert Renfrow

First Name: James Robert Last Name: Renfrow
City: Fayetteville State: Arkansas Zip: 72701
Position: Asst Sec
% of Ownership: 0.00% U.S. Citizen: Yes

Insurance Company Information

Insurance Company: <u>American Casualty Company of Reading, PA</u>	
Policy Effective Date: <u>05/15/2015</u>	Policy Expiration <u>01/01/1900</u>
Bond Effective <u>2</u>	Dram Cancel Date:
Outdoor Service Effective	Outdoor Service Expiration
Temp Transfer Effective	Temp Transfer Expiration Date:

Information

Subject

A renewal Class "C" Liquor License, Sunday Sales Privilege and Outdoor Area for Babars Entertainment, dba The Garage - 114 E. Ashland

Information

This is a renewal of The Garage's liquor license located at 114 E. Ashland. All the paperwork is in order and staff has approved. Owners are Daniel Brown and Clinton Brightman.

Attachments

The Garage Permit

March 12, 2015

NAME OF APPLICANT: Babars Entertainment – dba The Garage – 114 E. Ashland Avenue

TYPE OF LICENSE/PERMIT: Class “C” Liquor License, Outdoor Area and Sunday Sales

	<u>Date & Initial</u>	<u>Approve</u>	<u>Disapprove*</u>
Police Chief	<u>3/13/15 DB</u>	<u>✓</u>	<u> </u>
Fire Chief	<u>4/1/15 BB</u>	<u>✓</u>	<u> </u>
B&Z Official	<u>3/13/15 CB</u>	<u>✓</u>	<u> </u>
Sign Compliance	<u>OK CB</u>	<u>✓</u>	<u> </u>

*Reasons for disapproval

Applicant License Application (LC0040861)

Name of Applicant: <u>Babars Entertainment, Inc.</u>		
Name of Business (DBA): <u>The Garage</u>		
Address of Premises: <u>114 E Ashland Ave</u>		
City <u>Indianola</u>	County: <u>Warren</u>	Zip: <u>50125</u>
Business	<u>(515) 961-9026</u>	
Mailing	<u>114 E Ashland Ave</u>	
City <u>Indianola</u>	State <u>IA</u>	Zip: <u>50125</u>

Contact Person

Name <u>Daniel Brown</u>	
Phone: <u>(515) 442-3653</u>	Email <u>dbrown70@q.com</u>

Classification Class C Liquor License (LC) (Commercial)

Term: 12 months

Effective Date: 05/08/2015

Expiration Date: 05/07/2016

Privileges:

Class C Liquor License (LC) (Commercial)

Outdoor Service

Sunday Sales

Status of Business

BusinessType: <u>Privately Held Corporation</u>	
Corporate ID Number: <u>[REDACTED]</u>	Federal Employer ID <u>[REDACTED]</u>

Ownership

Daniel Brown

First Name: <u>Daniel</u>	Last Name: <u>Brown</u>	
City: <u>Des Moines</u>	State: <u>Iowa</u>	Zip: <u>50315</u>
Position: <u>Owner</u>		
% of Ownership: <u>51.00%</u>	U.S. Citizen: <u>Yes</u>	

Clinton Brightman

First Name: <u>Clinton</u>	Last Name: <u>Brightman</u>	
City: <u>Indianola</u>	State: <u>Iowa</u>	Zip: <u>50125</u>
Position: <u>Owner</u>		
% of Ownership: <u>49.00%</u>	U.S. Citizen: <u>Yes</u>	

Insurance Company Information

Insurance Company: <u>Windsor Casualty Co</u>
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Insurance Company: Illinois Casualty Co

Policy Effective Date: 05/08/2015

Policy Expiration 05/07/2016

Bond Effective

Dram Cancel Date:

Outdoor Service Effective

Outdoor Service Expiration

Temp Transfer Effective

Temp Transfer Expiration Date:

Information

Subject

A renewal Class "B" Wine, Class "C" Beer permit, Class "E" Liquor License and Sunday Sales Privilege for Walgreens - 1000 N. Jefferson Street

Information

This is a renewal of Walgreens liquor license located at 1000 N. Jefferson Street. All the paperwork is in order and staff has approved.

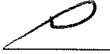
Attachments

Walgreens Liquor License

March 30, 2015

NAME OF APPLICANT: Walgreens – 1000 N. Jefferson Street

TYPE OF LICENSE/PERMIT: Class "B" Wine, Class "C" Beer, Class "E" Liquor and Sunday Sales

	<u>Date & Initial</u>	<u>Approve</u>	<u>Disapprove*</u>
Police Chief	<u>3/30/15 DB</u>	<u></u>	<u> </u>
Fire Chief	<u>4/1/15 BB</u>	<u></u>	<u> </u>
B&Z Official	<u>4/3/15 CB</u>	<u></u>	<u> </u>
Sign Compliance	<u>4/3/15 CB</u>	<u></u>	<u> </u>

*Reasons for disapproval

Applicant License Application (LE0002161)

Name of Applicant: <u>Walgreen Co.</u>		
Name of Business (DBA): <u>Walgreens #05943</u>		
Address of Premises: <u>1000 N Jefferson St</u>		
City <u>Indianola</u>	County: <u>Warren</u>	Zip: <u>50125</u>
Business	<u>(515) 961-4867</u>	
Mailing	<u>300 Wilmot Rd. MS 3301</u>	
City <u>Deerfield</u>	State <u>IL</u>	Zip: <u>60015</u>

Contact Person

Name <u>Toni Franklin</u>	
Phone: <u>(847) 527-4402</u>	Email <u>toni.franklin@walgreens.com</u>

Classification Class E Liquor License (LE)

Term: 12 months

Effective Date: 06/03/2015

Expiration Date: 06/02/2016

Privileges:

Class B Wine Permit

Class C Beer Permit (Carryout Beer)

Class E Liquor License (LE)

Sunday Sales

Status of Business

BusinessType: <u>Publicly Traded Corporation</u>	
Corporate ID Number: <u>[REDACTED]</u>	Federal Employer ID <u>[REDACTED]</u>

Ownership

John Mann

First Name: <u>John</u>	Last Name: <u>Mann</u>	
City: <u>Glenview</u>	State: <u>Illinois</u>	Zip: <u>60025</u>
Position: <u>Assistant Secretary</u>		
% of Ownership: <u>0.00%</u>	U.S. Citizen: <u>Yes</u>	

Mark Wagner

First Name: <u>Mark</u>	Last Name: <u>Wagner</u>	
City: <u>Lake Forest</u>	State: <u>Illinois</u>	Zip: <u>60045</u>
Position: <u>VP/Director</u>		
% of Ownership: <u>0.00%</u>	U.S. Citizen: <u>Yes</u>	

Alexander Gourlay

First Name: <u>Alexander</u>	Last Name: <u>Gourlay</u>
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City: Glencoe State: Illinois Zip: 60022

Position: President

% of Ownership: 0.00%

U.S. Citizen: Yes

Alan Nielsen

First Name: Alan

Last Name: Nielsen

City: Crystal Lake

State: Illinois

Zip: 60014

Position: VP/CFO/Treasurer

% of Ownership: 0.00%

U.S. Citizen: Yes

Jan Reed

First Name: Jan

Last Name: Reed

City: Riverwoods

State: Illinois

Zip: 60015

Position: VP/Corporate Secretary

% of Ownership: 0.00%

U.S. Citizen: Yes

Michael Felish

First Name: Michael

Last Name: Felish

City: Glenview

State: Illinois

Zip: 60026

Position: Assistant Secretary

% of Ownership: 0.00%

U.S. Citizen: Yes

Insurance Company Information

Insurance Company: Safeco Insurance Co

Policy Effective Date: 06/03/2015

Policy Expiration 01/01/1900

Bond Effective 2

Dram Cancel Date:

Outdoor Service Effective

Outdoor Service Expiration

Temp Transfer Effective

Temp Transfer Expiration Date:

Information

Subject

A new Class "B" Native Wine Permit for Casey's 1006 W. 2nd Avenue

Information

This is a new native wine permit for Casey's located at 1006 W. 2nd Avenue. All the paperwork is in order and staff has approved.

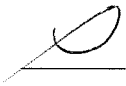
Attachments

Caseys Native Wine Permit

March 27, 2015

NAME OF APPLICANT: Casey's – 1006 W. 2nd Avenue

TYPE OF LICENSE/PERMIT: Class "B" Native Wine Permit

	<u>Date & Initial</u>	<u>Approve</u>	<u>Disapprove*</u>
Police Chief	<u>3/27/15 DB</u>	<u></u>	<u> </u>
Fire Chief	<u>4/1/15 BB</u>	<u></u>	<u> </u>
B&Z Official	<u>4/3/15 CB</u>	<u></u>	<u> </u>
Sign Compliance	<u>4/2/15 CB</u>	<u></u>	<u> </u>

*Reasons for disapproval

Applicant License Application (BC0026017)

Name of Applicant: <u>Casey's Marketing Company</u>		
Name of Business (DBA): <u>Casey's General Store #2097</u>		
Address of Premises: <u>1006 West 2nd Avenue</u>		
City <u>Indianola</u>	County: <u>Warren</u>	Zip: <u>5012500</u>
Business	<u>(515) 962-0615</u>	
Mailing	<u>PO Box 3001</u>	
City <u>Ankeny</u>	State <u>IA</u>	Zip: <u>500218045</u>

Contact Person

Name <u>Penny Patrick, Store Operations</u>	
Phone: <u>(515) 965-6572</u>	Email <u>penny.patrick@caseys.com</u>

Classification Class C Beer Permit (BC)

Term: 12 months

Effective Date: 10/02/2014

Expiration Date: 10/01/2015

Privileges:

Class B Native Wine Permit

Class C Beer Permit (BC)

Status of Business

BusinessType: <u>Publicly Traded Corporation</u>	
Corporate ID Number: <u>[REDACTED]</u>	Federal Employer ID <u>[REDACTED]</u>

Ownership

Michael Richardson

First Name: <u>Michael</u>	Last Name: <u>Richardson</u>	
City: <u>Pleasant Hill</u>	State: <u>Iowa</u>	Zip: <u>50327</u>
Position: <u>President</u>		
% of Ownership: <u>0.00%</u>	U.S. Citizen: <u>Yes</u>	

42-0935283 Casey's General Stores, Inc

First Name: <u>[REDACTED]</u>	Last Name: <u>Casey's General Stores, Inc</u>	
City: <u>Ankeny</u>	State: <u>Iowa</u>	Zip: <u>50021-804</u>
Position: <u>Owner</u>		
% of Ownership: <u>100.00%</u>	U.S. Citizen: <u>No</u>	

Julia L Jackowski

First Name: <u>Julia L</u>	Last Name: <u>Jackowski</u>	
City: <u>Urbandale</u>	State: <u>Iowa</u>	Zip: <u>50322</u>
Position: <u>Assistant Secretary</u>		

% of Ownership: 0.00%

U.S. Citizen: Yes

Robert C Ford

First Name: Robert C

Last Name: Ford

City: Dallas Center

State: Iowa

Zip: 50063

Position: Vice President

% of Ownership: 0.00%

U.S. Citizen: Yes

James Pistillo

First Name: James

Last Name: Pistillo

City: Urbandale

State: Iowa

Zip: 50323

Position: Treasurer

% of Ownership: 0.00%

U.S. Citizen: Yes

Insurance Company Information

Insurance Company: First Western Insurance

Policy Effective Date:

Policy Expiration

Bond Effective

Dram Cancel Date:

Outdoor Service Effective

Outdoor Service Expiration

Temp Transfer Effective

Temp Transfer Expiration Date:

Information

Subject

A new cigarette/vapor permit for Warren County Vapor Products - 106 N. Howard Street

Information

In your packet is a new cigarette/vapor permit for Warren County Vapor Products at 106 N. Howard Street. All the paper work is in order for approval.

Attachments

Permit

APPLICATION FOR IOWA RETAIL CIGARETTE / TOBACCO/NICOTINE/VAPOR PERMIT

For period May 01, 20 15 through June 30, 20 15

PLEASE TYPE OR PRINT CLEARLY

Please mail this completed application to your local jurisdiction. If you have questions, call your city clerk (within city limits) or your county auditor (outside city limits).

I/We hereby make application for a retail permit to sell cigarettes, tobacco, alternative nicotine, or vapor products: **BUSINESS INFORMATION**

Name of Name of Business/DBA: Warren County Vapor Products

Location Address (Required): 106 N Howard St, Indianola, IA 50125

Mailing Address: 106 N Howard St. City: Indianola State/Zip: 50125

Type of Sales: ☐ Vending Machine ☒ Over-the-counter Telephone Number (515) 985-8083

Type of Retail Establishment: has vending machine that assembles cigarettes

☐ bar ☐ convenience store, with gas ☐ drug store ☐ gas station
☐ grocery ☐ convenience store, no gas ☐ liquor store ☐ restaurant
☐ tobacco store ☐ hotel/motel ☒ other Electronic Cigarettes

Cigarettes must be sold at the minimum price set by the State of Iowa. Obtain a current copy from the Iowa Department of Revenue website (www.iowa.gov/tax) by clicking on forms, then click on cigarette/tobacco, and finally click on form 71-023.

ONLY APPROVED BRANDS OF CIGARETTES OR ROLL-YOUR-OWN PRODUCTS MAY BE SOLD IN IOWA. Any brand not on the list is contraband. In addition, all cigarettes sold in Iowa must have an Iowa Cigarette Tax Stamp affixed to each package. Any violation of contraband or non-Iowa cigarette tax stamped package is subject to seizure and penalties under the provisions of Iowa Code 453A and 453D.

Check the list of approved brands (www.iowa.gov/tax/business/CigTobIndex.html) and is called IOWA DIRECTORY OF CERTIFIED TOBACCO PRODUCTS MANUFACTURERS BRANDS AND BRAND FAMILIES

Go to <http://elists.idrf.state.ia.us/scripts/wa.exe> and sign up for the Cigarette/Tobacco eList (listserv).

You will receive an e-mail every time the approved list changes or the minimum price changes.

LEGAL OWNER INFORMATION

Type of Ownership: Individual ☐ Partnership ☐ Corporation ☐ LLC ☒ LLP ☐

Legal Owner: Swanson Business Group
(Name of Individual, Partnership, Corporation, LLC, or LLP)

Mailing Address: 2444 E Walnut #1

City: Des Moines State: IA Zip: 50317 Ph. Number: (515) 985-8083

Fax Number: () E-mail Address: shadswanson03@gmail.com

If application is approved and permit granted, I/we do hereby bind ourselves to a faithful observance of the laws governing the sale of cigarettes, tobacco, alternative nicotine, and vapor products.

SIGNATURE OF OWNER, PARTNER(S), OR CORPORATE OFFICIAL

Name (please print): Shad Swanson Name (please print): _____

Signature: [Signature] Signature: _____

Date: 03/30/2015 Date: _____

FOR OFFICE USE ONLY

Amount Paid: _____

Date Issued: _____ ☐ New

Permit #: _____ ☐ Renewal

FOR CITY CLERK/COUNTY AUDITOR ONLY

PLEASE SEND COMPLETED COPY TO THE IOWA DEPARTMENT OF COMMERCE, ALCOHOLIC BEVERAGE DIVISION

Name of Issuing City or County _____

Information

Subject

Set May 4, 2015 as a public hearing to amend the FY 2015 Budget

Information

Council needs to set May 4, 2015 as a public hearing (no additional readings) to amend the FY 2015 budget. Taxes will not be increased (per Iowa Code) due to this amendment. In the packet is the amendment and explanation noting the programs affected.

Attachments

Budget Amendment

Aug-13

Form 653.C1

**NOTICE OF PUBLIC HEARING
AMENDMENT OF CURRENT CITY BUDGET**

The City Council of Indianola in WARREN County, Iowa
will meet at 110 N 1st St Indianola IA 50125

at 6pm on 05/04/2015
(hour) (Date)

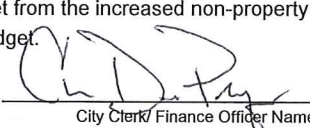
,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2015
(year)
by changing estimates of revenue and expenditure appropriations in the following functions for the reasons given.
Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

		Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
Revenues & Other Financing Sources				
Taxes Levied on Property	1	6,013,183		6,013,183
Less: Uncollected Property Taxes-Levy Year	2			0
Net Current Property Taxes	3	6,013,183	0	6,013,183
Delinquent Property Taxes	4			0
TIF Revenues	5	1,308,600		1,308,600
Other City Taxes	6	29,175		29,175
Licenses & Permits	7	124,700		124,700
Use of Money and Property	8	876,200	-14,100	862,100
Intergovernmental	9	5,454,124		5,454,124
Charges for Services	10	19,952,900	-173,000	19,779,900
Special Assessments	11	82,000		82,000
Miscellaneous	12	2,374,500	2,435,200	4,809,700
Other Financing Sources	13	9,763,000	1,500,000	11,263,000
Total Revenues and Other Sources	14	45,978,382	3,748,100	49,726,482
Expenditures & Other Financing Uses				
Public Safety	15	4,343,900		4,343,900
Public Works	16	1,429,800	10,000	1,439,800
Health and Social Services	17	0		0
Culture and Recreation	18	2,091,400		2,091,400
Community and Economic Development	19	259,000		259,000
General Government	20	1,396,700		1,396,700
Debt Service	21	3,030,500		3,030,500
Capital Projects	22	6,164,800		6,164,800
Total Government Activities Expenditures	23	18,716,100	10,000	18,726,100
Business Type / Enterprises	24	18,578,450	4,217,300	22,795,750
Total Gov Activities & Business Expenditures	25	37,294,550	4,227,300	41,521,850
Transfers Out	26	9,763,000	1,500,000	11,263,000
Total Expenditures/Transfers Out	27	47,057,550	5,727,300	52,784,850
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out Fiscal Year	28	-1,079,168	-1,979,200	-3,058,368
	29			
Beginning Fund Balance July 1	30	15,543,734		15,543,734
Ending Fund Balance June 30	31	14,464,566	-1,979,200	12,485,366

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

Capital Projects: Business Type/Enterprises - These majority of these expenditures are related construction timing of Indianola Municipal Utility's utility relocation projects; \$200,000 is due to unplanned infrastructure failure at the Water Water Treatment Plant. Unplanned Public Works equipment repairs needed will cost \$10,000. Transfers will increase due to fund transfers to cover Hwy 65/69 reconstructions as well as WWTP repairs. Misc Revenues will increase do to IDOT reimbursements for the expenses related to the utility relocation project.

There will be no increase in tax levies to be paid in the current fiscal year named above related to the proposed budget amendment. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget.


City Clerk/Finance Officer Name

Information**Subject**

Shull & Co. annual audit proposal

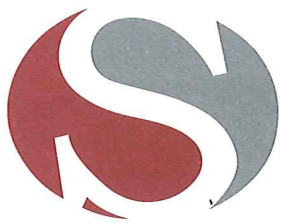
Information

Requests for proposals for the annual audit were sent to 10 public accounting firms and the Office of the Auditor of State. The firms that responded were Denman and Company, LLP, Faller Kincheloe & Co, PLC, and Shull and Co. Staff recommends awarding the FY 2015, FY2016 and FY2017 audit service contract to Shull & Co. based on our positive working relationship and the quality of the audits they have been produced on behalf of the City and IMU for the past 23 years. Below is a breakdown of the City and IMU fees for the next three fiscal year audits from Shull & Co.

	FY 2015	FY 2016	FY 2017
City of Indianola	\$11,200	\$11,500	\$11,900
IMU Board of Trustees	\$12,100	\$12,500	\$12,800
Total	\$23,300	\$24,000	\$24,700

IMU will consider awarding the audit service contract at their April 27, 2015 trustees meeting.

AttachmentsProposal



Shull

and Co. P.C.
certified public accountants

February 19, 2015

The Honorable Mayor and Members
of the City Council
The Municipal Utilities
Board of Trustees
City of Indianola, Iowa
c/o Christopher DesPlanques, Finance Director
P. O. Box 299
Indianola, Iowa 50125

Ladies and Gentlemen:

We are pleased to respond to your request for proposals to provide audit services to the City of Indianola, Iowa for the years ending June 30, 2015, 2016, and 2017.

We are proud of our staff and of the professional services we deliver. We believe our professional experience and training make us uniquely qualified to serve the City of Indianola, Iowa and we are prepared to do so.

Questions you may have regarding our proposal should be addressed to Arlen Schrum or Dennis Shull at 961-2571.

Thank you for the opportunity to present our qualifications to you. We look forward to serving you.

Shull & Co., P.C.

PROPOSAL TO PROVIDE PROFESSIONAL
SERVICES TO THE
CITY OF INDIANOLA, IOWA

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Appendix

Quality Review Report on Shull & Co., P.C.

Contact persons:
Arlen Schrum
Dennis Shull
(515)961-2571

PROPOSAL TO PROVIDE PROFESSIONAL
SERVICES TO THE
CITY OF INDIANOLA, IOWA

Shull & Co., P.C. Profile

Shull & Co., P.C., was founded in Indianola, Iowa, in the mid-1970's by Dennis and Doug Shull and has built its practice in the surrounding area. Currently, the office of ten persons, including six professionals, is managed by Dennis Shull. Arlen Schrum manages the audit and accounting practice and supervises a staff of two professionals. Shull & Co., P.C. and the six Certified Public Accountants in the office are members of the America Institute of Certified Public Accountants and the Iowa Society of Certified Public Accountants and are in compliance with all registration and permit requirements to engage in the practice of public accounting in the State of Iowa.

PROPOSAL TO PROVIDE PROFESSIONAL
SERVICES TO THE
CITY OF INDIANOLA, IOWA

Qualifications of Shull & Co., P.C.

Shull & Co., P.C., possesses outstanding experience auditing entities similar to the City of Indianola, Iowa. We believe the understanding of the City and its operations we have developed in over twenty years of service as the City's auditors as well as the relationships we have established with key personnel make us uniquely qualified to serve as the City's auditors again. In addition, we serve as auditors of the following entities, which are also subject to Government Auditing Standards: City of Norwalk, Iowa, City of Pleasantville, Iowa, Indianola Community School District, Clarke County Landfill Commission and South Central Iowa Landfill Agency.

Arlen Schrum will be responsible for the service you receive. Mr. Schrum has over thirty years of public accounting experience and has responsibility for the work outlined above.

All professionals of Shull & Co., P.C. are experienced in audits of governmental entities and governmental financial assistance programs and each would be expected to be involved in some phase of our audit services. It is our policy to discuss with our clients personally any changes in key personnel involved in serving them.

Shull & Co., P.C.'s system of quality control conforms to professional standards and focuses primarily upon supervision and review of all work performed, selection of appropriate professional development opportunities, recognizing situations requiring consultation on accounting and auditing matters and obtaining it from national and state professional sources, and independence of all professional staff in fact and appearance for all audit services. As required by Government Auditing Standards we have enclosed a copy of our most recent quality review report for your use.

PROPOSAL TO PROVIDE PROFESSIONAL
SERVICES TO THE
CITY OF INDIANOLA, IOWA

Scope of Shull & Co., P.C. Services and Proposed Audit Schedule

We understand the scope of our work to include financial and compliance audits of the City of Indianola, Iowa and Indianola Municipal Utilities conforming to the requirements of Chapter 11 of the Code of Iowa, generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996 and Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations. Our reports will include independent auditor's reports on the financial statements and the schedule of federal financial assistance, auditor's reports on compliance and on internal control over financial reporting, and auditor's reports on compliance with laws and regulations and internal control over compliance with laws and regulations related to federal financial assistance.

In addition, we understand the scope of our work will include an independent auditor's report on the separate accrual basis financial statements of Indianola Municipal Utilities and of the electric, water and sewer operations.

We expect to schedule our audit work as soon as is practical for your staff. Approximately three weeks of field work would be scheduled at mutually convenient dates in August or September. We expect to have draft reports available in October. We expect to deliver 10 bound copies of all our final reports to the City no later than November 30. We also expect to deliver 2 bound copies of all our final reports along with a per diem audit billing and a copy of the news release to the Auditor of State no later than November 30.

We agree to work with you to provide, as necessary, parity revenue bond certificates or consents to include our reports in future official statements.

We understand the City of Indianola is considering converting its accounting system and reporting model to the accrual basis. We agree to work with City personnel as they develop procedures and policies related to such a conversion.

PROPOSAL TO PROVIDE PROFESSIONAL
SERVICES TO THE
CITY OF INDIANOLA, IOWA

Shull & Co., P.C. Fees and Compensation

Based upon our prior experience as the City's auditors we estimate the total recurring hours to perform the audit of the City of Indianola, Iowa on the basis of cash receipts and disbursements will be approximately 240 hours per year and the total recurring hours to perform the audit of the Indianola Municipal Utilities on the accrual basis will be approximately 200 hours. We are willing to commit to maximum fees for the audits as follows:

	Year Ending June 30,		
	2015	2016	2017
Comprehensive audit and financial statements for the City of Indianola	\$ 8,900	9,200	9,600
Component unit audit and financial statements for Indianola Municipal Utilities	7,500	7,900	8,200
Separate financial statements for the electric, water and sewer utilities at \$2,300 each	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>
	<u>\$ 23,300</u>	<u>24,000</u>	<u>24,700</u>

We would expect to bill you \$6,000 on August 31, \$10,000 on September 30 and the balance upon delivery of the final reports.

If the City successfully converts to accrual basis reporting, we estimate an additional 40 to 60 hours each year for the City audit and additional fees of \$3,000 to \$5,000 per year.

Our fees for services outside the scope of the audits, all of which would be discussed with you in advance of performing them, would be billed at our standard hourly rates of \$210 per hour for partners, \$120 per hour for senior staff and \$75 per hour for other staff.

System Review Report

January 10, 2013

To the Shareholders of
Shull & Co PC
And the Peer Review Committee of the Iowa Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Shull & Co PC (the firm) in effect for the year ended September 30, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards engagements selected for review include engagements performed under Government Auditing Standards and an employee benefit plan.

We noted the following deficiency during our review:

1. Deficiency – The firm's quality control policies and procedures require that annual inspections be performed as part of monitoring procedures. Our review noted that annual inspections were not performed. As a result financial statement reporting and disclosure problems were noted on an ERISA audit and a compilation engagement. The firm's audit partner was also not in compliance with government continuing education requirements during the past three year period.

Recommendation – The firm should comply with its quality control policies and procedures and perform annual inspections to monitor compliance with quality control. Emphasis should be made in these inspections on compliance with governmental continuing education standards and in reporting and disclosure requirements of professional standards.

In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of Shull & Co PC in effect for the year ended September 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Shull & Co PC has received a peer review rating of *pass with deficiency*.

 CPA PC
Keith Oltrogge
Certified Public Accountant

Information

Subject

\$9,483.75 proposal from Clear Channel Outdoor for digital network advertising of the City of Indianola

Information

In your packet is the contract for digital network advertising for the City of Indianola. The City will receive \$3,000 from local organizations to offset the cost. Advertising will begin April 6, 2015 and end on August 2, 2015.

Attachments

Agreement

Digital Flyer



FOR INTERNAL USE:		Contract No.		File Name	
		A/E (s) Name / No.		Selling Branch Address	
New	☒	Steve Bukre/ccodes1swb		4131 109th Street	
Renewal	☐			Urbandale, Iowa 50322	
Takeover	☐				
Product / Class Number:				Market Type: 	



STANDARD TERMS AND CONDITIONS TO CONTRACT FOR DIGITAL DISPLAY ADVERTISING

1. DEFINED TERMS. As used in this Contract, these terms shall have the meanings set forth below.

"Acceptable Materials" shall mean all Static Acceptable Materials and Digital Acceptable Materials, as each is defined in Section 4.

"Campaign" shall mean the advertising campaign described in the Order Confirmation.

"CC Portal" shall mean the software utilized by Clear Channel and authorized Customers to serve and deliver Dynamic Content to digital signs.

"Clear Channel" shall mean Clear Channel Outdoor, Inc., a Delaware corporation and its successors and assigns.

"Commencement Date" shall mean the date identified as the commencement date of the Campaign in the Order Confirmation.

"Confidential Information" shall mean any information relating to or disclosed to Customer arising from or in connection with any and all pricing information for this Contract.

"Contract" shall mean the applicable Order Confirmation, these terms and conditions and all guidelines expressly referred to herein, all as the same may be modified from time to time.

"Customer" shall mean the advertiser and any agency or buying service named in the Order Confirmation.

"Delivery Date" shall mean the date(s) for the delivery of Acceptable Materials as set forth in the Order Confirmation.

"Dynamic Content" shall mean data and information feeds supplied by the Customer, such as sports scores, weather or traffic information.

"Order Confirmation" shall mean the order confirmation by and between Clear Channel and the Customer setting forth the terms and conditions of the Campaign.

"Sign" or "Signs" shall mean the sign or signs identified in the Order Confirmation for the placement of the advertising for the Campaign.

2. PAYMENT

a. Customer shall pay in advance for the services covered by this Contract unless otherwise expressly agreed to in writing.

b. If Clear Channel has extended credit to Customer, Clear Channel shall, from time to time at intervals following the Commencement Date, bill the "Invoice to" Customer at the address set forth in the Order Confirmation, or to the email address provided by Customer if receiving invoices electronically.

c. Payment by Customer for services rendered hereunder is due within 30 days of the date of the invoice. d. Past due accounts shall be charged interest from the date of the invoice at a per annum rate of 12%, or the highest rate allowed by applicable law, whichever is less.

e. If Customer disputes any charges or notices any errors on an invoice, Customer shall contact Clear Channel via email sent to ceobilling@clearchannel.com within 10 days of the invoice date, stating the invoice number, amount and description of the alleged dispute or error, and provide any supporting documentation as may be reasonably required by Clear Channel. All invoice charges shall be considered valid if Customer fails to timely provide notice to Clear Channel of any dispute or error as required herein.

f. If Customer is past due in payment of any amount, Clear Channel may change the terms of payment by giving Customer written notice. If Clear Channel refers this Contract for collection, Customer shall pay all collection costs incurred by Clear Channel, including reasonable attorney's fees and court costs.

3. RIGHTS, OBLIGATIONS AND OTHER AGREEMENTS OF THE PARTIES

3.1 OF CUSTOMER

a. Customer represents and warrants to Clear Channel that:

(1) at all times hereunder, all advertising material, art or copy furnished by Customer to Clear Channel, and, to the extent applicable, all Dynamic Content placed on Sign or Signs, shall comply with all applicable federal, state and local laws and regulations,

(2) if the Customer entering into this Contract is an agency or buying service, it has the right, power and authority to enter into this Contract on behalf of the advertiser and all legal obligations arising under this Contract are and shall be binding on said agency or buying service and the advertiser, and

(3) all persons and entities included within Customer are jointly and severally liable for all obligations of Customer under this Contract regardless of who is billed, except if this Contract is entered into by an agency or buying service as Customer on behalf of an advertiser, such agency or buying service is liable for invoice payments only to the extent it has been paid by the advertiser. The agency or buying service hereby assigns to Clear Channel all of its rights, title and interest in any claim it may hereafter have in the event of a bankruptcy by the advertiser for payment under this Contract and agrees not to file any protest to such claim of Clear Channel.

3.2 OF CLEAR CHANNEL

a. Clear Channel, at its sole discretion, may reject any advertising material, art or copy, submitted by Customer for any reason.

b. Subject to Clear Channel's right to remove posted copy, all approved advertising material, art or copy shall be posted, installed and maintained by Clear Channel or its designee in accordance with the terms of the Campaign.

c. Subject to the rights of Customer described in Subsection 5(f) hereof, Clear Channel may require advertising material, art or copy to be removed at any time once posted.

d. Clear Channel shall furnish to Customer proof of performance as follows (1) Permanent Bulletin(s): one close-up photo or digital print for each creative execution within a bulletin campaign including a performance report, (2) Rotary Bulletin(s): one close-up and one approach photo or digital print for each rotary start location and each creative execution including a performance report. Rotation cycles shall not be photographed unless the creative copy changes, (3) Poster(s): one close-up photo or digital print for each creative execution within a poster campaign including a performance report and a completion report listing all locations/designs, and (4) Digital: a performance report confirming the execution of the display(s) as contemplated in the Order Confirmation.

e. Clear Channel's obligations under this Contract are subject to and subordinate to the terms and conditions of any applicable leases and all other agreements, licenses and permits relating to any Signs and to applicable federal, state and local laws and regulations.

f. If Acceptable Materials are timely delivered, Clear Channel shall complete painting, posting or vinyl installation of the displays no later than 5 working days after the display date specified in the Order Confirmation and commence billing on the date copy is fully displayed.

g. If applicable, Clear Channel shall ensure that the digital network shall be available, active and operable for no less than ninety percent (90%) of the time within any billing period and in no event shall Clear Channel be obligated to provide any credits or other discounts to Customer for any outage, down time or other application of the digital network, provided, that such outage, down time or other application of the digital network affects less than ten percent (10%) of the contemplated spots to be displayed on behalf of Customer within the applicable billing period.

h. TO THE EXTENT PERMITTED BY LAW, CLEAR CHANNEL MAKES NO WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, ABOUT THE SERVICES DESCRIBED IN THIS CONTRACT AND DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

3.3 TAXES. Clear Channel shall pay all personal property taxes attributable to the Signs and Customer shall be responsible for all other federal, state and local taxes in respect of this Contract.

4. CONTENT, PRODUCTION AND DELIVERY

4.1 STATIC ARTWORK AND PRODUCTION MATERIALS

a. "Static Acceptable Materials" is defined (1) in the case of painting, as the paint in such quality and quantity as specified by Clear Channel and a scaled or properly proportioned proof or specification, original illustration, dye transfer or other color reproduction of comparable quality, and for the purpose hereof, color transparencies shall not be deemed to be acceptable; or (2) in the case of paper or computer generated vinyl, all materials shall be of quality and in quantity as specified in the Production of Order contract if applicable, or as otherwise agreed to by the parties to meet the needs hereunder, at places designated by Clear Channel, shipping charges prepaid, and in weight tensile strength, opacity, size and sort. Customer shall be responsible for any and all costs in connection with the creation, production and delivery to Clear Channel of the Static Acceptable Materials as contemplated under this Contract (but not less than a minimum quantity of one complete set of materials and instructions for every display to be posted or vinyl installed).

b. If this is a new contract (not a renewal), Customer shall deliver Static Acceptable Materials to Clear Channel not less than (1) for painting, 30 days prior to the Commencement Date, or (2) for paper or computer generated vinyl, 10 days prior to such Commencement Date. Clear Channel may require additional time for the delivery of Static Acceptable Materials as required under the circumstances, including, without limitation, if third party approval for the Static Acceptable Materials is required.

c. If Customer requests within 60 days after the last date of the display of the Static Acceptable Materials, Clear Channel shall return any Static Acceptable Materials in its possession to Customer at Customer's sole cost and expense. If Customer does not so request, Clear Channel is hereby granted the right, at its sole option, to dispose of all such Static Acceptable Materials at any time after such 60-day period.

4.2 DIGITAL CONTENT, PRODUCTION AND RELATED MATTERS

a. Customer shall be obligated to produce and deliver to Clear Channel any and all advertising copy or artwork, images, displays, illustrations, reproductions, and similar advertising materials in digital format, along with any copy instructions or similar directions, in uncompressed .jpg format, RGB color mode and in 400x1400 pixels for digital bulletins, 400x840 pixels for digital posters, 1920x1080 pixels for shelters, or as otherwise agreed to by the parties (collectively, the "Digital Acceptable Materials"). All Digital Acceptable Materials in form for proper execution of the purpose of this Contract shall be delivered by Customer for receipt by Clear Channel no later than 72 hours prior to the Commencement Date and through such method of delivery as shall be designated by Clear Channel, unless the Commencement Date is less than 72 hours from execution of this Contract, in which case Clear Channel shall inform Customer of the deadline to deliver the Digital Acceptable Materials to Clear Channel prior to the Commencement Date. Customer shall be responsible for any and all costs in connection with the creation, production and delivery to Clear Channel of the Digital Acceptable Materials as contemplated under this Contract.

b. Upon the written request of Customer, Clear Channel, in its sole discretion, may permit the Customer to feed Dynamic Content through the CC Portal, by providing the Customer with a password to the CC Portal. In no event shall the unavailability, inactivity or inoperability of the CC Portal constitute a breach of this Contract or provide Customer any right, claim, remedy or otherwise under this Contract or at law.

c. Customer acknowledges and agrees that (1) Clear Channel shall include such filtering technology in the CC Portal as it shall deem appropriate, in its sole discretion, to filter inappropriate content from being served or delivered to Signs by Customer, and (2) upon the occurrence of a breach of this Contract by Customer, Clear Channel may, in addition to all other remedies available to it, and in its sole and absolute discretion revoke Customer's password and shut down its access to the CC Portal.

4.3 ARCHIVAL MATERIAL AND RIGHT TO USE. Clear Channel may keep Acceptable Materials as it deems fit for Clear Channel's own archival purposes. Customer authorizes Clear Channel to use a picture or photograph of Clear Channel's Sign or Signs displaying the Campaign for Clear Channel's promotional, advertising or prospective sales purposes with clients, prospective clients or for internal use.

5. DISRUPTION OF PERFORMANCE; LOSS OF USE

a. Except as otherwise provided herein, if Clear Channel is unable to perform any of its obligations hereunder as a result of a force majeure, labor dispute, law, government action or order, or similar causes beyond Clear Channel's reasonable control, Clear Channel shall promptly notify the Customer. Customer's sole and exclusive remedy for a delay or failure to perform under this subsection 5(a) shall be receipt of services of substantially equivalent value to what was lost as a consequence of such delay or failure to perform. In no event shall such a delay or failure to perform constitute a breach of this Contract or provide Customer with any other right, claim or remedy under this Contract or at law.

b. Clear Channel shall promptly notify Customer if the lights illuminating a static Sign are not operating during permitted hours of operations for which lights are required to view the content of the advertising posted on that Sign. Customer's sole and exclusive remedy for such a lighting outage shall be a credit against the charges due hereunder in an amount equivalent to the value of the lost circulation, which credit shall not exceed 25% of the charges set forth in the Order Confirmation for the period during which the lights did not operate. In no event shall such a lighting outage constitute a breach of this Contract or provide Customer any other right, claim or remedy under this Contract or at law.

c. If any Sign selected for inclusion in the Campaign has not yet been deployed by Clear Channel, Customer acknowledges and agrees that Clear Channel has not and cannot guarantee that such Sign shall be deployed prior to the Commencement Date. If Clear Channel becomes aware that such a Sign shall not be fully operational as of the Commencement Date, Clear Channel shall promptly notify the Customer and, at Clear Channel's option, offer to (1) replace that Sign with a sign of equivalent advertising value, or (2) if possible, delay the Commencement Date to a date on which that Sign would be fully operational. If Customer accepts Clear Channel's offer, the Order Confirmation shall be deemed amended to reflect the terms of such offer. If Customer does not accept Clear Channel's offer, the Sign in question shall be deemed deleted from the Order Confirmation. In no event shall Clear Channel's failure to deliver a to-be-deployed Sign on or before the Commencement Date constitute a breach of this Contract or provide Customer any other right, claim or remedy under this Contract or at law.

d. Except as provided in subsection 5(c) above, if any Sign becomes unavailable for use for any reason whatsoever, including without limitation casualty, government action or order or loss of lease, Clear Channel shall promptly notify the Customer and, at Clear Channel's option, offer to (1) replace that Sign with a sign of equivalent advertising value, or (2) if possible, resume the Campaign on that Sign on a date on which that Sign would be available for use. If Customer accepts Clear Channel's offer, the Order Confirmation shall be deemed amended to reflect the terms of such offer. If Customer does not accept Clear Channel's offer, Clear Channel shall not bill Customer for that Sign for the period from the date on which it became unavailable for use until its use is resumed. In no event shall the loss of use of a Sign constitute a breach of this Contract or provide Customer any other right, claim or remedy under this Contract or at law.

e. If any Sign is converted to a different technology during the Campaign, Clear Channel shall promptly notify the Customer and, at Clear Channel's option, offer to replace that Sign with a sign of equivalent advertising value and same technology. If Customer accepts Clear Channel's offer, the Order Confirmation shall be deemed amended to reflect the terms of such offer. If Customer does not accept Clear Channel's offer, Clear Channel shall not bill Customer for that Sign for the period from the date on which it became unavailable for use. In no event shall the conversion of a Sign constitute a breach of this Contract or provide Customer any other right, claim or remedy under this Contract or at law.

f. If Customer elects to reject Clear Channel's offer under subsections 5(c), (d) or (e) or Clear Channel exercises its right to remove copy, Customer shall be entitled to receive from Clear Channel a sum equal to the actual non-cancelable out-of-pocket costs necessarily incurred by Customer for production and delivery to Clear Channel of the Acceptable Materials hereunder which were not displayed as a consequence of the loss of use of a Sign or Signs.

6. TERMINATION

a. This Contract is non-cancelable except as provided in this Section 6.

b. If Clear Channel terminates this Contract other than for cause 30 days or less prior to the Commencement Date, Clear Channel shall pay to Customer, as liquidated damages and not as a penalty, and as Customer's sole and exclusive remedy, a sum equal to the actual non-cancelable out-of-pocket costs necessarily incurred by Customer prior to the date of termination for production and delivery to Clear Channel of the Acceptable Materials hereunder which were not displayed.

c. Clear Channel may by providing 14 days advance written notice to Customer, and if Customer fails to cure such breach prior to expiration of the 14 days, terminate this Contract (1) upon material breach by Customer (except for breach of Customer's obligation to deliver Acceptable Materials to Clear Channel as provided below) or (2) if any monies to be paid by Customer to Clear Channel are past due. Clear Channel's notice shall set forth a summary of the alleged breach and Clear Channel agrees to provide any supporting documentation as may be reasonably requested by Customer. Upon such termination all unpaid, accrued charges hereunder shall immediately become due and payable and, in addition, Customer shall pay Clear Channel, as liquidated damages and not as a penalty, 25% of the remaining amounts that would have been due over the balance of this Contract. If Acceptable Materials have not been received by Clear Channel on or before the date required herein, in addition to its other remedies, Clear Channel may terminate this Contract. If terminated by Clear Channel, Customer shall pay to Clear Channel as liquidated damages, and not as a penalty, all amounts that would have been due and payable to Clear Channel under this Contract.

d. Customer may by providing 14 days advance written notice to Clear Channel, and if Clear Channel fails to cure such breach prior to expiration of the 14 days, terminate this Contract upon material breach by Clear Channel. Customer's notice shall set forth a summary of the alleged breach and Customer agrees to provide any supporting documentation as may be reasonably requested by Clear Channel. Upon such termination, Clear Channel shall pay to Customer, as liquidated damages and not as a penalty, and as Customer's sole and exclusive remedy, a sum equal to the actual non-cancelable out-of-pocket costs necessarily incurred by Customer prior to the date of termination for production and delivery to Clear Channel of the Acceptable Materials hereunder which were not displayed.

e. To the extent provided by law or as otherwise specified in this Contract, neither party shall be liable to the other party for incidental, indirect, consequential or punitive damages or lost profits.

7. INDEMNIFICATION AND HOLD HARMLESS

Customer shall defend, hold harmless and indemnify Clear Channel, its parents, subsidiaries and affiliates, and their respective officers, directors, employees, agents and designees from any and all claims, actions, causes of action, losses, liabilities, demands, damages, penalties, fines, costs and expenses including, without limitation, any incidental, indirect, consequential, punitive or statutory damages or lost profits to a third party, arising from, connected with or related to Customer's actions or inactions under this Contract. Customer's obligation to defend and indemnify shall include, without limitation, claims for or by reason of actual or alleged breach of contract, violation of privacy, defamation, unlawful competition or trade practice, infringement of any patent, trademark or copyright or disclosure or misuse of a trade secret.

8. GENERAL

a. It is agreed that the laws of the State of New York shall govern the construction and interpretation of this Contract and the rights and obligations set forth herein. The parties hereto irrevocably waive any and all rights to trial by jury in any proceeding arising out of or relating to this Contract.

b. Customer may not assign or transfer this Contract without first obtaining the written consent of Clear Channel; nor is Clear Channel required to post, install or maintain any material under this Contract for the benefit of any person or entity other than the Customer named in the Order Confirmation.

c. Customer agrees that it shall always take reasonable steps, at least substantially equivalent to the steps it takes to protect its own proprietary information, to prevent duplication or disclosure of Confidential Information of Clear Channel other than by or to its employees or agents who must have access to such Confidential Information to perform Customer's obligations hereunder.

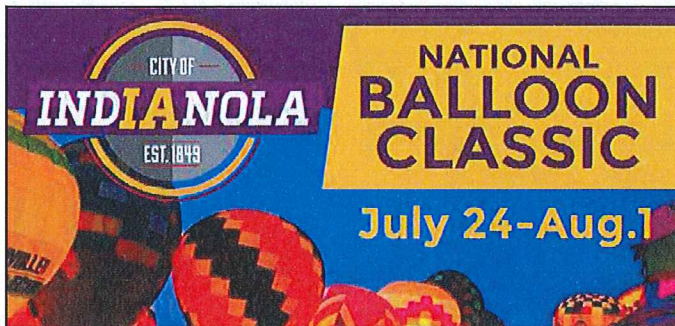
d. This Contract contains the entire understanding between the parties and, except as expressly provided herein, cannot be changed or terminated unless expressly agreed to in writing and signed by Customer and Clear Channel. When there is any inconsistency between the Order Confirmation and any other terms of this Contract then the Order Confirmation shall prevail.

e. The failure of Clear Channel or Customer to enforce any of the provisions of this Contract shall not be construed as a general relinquishment or waiver of that or any other provision.

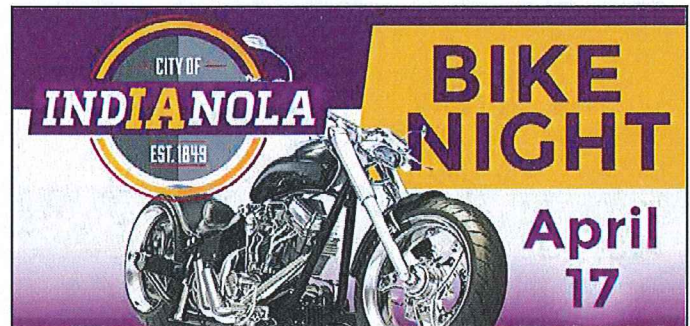
f. All notices hereunder shall be in writing, deemed given on the date of dispatch, and addressed to Customer and Clear Channel at the addresses listed in the Order Confirmation.

g. The invalidity or unenforceability of any portion of this Contract shall not affect the remaining provisions hereof.

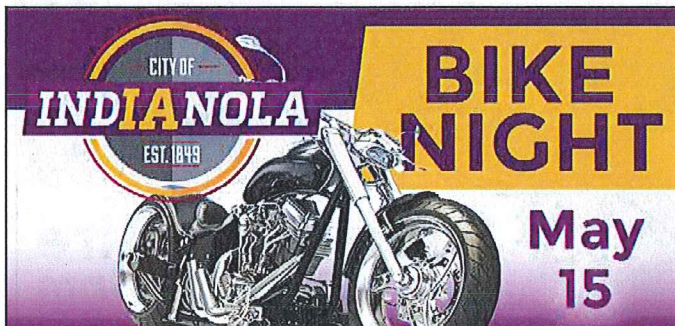
City of Indianola



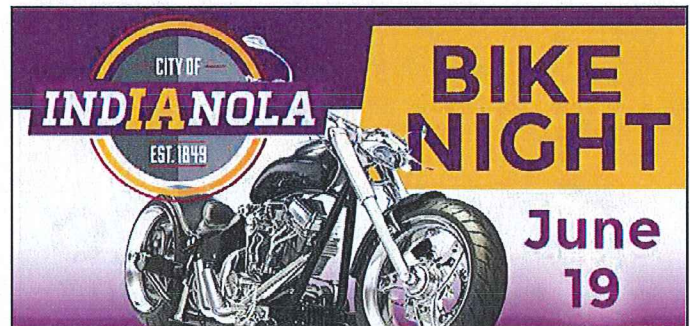
15123 Balloon Classic



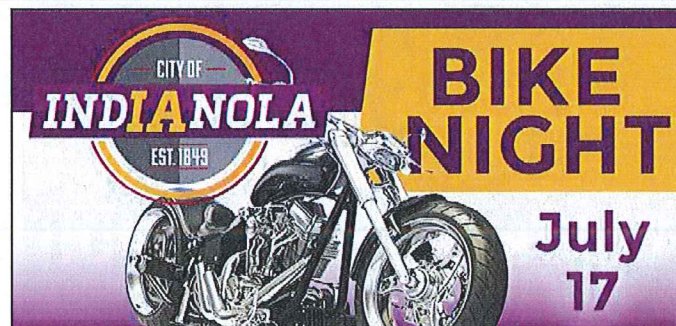
15123 Bike Night April



15123 Bike Night May



15123 Bike Night June

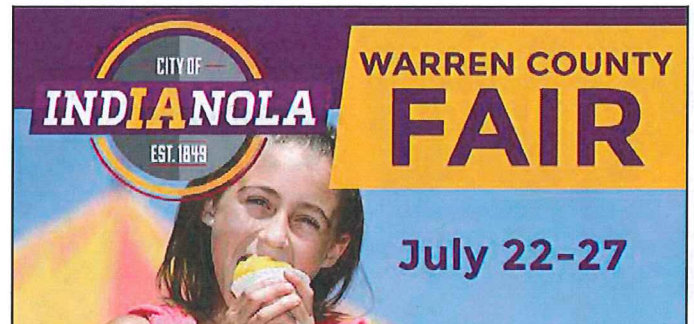


15123 Bike Night July

City of Indianola



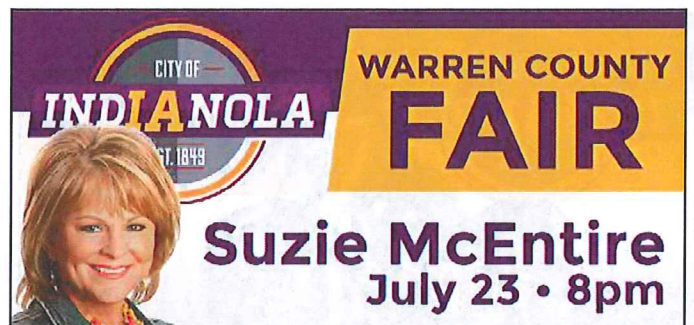
15123 Opera



15123 Fair



15123 Fair Rodeo



15123 Fair Susie McEntire



15123 Truck & Tractor Pull

Information

Subject

Street closure requests from the following:

Information

Council needs to consider the following street closure requests.

Information

Subject

Warren County Corvette Club - June 6, 2015 from 7:00 a.m. - 3:50 p.m.- request is to close both sides of Ashland between Howard and Buxton and the inside lanes of Buxton, Salem and Howard on the square

Information

In your packet is the request from the Warren County Corvette Club to close both sides of Ashland between Howard and Buxton and also the inside lanes on Buxton, Salem and Howard on the square. The event will be held on June 6, 2015 from 7:00 a.m. - 3:50 p.m. for the 17th annual corvette spring fling car show. Staff has approved and the application was received on December 16, 2014.

Attachments

Street Closure App

Date: 12/16/14

Event Application

For Warren County Corvette Club

Event Date : June 6, 2015 (7:00 a.m. - 3:50 p.m)

Staff Recommendation and Chamber Notification

Attached is an event application. Please review; add any comments you feel are necessary, such as concerns or other items to be considered regarding the request.

Initial and date under either approval or disapproval and pass on to the next department.

	Approve	Disapprove
Street Department – Ed Yando	<u>OK EY</u>	_____
Fire Department – Brian Seymour	<u>OK BS</u>	_____
Police Department – Tad Bartling <i>Brian Sher</i>	<u>OK BS</u>	_____
City Manager – Eric Hanson	<u>OK EH</u>	_____
HR & Risk Manager – RoxAnne Hunerdosse	<u>OK RH</u>	_____
Chamber of Commerce	Fax: 961-9753	
Downtown Development Group	Fax: 962-1441	

Comments:

Please return to Diana Bowlin by: ASAP

Thank you for your time and consideration!

OFFICE OF CITY CLERK
DEC 16 2014
INDIANOLA, IOWA

Event Name:

17TH Annual Spring Hing Corvette Show

Date/Time of Event:

June 6, 2015 9:00 AM - 3:45 PM

Location of Event:

On "The Square" in Indianola Iowa

Event Sponsor(s):

Warren County Corvette Club

Contact Information:

Organization: Warren County Corvette Club

Contact Name:

John Kmet

Address:

6939 Highway 65-69

Telephone Number:

515-961-9317

Cell Phone Number:

515-240-7545

Fax Number:

Email Address:

JOHNKMET@MSN.COM

Today's Date:

12-16-14

Anticipated Attendance:

200

Per Day

200

Total

Event Information:

Setup Begins Date: 6/6/15

Time 7:00 AM

Day of Week SAT

Event Starts Date: 6/6/15

Time 9:00 AM

Day of Week SAT

Event Ends Date: 6/6/15

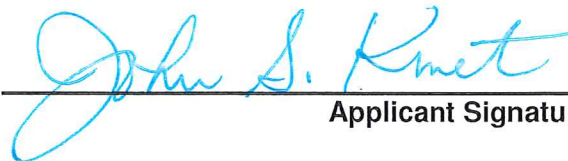
Time 3:45 PM

Day of Week SAT

Dismantle Date: 6/6/15

Time 3:50 PM

Day of Week SAT



Applicant Signature

RETURN PERMIT APPLICATION TO:

110 North First Street, PO Box 299

Indianola, Iowa 50125

Phone: 515-961-9410 Fax: 515-961-9402

www.indianolaiowa.gov

E-Mail: dbowlin@cityofindianola.com

Please describe your request and event: *17th Annual Warren County Corvette Club car show. This will be our 15th year holding the show on "The Square" in Indianola. Show "i" Shine Car Show and DJ in order to generate interest in the Club, the car and to gather cash for the Club charities.*

Please describe what streets you are planning to close:

- 1) Both sides of Ashland between Howard + Burton if needed.*
- 2) Inside lane on all four streets surrounding the Court House.*

Please describe your safety plan including crowd control. Attach additional sheets if necessary. The Indianola Police and Fire Departments will review your safety plans to determine if safety is adequate. In reviewing the application, they will be looking at anticipated crowd size, demographics, entertainment, and alcohol, prior history with this event or similar events and other criteria.

We will set up cones approximately every 20 feet around "The Square" to allow one lane of traffic on Howard, Burton, possibly on Salem and Ashland. We will also set up barricades to block off Ashland and on all inside lane corners.

Please describe your emergency/medical plan, including your communication procedures. Attach additional sheets if necessary.

A first aid kit will be located at the registration table. As far as communications our club members will have cell phones and the P.A. system around the Court House.

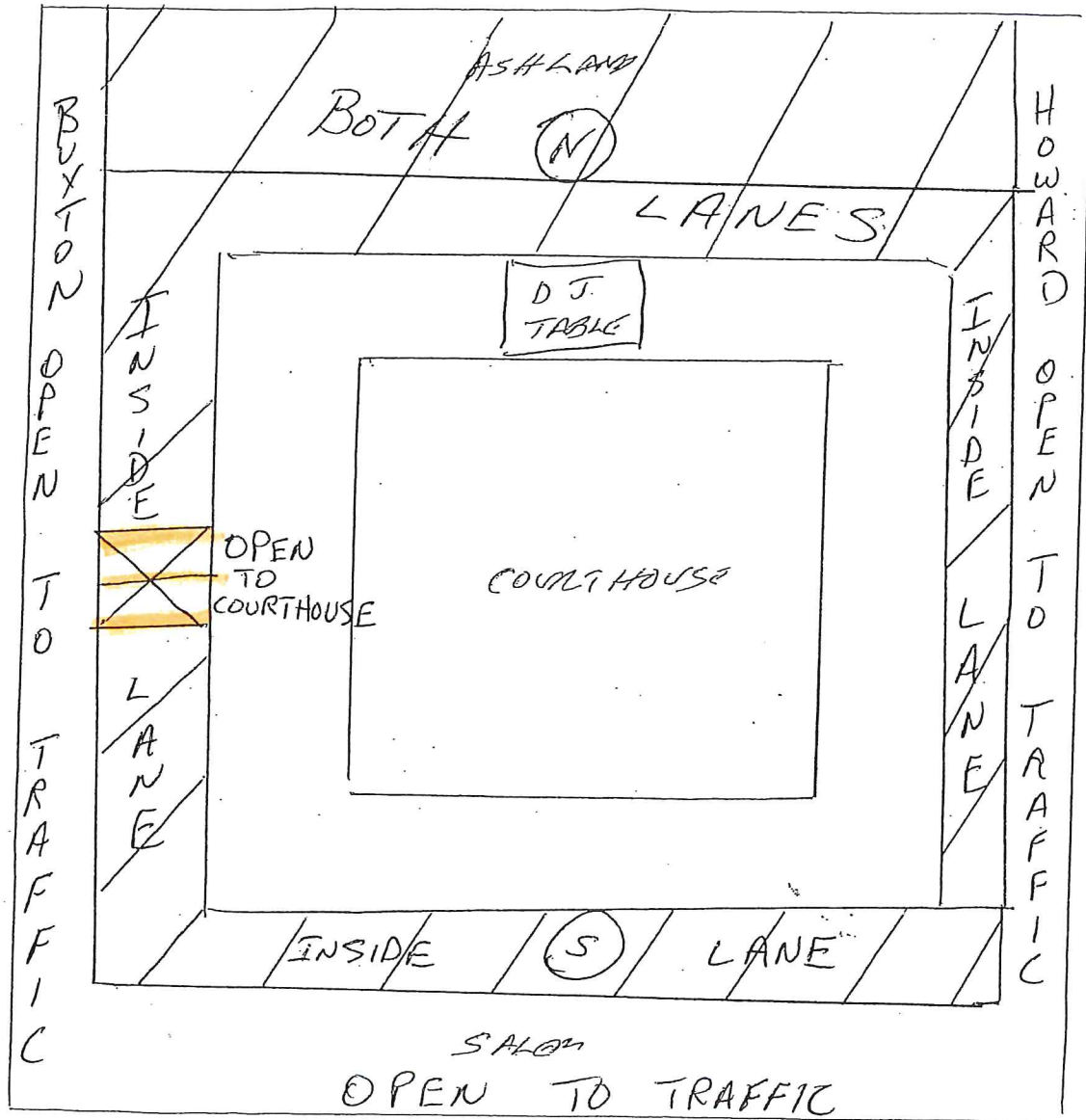
Please describe your plan for cleanup and removal of recyclable goods and garbage during and after your event.

Trash containers will be placed near the registration table and our club members will police the area for trash at the end of the show. We are not planning on having any vendors or concession stands.

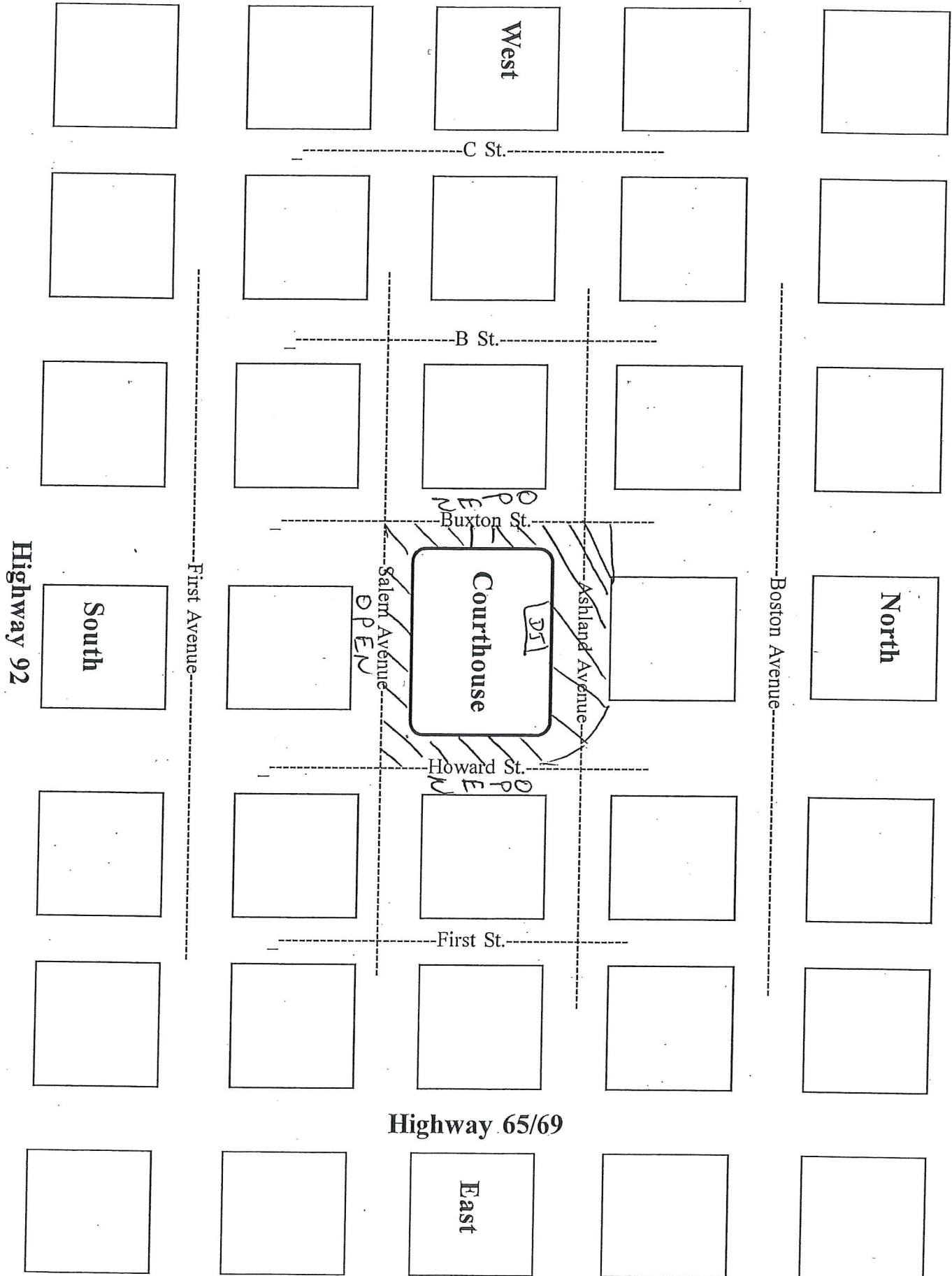
Thank you for your interest in holding a neighborhood or community event!

RETURN PERMIT APPLICATION TO:
110 North First Street, PO Box 299
Indianola, Iowa 50125
Phone: 515-961-9410 Fax: 515-961-9402
www.indianolaiowa.gov
E-Mail: dbowlin@cityofindianola.com

MAP A



MAP B - NO VENDORS ANTICIPATED



Information

Subject

Warren County Health Services - June 23, 2015 from 8:00 a.m. - 7:00 p.m. - will close the inside lanes of Ashland Avenue and Howard Street on the square

Information

The Warren County Health Services is requesting to close the inside lanes of Ashland Avenue (between Buxton and Howard) and Howard Street (between Salem and Ashland) for their annual Warren County Health and Safety Fair (packet). The event will be held on June 23, 2015 from 8:00 a.m. - 6:00 p.m. Staff has approved and the application was received on March 16, 2015.

Attachments

Street Closure App

Date: 3/16/15

Event Application

For Warren County Health and Safety Fair

Event Date : June 23, 2015 (8:00 a.m. - 6:00 p.m.)

Staff Recommendation and Chamber Notification

Attached is an event application. Please review; add any comments you feel are necessary, such as concerns or other items to be considered regarding the request.

Initial and date under either approval or disapproval and pass on to the next department.

	Approve	Disapprove
Street Department – Ed Yando	OK EY	_____
Fire Department – Brian Seymour	OK BS	_____
Police Department – Brian Sher	OK BS	_____
City Manager – Eric Hanson	OK EH	_____
HR & Risk Manager – RoxAnne Hunerdosse	RAH	_____
Chamber of Commerce	Fax: 961-9753	

Comments:

Please return to Diana Bowlin by: ASAP

Thank you for your time and consideration!

Event Name: Warren County Health & Safety Fair
 Date/Time of Event: June 23, 2015 3-6 pm
 Location of Event: Courthouse lawn - admin bldg in case of rain
 Event Sponsor(s): Warren County Health Services

Contact Information:

Organization: Warren County Health Services
 Contact Name: Veronica McVay
 Address: 301 N. Buxton Ste 203 Indianola IA 50125
 Telephone Number: 515-961-1074
 Cell Phone Number: 515-401-2243
 Fax Number: 515-961-1083
 Email Address: wchs@co.warren.ia.us
 Today's Date: 3/16/15

Anticipated Attendance: 300 Per Day 300 Total

Event Information:

Setup Begins	Date: <u>6/23/15</u>	Time <u>11am</u>	Day of Week <u>Tues</u>
Event Starts	Date: <u>6/23/15</u>	Time <u>3p</u>	Day of Week <u>Tues</u>
Event Ends	Date: <u>6/23/15</u>	Time <u>6p</u>	Day of Week <u>Tues</u>
Dismantle	Date: <u>6/23/15</u>	Time <u>6-7p</u>	Day of Week <u>Tues</u>

Veronica McVay

Applicant Signature

RETURN PERMIT APPLICATION TO:
 110 North First Street, PO Box 299
 Indianola, Iowa 50125
 Phone: 515-961-9410 Fax: 515-961-9402
 www.indianolaiowa.gov
 E-Mail: dbowlin@cityofindianola.com

Narrative:

Please describe your request and event:

We provide many opportunities to learn about various health and safety services and products to those of all ages through 50 plus vendors.

Please describe what streets you are planning to close:

We would like to close the inside lane (the lane closest to the courthouse lawn) of N. Howard and E. Ashland Ave

Please describe your safety plan including crowd control. Attach additional sheets if necessary. The Indianola Police and Fire Departments will review your safety plans to determine if safety is adequate. In reviewing the application, they will be looking at anticipated crowd size, demographics, entertainment, and alcohol, prior history with this event or similar events and other criteria.

Crowd control has never be an issue with this annual event. We often have an IA State Trooper participating in the event and often invite local law enforcement as well. IFD personnel are often on site as well. If a problem would arise, participants would call 9-1-1

Please describe your emergency/medical plan, including your communication procedures. Attach additional sheets if necessary.

Many nurses, physicians and other medical personnel are on site during this event and have the expertise to provide initial emergency treatment until 9-1-1 can be called if necessary. All agency staff have company cell phones as well as radios to communicate with others on/off site. A megaphone is also available as needed.

Please describe your plan for cleanup and removal of recyclable goods and garbage during and after your event.

Warren County Health Services will clean up immediately following ending event.

Thank you for your interest in holding a neighborhood or community event!

RETURN PERMIT APPLICATION TO:

110 North First Street, PO Box 299

Indianola, Iowa 50125

Phone: 515-961-9410 Fax: 515-961-9402

www.indianolaiowa.gov

E-Mail: dbowlin@cityofindianola.com

Late Fee: Cash: _____ Check: _____ Received By: _____

OFFICE USE ONLY

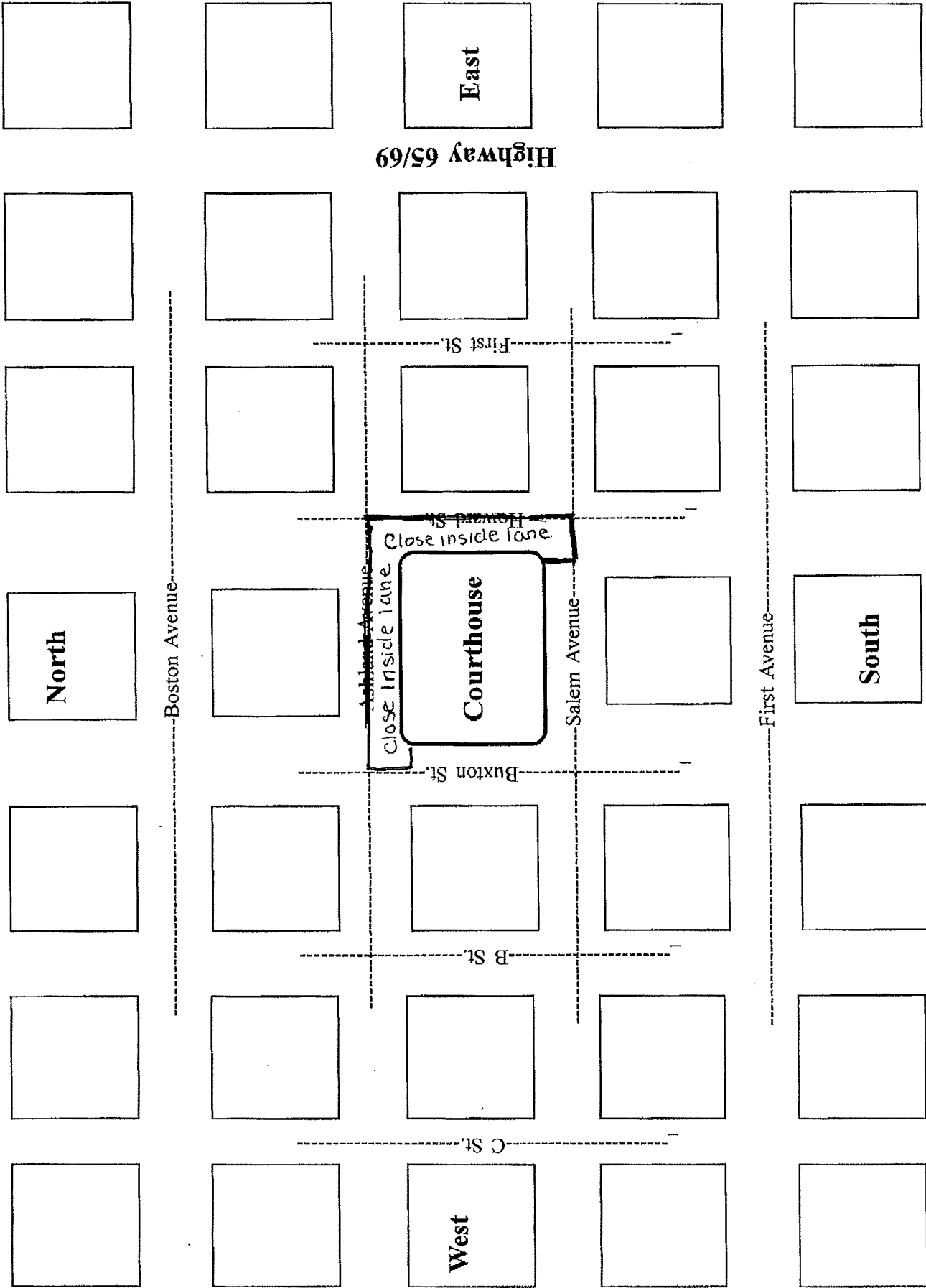
DATE RECEIVED:				
	Signature	Date	Approved	Denied
Police Department:				
Fire Department:				
Public Works:				
City Manager:				

* please block off street prior to 8am on
6/23 to allow parking for blood van &
heart van.

Thank you!

RETURN PERMIT APPLICATION TO:
110 North First Street, PO Box 299
Indianola, Iowa 50125
Phone: 515-961-9410 Fax: 515-961-9402
www.indianolaiowa.gov
E-Mail: dbowlin@cityofindianola.com

4/23/15



Information

Subject

Noise permit for The Hide Out - 204 E. Clinton

Information

In your packet is a noise permit application for The Hide Out-204 E. Clinton. They will either have a band or DJ and will be held every Friday and/or Saturday night starting April 11, 2015 through December 26, 2015 from 8:00 p.m. -midnight. Council approval is necessary since this permit is for multiple days. Staff has approved.

Attachments

Noise Permit

Date: 3/30/15

Noise Permit Application

For The Hide Out

**Event Date: April 11, 2015 - December 26, 2015 (Friday and/or Saturday nights
from 8:00 p.m. - midnight)**

Staff Recommendation

Attached is an noise permit application. Please review; add any comments you feel are necessary, such as concerns or other items to be considered regarding the request. Initial and date under either approval or disapproval.

	Approve	Disapprove
Police Department – Dave Button	<u>DB 3/31/15</u>	_____
City Manager – Eric Hanson	<u>EH 4-1-15</u>	_____

Comments:

Please return to Diana Bowlin by: ASAP

Thank you for your time and consideration!

Event Name: _____
Date/Time of Event: _____
Location of Event: _____
Event Sponsor(s): _____

Contact Information:

Organization: The Hide Out
Contact Name: Tina Bush
Address: 204 E. Clinton Ave
Telephone Number: 515-961-9000
Cell Phone Number: 515-9710-0049
Fax Number: _____
Email Address: fbush2263@gmail.com
Today's Date: 3/28/15

Anticipated Attendance: _____ Per Day _____ Total

Event Information:

Event Starts Date: April 11th Time 8:00pm - 12AM Day of Week Sat
Event Ends Date: Dec 26 Time 8:00pm - 12AM Day of Week Fri
The noise permit cannot extend past midnight. Fri & or Sat.

Previous Event Information

Date of Event: _____ Time of Event: _____

Please provide a map showing the event location and location of band/music,
please specify: X Band X DJ X Other (please specify)

RETURN NOISE APPLICATION TO:

110 North First Street, PO Box 299

Indianola, Iowa 50125

Phone: 515-961-9410 Fax: 515-961-9402

www.indianolaiowa.gov

E-Mail: dbowlin@cityofindianola.com

APPLICANT SIGNATURE:



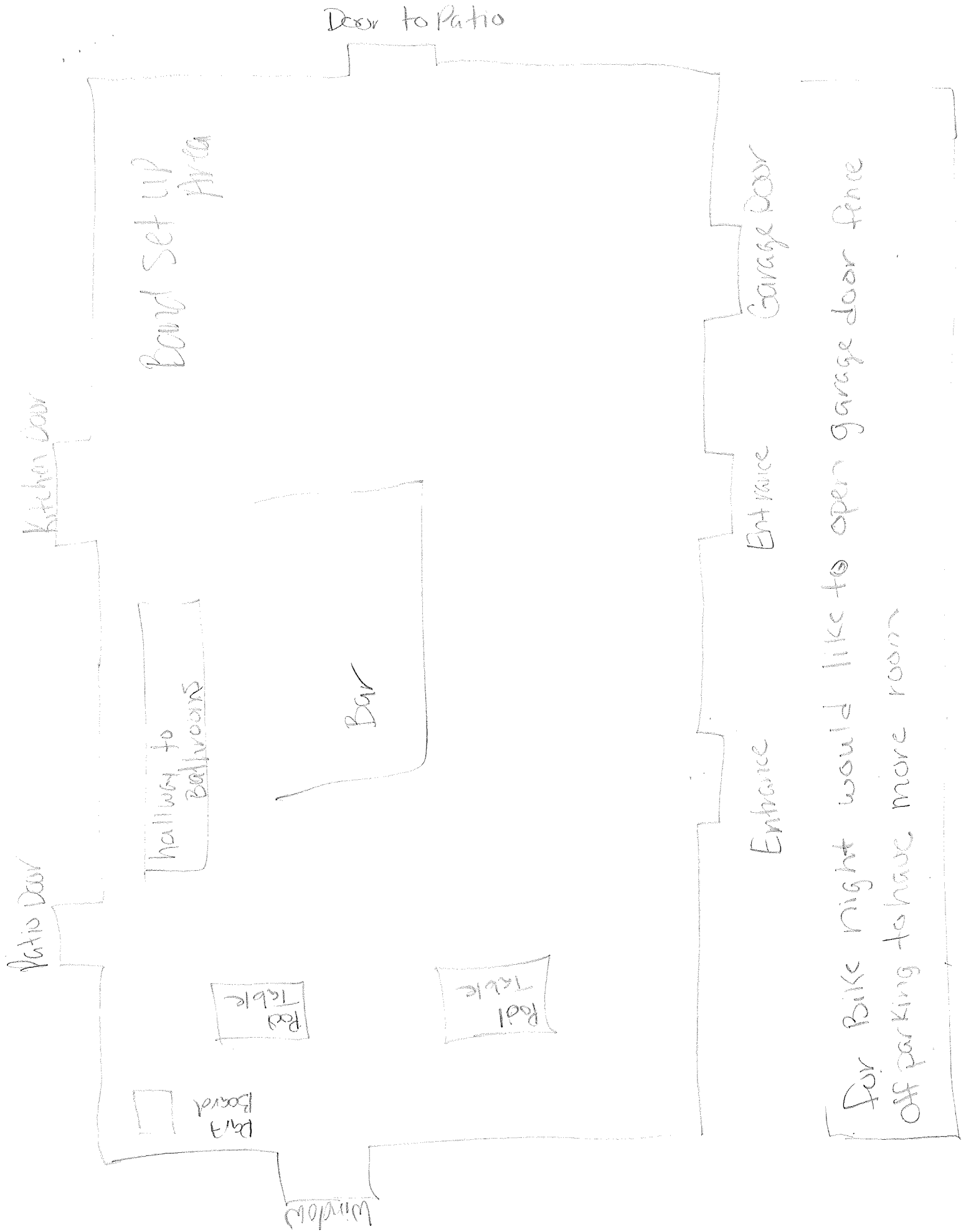
Late Fee: Cash: _____ Check: _____ Received By: _____

OFFICE USE ONLY

DATE RECEIVED:				
	Signature	Date	Approved	Denied
Police Department:				
City Manager:				

RETURN NOISE APPLICATION TO:
110 North First Street, PO Box 299
Indianola, Iowa 50125
Phone: 515-961-9410 Fax: 515-961-9402
www.indianolaiowa.gov
E-Mail: dbowlin@cityofindianola.com





For Bike night would like to open garage door fence off parking to have more room

Information

Subject

Claims on the computer printout for April 6, 2015

Information

Attachments

Claims

Vendor Report

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
GENERAL FUND				
911 ETC INC	001-6200-63730	911 MONTHLY ACCESS CHARG	03/31/2015	10.82
911 ETC INC	001-1700-63730	911 MONTHLY ACCESS CHARG	03/31/2015	2.50
AMERICAN BUSINESS PHONES	001-6210-64990	PHONE REPAIR	03/20/2015	50.00
BURGIN, CHARLES	001-1700-61440	WELLNESS 3/15/15 - 4/15/15	03/16/2015	15.00
CITY OF INDIANOLA - UTILITY	001-6500-63710	UTILITIES	03/31/2015	1,879.34
CITY OF INDIANOLA - UTILITY	001-2300-63710	UTILITIES	03/31/2015	13,908.51
GREATER DM CONVENTION &	001-5100-64130	MEMBERSHIP	03/16/2015	4,249.82
HOLLIE SMITH GLASS & DOOR	001-6500-63100	CITY HALL DOOR LOCKS	03/26/2015	3,732.50
INDOFF INCORPORATED	001-6200-65070	SUPPLIES	03/16/2015	42.58
INFOMAX OFFICE SYSTEMS IN	001-1700-63410	COPIER CONTRACT	03/16/2015	50.51
INFOMAX OFFICE SYSTEMS IN	001-6200-63400	COPIER CONTRACT	03/16/2015	744.60
INFOMAX OFFICE SYSTEMS IN	001-1700-64990	COPIER /PRINTER LEASE CHA	03/23/2015	167.52
INTEGRIVault	001-6500-64990	OFFSITE BACKUP - DEC	01/01/2015	250.00
INTEGRIVault	001-6500-64990	OFFSITE BACKUP - JAN	02/01/2015	250.00
INTEGRIVault	001-6500-64990	OFFSITE BACKUP - FEB	03/01/2015	250.00
IOWA STATE AUDITOR	001-6500-64010	STATE AUDIT REPORT FY 2014	03/20/2015	425.00
KOSMAN CLEANING CREW LLC	001-6500-64090	2ND HALF OF MARCH	03/30/2015	2,166.67
MID AMERICAN ENERGY CO.	001-6500-63710	74080-22010 FUEL HEAT	03/26/2015	986.23
MID AMERICAN ENERGY CO.	001-6500-63710	05931-25003 N HWY 65/69 ENT	03/17/2015	18.68
MID AMERICAN ENERGY CO.	001-2300-63710	26321-30003 ST LIGHTING	03/17/2015	150.78
PELLA PRINTING	001-1700-64140	MECHANICAL & PLBG PERMIT	02/27/2015	362.00
POINDEXTER FLOORING INC	001-6500-63100	FLOORING	07/11/2014	1,051.00
ROTARY CLUB OF INDIANOLA	001-6150-62100	MEMBERSHIP QTR 2 & 3	02/21/2015	250.00
SHULL, DOUG	001-6500-64990	TREASURER CONTRACT	03/30/2015	83.33
SIMPSON COLLEGE	001-6500-65990	FIRE CHIEF SEARCH KENT CA	03/18/2015	125.00
T.R.M. DISPOSAL LLC	001-6500-64090	ACCT #1506	03/24/2015	79.00
U.S. BANK	001-6210-64990	MONTHLY DMX CHARGE PHON	03/16/2015	24.95
U.S. BANK	001-6210-64141	ADOBE SOFTWARE SUBSCRIP	03/16/2015	49.99
U.S. BANK	001-6210-67240	SOFTWARE - QUICKBOOKS	03/16/2015	199.95
U.S. BANK	001-6210-64141	ADOBE SOFTWARE SUBSCRIP	03/16/2015	49.99
U.S. BANK	001-6200-65070	DOOR HANGERS	03/16/2015	115.84
U.S. BANK	001-6100-62300	REAL ESTATE CONF. REG.	03/16/2015	1,140.00
U.S. BANK	001-6150-62300	PARKING - LEG. DAY	03/16/2015	6.00
U.S. BANK	001-6200-62100	SELF STUDY MEMBERSHIP - C	03/16/2015	178.00
U.S. BANK	001-6200-62300	MEAL	03/16/2015	13.40
U.S. BANK	001-6500-62300	MEALS	03/16/2015	96.00
U.S. POSTMASTER	001-6500-65080	STANDARD MAIL	03/23/2015	220.00
WAL-MART STORES INC.	001-6200-65070	SUPPLIES	03/19/2015	23.33
Total GENERAL FUND:				33,418.84

POLICE FUND

911 ETC INC	011-1100-63730	911 MONTHLY ACCESS CHARG	03/31/2015	15.00
CARPENTER UNIFORM CO	011-1100-61810	UNIFORMS	03/06/2015	164.97
CARPENTER UNIFORM CO	011-1100-61810	UNIFORM	03/12/2015	179.97
ELECTRONIC ENGINEERING C	011-1100-63730	PAGER - LARGESSE	03/25/2015	11.95
HOMEFRONT PROTECTIVE GR	011-1100-62300	TRAINING	03/30/2015	175.00
KIYA KODA HUMANE SOCIETY	011-1100-64137	HUMANE SOCIETY CONTRACT	03/30/2015	2,412.74
MC COY HARDWARE INC	011-1100-63100	SUPPLIES - OFFICE	03/10/2015	49.34
O'REILLY AUTO PARTS	011-1100-65060	SUPPLIES	03/09/2015	13.98
PELLA PRINTING	011-1100-64140	PRINTING - PARKING TICKET P	01/27/2015	70.00
SPENCER MUNICIPAL HOSPITA	011-1100-62300	POLICE DEPT CPR CARDS	02/28/2015	108.00
T.R.M. DISPOSAL LLC	011-1100-67260	GARBAGE - BUILDING ACCT #1	03/24/2015	15.00
U.S. BANK	011-1100-63100	FRAME	03/16/2015	41.51
U.S. BANK	011-1100-63100	POSTER W/INFO	03/16/2015	19.12
VERIZON WIRELESS	011-1100-63730	DATA	03/15/2015	282.52
WAL-MART STORES INC.	011-1100-65060	OFFICE SUPPLIES	03/10/2015	11.54

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
Total POLICE FUND:				3,570.64
FIRE FUND				
911 ETC INC	015-1500-63730	911 MONTHLY ACCESS CHARG	03/31/2015	9.17
CHUMBLEY & JONES OIL	015-1500-65050	GAS	03/23/2015	13.04
CITY OF INDIANOLA - UTILITY	015-1500-63710	UTILITIES	03/31/2015	41.74
CITY OF INDIANOLA - UTILITY	015-1500-63710	UTILITIES	03/31/2015	200.00
CITY OF INDIANOLA - UTILITY	015-1500-63710	UTILITIES - PD/FIRE BLDG	03/31/2015	135.22
ELECTRONIC ENGINEERING C	015-1500-63415	FREQ. FILTER FOR 330	03/16/2015	129.00
ELECTRONIC ENGINEERING C	015-1500-63730	PAGER	03/25/2015	8.00
HEROLD, VICKI	015-1500-61440	WELLNESS MARCH 2015	03/21/2015	25.00
HILLYARD/DES MOINES	015-1500-63100	SUPPLIES	03/26/2015	71.00
HOLLIE SMITH GLASS & DOOR	015-1500-63100	FIRE DEPT DOOR LOCKS	03/26/2015	2,024.00
HY-VEE FOOD STORE	015-1500-65070	SUPPLIES	02/24/2015	17.98
INFOMAX OFFICE SYSTEMS IN	015-1500-64990	COPIER CONTRACT	03/16/2015	59.86
INFOMAX OFFICE SYSTEMS IN	015-1500-65060	PRINTER LEASE	03/26/2015	79.00
IOWA STATE UNIVERSITY	015-1500-62300	FIRE FIRE OFFICER 1	03/17/2015	50.00
LADD, BEN	015-1500-62300	MEALS	03/30/2015	48.70
MC COY HARDWARE INC	015-1500-63100	BUILDING SUPPLIES	03/13/2015	28.99
MC COY HARDWARE INC	015-1500-63100	BUILDING SUPPLIES	03/22/2015	13.03
MID AMERICAN ENERGY CO.	015-1500-63710	UTILITIES	03/25/2015	87.83
MID AMERICAN ENERGY CO.	015-1500-63710	UTILITIES	03/25/2015	11.83
MIDWEST BREATHING AIR LLC	015-1500-63410	QUARTERLY TEST	03/19/2015	125.00
O'REILLY AUTO PARTS	015-1500-65070	SHOP	03/13/2015	12.99
REDA, PETER	015-1500-62300	MEALS FOR FIRE SCHOOL	03/30/2015	27.85
SPENCER, JEFFREY	015-1500-62300	MEALS & LODGING	03/17/2015	211.48
SPENCER, JEFFREY	015-1500-62700	MILEAGE TO SOUX CITY	03/17/2015	259.09
U.S. BANK	015-1500-65082	FREIGHT	03/16/2015	93.72
WESTERN IOWA TECH COMM	015-1500-62300	FIRE SCHOOL	03/17/2015	75.00
Total FIRE FUND:				3,858.52
AMBULANCE FUND				
FOSTER COACH SALES INC	016-1600-65051	PARTS	03/17/2015	22.86
HEROLD, VICKI	016-1600-62300	MEALS & LODGING FOR AMB B	03/30/2015	489.25
HY-VEE FOOD STORE	016-1600-65070	MEDS	02/10/2015	174.00
HY-VEE FOOD STORE	016-1600-65070	MEDS	02/25/2015	6.34
INDOFF INCORPORATED	016-1600-65060	OFFICE SUPPLIES	03/16/2015	74.11
INFOMAX OFFICE SYSTEMS IN	016-1600-63400	COPIER CONTRACT	03/16/2015	33.23
NOBLE FORD-MERCURY	016-1600-65051	PARTS	03/13/2015	78.32
O'REILLY AUTO PARTS	016-1600-65051	PARTS	03/12/2015	18.74
O'REILLY AUTO PARTS	016-1600-65051	PARTS	03/12/2015	103.58
O'REILLY AUTO PARTS	016-1600-65050	DEF FLUID	03/12/2015	59.96
O'REILLY AUTO PARTS	016-1600-65051	PARTS	03/27/2015	139.64
PHILIPS MEDICAL CAPITAL	016-1600-67245	MONITOR LEASE	03/07/2015	1,348.11
SOUTHEASTERN EMERGENCY	016-1600-65070	MED SUPPLIES CREDIT	02/25/2015	162.00-
SOUTHEASTERN EMERGENCY	016-1600-65070	MED SUPPLIES	03/17/2015	83.88
SOUTHEASTERN EMERGENCY	016-1600-65070	MED SUPPLIES	03/18/2015	300.77
SOUTHEASTERN EMERGENCY	016-1600-65070	MED SUPPLIES	03/23/2015	58.36
SOUTHEASTERN EMERGENCY	016-1600-65070	MED SUPPLIES	03/25/2015	222.54
SPENCER MUNICIPAL HOSPITA	016-1600-62300	FIRE DEPT CPR CARDS	02/28/2015	120.00
UNITYPOINT HEALTH - DES MO	016-1600-62300	ACLS CARDS	03/23/2015	47.80
Total AMBULANCE FUND:				3,219.49
LIBRARY FUND				
911 ETC INC	041-4100-63730	911 MONTHLY ACCESS CHARG	03/31/2015	9.17

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
U.S. BANK	041-4100-67240	ADOBE SOFTWARE SUBSCRIP	03/16/2015	9.99
U.S. BANK	041-4100-65022	AMAZON - 1 DVD SET	03/16/2015	29.98
U.S. BANK	041-4100-65022	AMAZON - LOWEST PRICE CRE	03/16/2015	.03-
U.S. BANK	041-4100-65020	AMAZON - 1 BOOK	03/16/2015	10.90
Total LIBRARY FUND:				60.01
PARK & RECREATION FUND				
911 ETC INC	042-4300-63730	911 MONTHLY ACCESS CHARG	03/31/2015	4.17
911 ETC INC	042-4200-63730	911 MONTHLY ACCESS CHARG	03/31/2015	13.33
ACME TOOLS	042-4300-65070	PLANER BLADES	03/19/2015	18.99
ATLANTIC BOTTLING CO.	042-4400-65070	SOFTBALL CONCESSIONS	03/24/2015	1,484.40
BOLTON & HAY INC.	042-4400-65070	SOFTBALL CONCESSION EQUI	03/24/2015	290.26
BSN SPORTS	042-4400-65070	RECREATION SPORTS EQUIPM	03/11/2015	2,803.51
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - MEMORIAL	03/31/2015	38.07
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - BARKER	03/31/2015	24.87
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - PICKARD	03/31/2015	74.40
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - MCCORD	03/31/2015	28.00
CITY OF INDIANOLA - UTILITY	042-4400-63710	ACTIVITY CENTER UTILITIES	03/31/2015	593.28
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - DOWNEY	03/31/2015	31.07
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - SHOP	03/31/2015	267.10
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - TRAIL	03/31/2015	20.00
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITES - PICKARD	03/31/2015	78.73
CITY OF INDIANOLA - UTILITY	042-4400-63710	ADULT SB UTILITIES	03/31/2015	122.27
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - MOATS	03/31/2015	33.37
CITY OF INDIANOLA - UTILITY	042-4300-63710	UTILITIES - BUXTON	03/31/2015	107.17
CLAUSEN, REBECCA	042-4400-64205	IPAD CLASSES	03/19/2015	400.00
CR SERVICES	042-4400-65070	ADULT SB RESTROOM SUPPLI	03/30/2015	348.69
FARNER-BROCKEN CO	042-4400-65070	SOFTBALL CONCESSIONS	03/24/2015	4,019.69
FENIMORE BROS TREE SERVI	042-4300-64870	REMOVE 4 ASH TREES MOATS	03/18/2015	2,700.00
GRAINGER INC	042-4300-65070	LINKAGE KIT G.H. FAN	03/05/2015	39.40
GRAY DIETZ, PAULA	042-4400-64205	BRICKS 4 KIDZ	03/26/2015	300.00
HUTTON, KAY	042-4400-66990	REFUND	03/31/2015	68.00
INFOMAX OFFICE SYSTEMS IN	042-4200-65060	PRINTER	03/17/2015	61.02
IOWA PARK & REC. ASSOC.	042-4400-62300	SPRING CONFERENCE - JEFF L	03/13/2015	210.00
IOWA PARK & REC. ASSOC.	042-4300-62300	IPRA SRPING CONF.	03/17/2015	255.00
JIM'S JOHNS	042-4300-64090	KYBO	03/03/2015	40.00
LUCAS, JEFF	042-4400-63730	CELL PHONE REIMB. JAN - MA	03/27/2015	75.00
MC COY HARDWARE INC	042-4400-65072	SOFTBALL CBANNER GROMME	03/20/2015	74.59
MC COY HARDWARE INC	042-4300-65070	HARDWARE	03/17/2015	1.38
MC COY HARDWARE INC	042-4300-65070	PLUMB PARTS	03/23/2015	17.11
MC COY HARDWARE INC	042-4400-65072	SOFTBALL CLEANING SUPPLIE	03/24/2015	15.98
MC COY HARDWARE INC	042-4300-65070	PLUMB PARTS	03/25/2015	11.05
MC COY HARDWARE INC	042-4400-65072	SOFTBALL HARDWARE & GLOV	03/26/2015	127.11
MC COY HARDWARE INC	042-4400-65072	SOFTBALL LIGHT BULBS	03/27/2015	76.71
MC COY HARDWARE INC	042-4300-65070	PAINT THINNER	03/27/2015	10.34
MENARDS	042-4300-65070	TABLE BOARDS	03/26/2015	42.35
MID AMERICAN ENERGY CO.	042-4300-63710	FUEL HEAT	03/25/2015	261.67
NICHOLS, MELISSA	042-4400-66990	REFUND	03/30/2015	25.00
PARK WHOLESALE	042-4300-65200	SEEDS	03/10/2015	208.68
SIMPSON COLLEGE	042-4300-65079	THINK SPRING ROOM RENTAL	03/18/2015	750.00
THEISEN'S	042-4300-65070	BALANCE DUE ON INVOICE 167	02/20/2015	.01
THEISEN'S	042-4400-63100	LIGHT BALLAST	03/18/2015	27.99
THEISEN'S	042-4300-65070	FLAP WHEEL	03/18/2015	2.29
U.S. BANK	042-4200-64190	ADOBE SOFTWARE SUBSCRIP	03/16/2015	49.99
U.S. BANK	042-4400-62300	AOAP MEALS	03/16/2015	119.27
U.S. BANK	042-4400-62300	AOAP CHECKED BAG	03/16/2015	50.00
U.S. BANK	042-4400-62300	AOAP SHUTTLE	03/16/2015	45.04

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
U.S. BANK	042-4400-65070	CREDIT FOR FRAUDLENT CHA	03/16/2015	314.81-
U.S. BANK	042-4300-65200	SQUARE PLANTERS 1/2 OF TO	03/16/2015	722.79
U.S. BANK	042-4300-62300	LUNCH FOR 3	03/16/2015	29.00
U.S. CELLULAR	042-4300-63730	CELL PHONE - 1	03/12/2015	33.38
U.S. CELLULAR	042-4400-63730	CELL PHONE - 1	03/12/2015	33.38
WAL-MART STORES INC.	042-4400-65070	WINE/CANVAS SUPPLIES	03/27/2015	40.72
WAL-MART STORES INC.	042-4400-65070	EGG HUNT PRIZES	03/30/2015	79.60
WAL-MART STORES INC.	042-4400-65070	SOFTBALL RESTROOM SUPPLI	03/27/2015	19.84
WAL-MART STORES INC.	042-4400-65072	SOFTBALL LIGHT PADLOCKS	03/27/2015	39.80
WAL-MART STORES INC.	042-4400-65070	SOFTBALL CONCESSIONS	03/19/2015	19.70
WAL-MART STORES INC.	042-4300-65060	OFFICE SUPPLIES	03/25/2015	12.79
WAL-MART STORES INC.	042-4300-65060	INK CARTRIDGES	03/30/2015	89.90
WAL-MART STORES INC.	042-4400-65070	SOFTBALL CONCESSIONS	03/26/2015	78.93
WAL-MART STORES INC.	042-4200-65060	STORAGE BOXES & BAGS	03/17/2015	20.22
WALTERS GARDENS INC.	042-4300-65079	PLANT SALE	03/09/2015	250.23
WARREN CO MASTER GARDEN	042-4300-65079	1/2 PROFITS -THINK SPRING	03/16/2015	1,123.20
WILLIAMS, BARBARA	042-4400-66990	REFUND	03/30/2015	41.00
Total PARK & RECREATION FUND:				18,786.02

POOL (MEMORIAL) FUND

911 ETC INC	045-4500-63730	911 MONTHLY ACCESS CHARG	03/31/2015	1.67
CIRCLE B CASHWAY	045-4500-65070	ADVERTISING PLYWOOD	03/30/2015	119.67
CONTINENTAL RESEARCH CR	045-4500-65070	CLEANING SUPPLIES	03/19/2015	580.00
CONTINENTAL RESEARCH CR	045-4500-65070	CLEANER/DISINFECTANT	03/13/2015	312.00
IA DEPT OF INSPECTIONS/APP	045-4500-64200	FOOD SERVICE LICENSE	03/23/2015	67.50
MC COY HARDWARE INC	045-4500-65070	DOOR STOPS	03/25/2015	16.18
MC COY HARDWARE INC	045-4500-65070	SCREWS	03/30/2015	7.01
U.S. BANK	045-4500-64990	SWIM LESSON FACILITY FEE	03/16/2015	650.00
WAL-MART STORES INC.	045-4500-65070	PROMO SIGN SUPPLIES	03/31/2015	10.88
Total POOL (MEMORIAL) FUND:				1,764.91

ROAD USE TAX FUND

911 ETC INC	110-2100-63730	911 MONTHLY ACCESS CHARG	03/31/2015	1.67
BRUENING ROCK PRODUCTS	110-2100-65073	ROAD STONE	03/24/2015	288.70
CENTURYLINK	110-2100-63730	TRAFFIC SIGNALS	03/22/2015	48.07
CERTIFIED POWER INC	110-2100-63320	CABLE	01/13/2015	72.55
CIRCLE B CASHWAY	110-2100-65073	LUMBER	03/31/2015	70.04
CITY OF INDIANOLA - UTILITY	110-2100-63710	UTILITIES	03/31/2015	525.47
DIAMONDTEC INTERNATIONAL	110-2100-65073	DIAMOND SAW BLADES	03/26/2015	3,851.64
LOGAN CONTRACTORS SUPPL	110-2100-65073	RE-BAR/BOOTS	03/30/2015	1,367.01
MC COY HARDWARE INC	110-2100-65074	SUPPLIES	03/06/2015	4.67
MC COY HARDWARE INC	110-2100-65076	FLOOD LIGHTS	03/25/2015	8.09
MC COY HARDWARE INC	110-2100-63320	BALL VALVE	03/30/2015	9.89
MC COY HARDWARE INC	110-2100-63100	KEY	03/31/2015	2.06
MID AMERICAN ENERGY CO.	110-2100-63710	FUEL HEAT	03/25/2015	236.01
NAPA AUTO PARTS	110-2100-63320	OIL CAP	03/30/2015	12.49
NORWALK READY-MIXED CON	110-2100-65073	CONCRETE	03/18/2015	247.50
O'REILLY AUTO PARTS	110-2100-63320	FILTERS/BRAKLEEN	03/24/2015	100.28
O'REILLY AUTO PARTS	110-2100-63320	FILTER	03/30/2015	36.46
O'REILLY AUTO PARTS	110-2100-63320	STROBE LIGHT	03/30/2015	47.49
PIERCE BROTHERS REPAIR	110-2100-63320	STEEL	03/19/2015	36.00
THEISEN'S	110-2100-65073	PROPANE	03/23/2015	51.54
TRANS-IOWA EQUIPMENT INC	110-2900-65070	DIRT SHOES	03/18/2015	228.97
U.S. CELLULAR	110-2100-63730	CELL PHONE -3	03/12/2015	100.15
WASTE MANAGEMENT OF IOW	110-2100-64090	TRASH - APR 2015	03/30/2015	32.00

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
Total ROAD USE TAX FUND:				7,378.75
LIBRARY SPECIAL REVENUE FUND				
U.S. BANK	141-4100-65025	MICROFILM MONITOR	03/16/2015	203.33
U.S. BANK	141-4100-65025	MICROFILM COMPUTER	03/16/2015	571.34
U.S. BANK	141-4100-65024	AMAZON - 4 BOOKS	03/16/2015	32.80
U.S. BANK	141-4100-65024	AMAZON - 2 BOOKS	03/16/2015	17.90
Total LIBRARY SPECIAL REVENUE FUND:				825.37
PARK & REC SPECIAL REV FUND				
PETTY CASH-RECREATION	142-4615-65992	KEY CARD - MYERS	03/31/2015	39.50
U.S. BANK	142-4635-65070	LG HORT. MESSAGE BOARD - I	03/16/2015	1,846.50
Total PARK & REC SPECIAL REV FUND:				1,886.00
STREET CAPITAL PROJECTS FUND				
SNYDER & ASSOCIATES INC	321-2105-64070	HWY 65/69 IMPROVEMENTS - P	03/16/2015	1,514.00
Total STREET CAPITAL PROJECTS FUND:				1,514.00
CP--CAF FUND				
CITY OF INDIANOLA - UTILITY	344-4400-67805	UTILITIES	03/31/2015	40.00
Total CP--CAF FUND:				40.00
CP--COMM RE-DEV (D & D) FUND				
COMMUNITY BANK	353-5200-67902	410 S JEFFERSON	03/24/2015	28,669.77
WARREN COUNTY ABSTRACT	353-5200-67902	410 S JEFFERSON WAY - ABST	03/03/2015	475.00
Total CP--COMM RE-DEV (D & D) FUND:				29,144.77
SEWER FUND				
911 ETC INC	610-8300-63730	911 MONTHLY ACCESS CHARG	03/31/2015	6.67
AQUAFIX INC	610-8350-65010	CHEMICALS	03/24/2015	3,249.44
CENTURYLINK	610-8300-63730	PHONE	03/22/2015	47.77
CITY OF INDIANOLA - UTILITY	610-8350-63710	UTILITIES	03/31/2015	12,626.85
CITY OF INDIANOLA - UTILITY	610-8325-63710	UTILITIES	03/31/2015	4,167.05
CRYSTAL CLEAR WATER CO	610-8350-65012	DI WATER FOR LAB	03/24/2015	15.00
ELECTRONIC ENGINEERING C	610-8300-63320	INSTALL RADIO IN TRUCK	03/13/2015	142.47
ENVIRONMENTAL RESOURCE	610-8350-65012	LAB SUPPLIES	03/20/2015	641.11
FULL SOURCE LLC	610-8325-65070	MARKING PAINT	03/12/2015	144.96
HACH COMPANY	610-8350-65012	LAB SUPPLIES	03/18/2015	458.37
HAWKEYE TRUCK EQUIPMENT	610-8300-63320	REPAIR SNOW PLOW	03/19/2015	113.00
INFOMAX OFFICE SYSTEMS IN	610-8300-64990	COPIER	03/23/2015	210.34
IOWA ONE CALL	610-8300-64990	LOCATES	03/25/2015	58.60
ITRON INC.	610-8300-64990	QUARTERLY SUPPORT (4/1/15 -	03/12/2015	495.80
JETCO INC	610-8350-63410	FLOW METER REPAIR	03/13/2015	242.90
MC COY HARDWARE INC	610-8350-65072	MISC SUPPLIES	03/12/2015	25.02
MC COY HARDWARE INC	610-8350-65072	MISC SUPPLIES	03/18/2015	6.99
MC COY HARDWARE INC	610-8350-65072	MISC SUPPLIES	03/27/2015	17.53
MC COY HARDWARE INC	610-8350-65072	RETURN MISC SUPPLIES	03/30/2015	9.89-
METTLER TOLEDO INC.	610-8350-64200	SCALE CALIBRATION	03/17/2015	377.75
MICHAEL RICHARD WASTEWA	610-8350-64200	SLUDGE SAMPLE TESTING	03/18/2015	350.00
MID AMERICAN ENERGY CO.	610-8325-63710	07741-18004 65/69 LIFT	03/17/2015	66.26
MID AMERICAN ENERGY CO.	610-8325-63710	08701-24006 QUAIL MDWS LIFT	03/25/2015	60.33
MID AMERICAN ENERGY CO.	610-8325-63710	09750-87035 WESLEY LIFT	03/17/2015	44.10

Vendor Name	GL Account Number	Description	Invoice Date	Net Invoice Amount
MIERS, DAN	610-8300-61440	WELLNESS JAN - MARCH 2015	03/30/2015	75.00
O'REILLY AUTO PARTS	610-8350-65072	STRIPE OFF IBT	03/30/2015	32.74
T.R.M. DISPOSAL LLC	610-8350-64990	ACCT #583 - TRASH - NORTH P	03/24/2015	96.00
T.R.M. DISPOSAL LLC	610-8325-64990	ACCT #583 - TRASH - SOUTH P	03/24/2015	49.00
THEISEN'S	610-8350-65072	MISC TOOLS	03/11/2015	37.98
THEISEN'S	610-8350-65072	CLARIFIER HOSES	03/13/2015	9.18
U.S. BANK	610-8300-62300	BIOSOLIDS CONF	03/16/2015	105.00
U.S. BANK	610-8300-62300	COLLECTION SYSTEM CONF	03/16/2015	90.00
U.S. BANK	610-8300-62300	SHUTTLE	03/16/2015	10.00
U.S. BANK	610-8300-62300	RETURN SHUTTLE	03/16/2015	10.00
U.S. BANK	610-8300-62300	BAGGAGE FEE	03/16/2015	25.00
U.S. BANK	610-8300-62300	HOTEL FOR CONF	03/16/2015	767.52
U.S. BANK	610-8350-62100	COLLECTION LIC RENEWALS	03/16/2015	100.00
U.S. CELLULAR	610-8300-63730	CELL PHONE - 2	03/12/2015	66.76
U.S. CELLULAR	610-8300-63730	CELL PHONE - 1	03/16/2015	39.71
WARREN COUNTY OIL	610-8350-65049	PROPANE	03/18/2015	1,128.20
Total SEWER FUND:				26,200.51
RECYCLING FUND				
WASTE MANAGEMENT OF IOW	670-8400-64701	RECYCLING APT 494-0152822-0	03/30/2015	2,465.00
WASTE MANAGEMENT OF IOW	670-8400-64702	RECYCLING TOTES 494-015285	03/30/2015	10.00
WASTE MANAGEMENT OF IOW	670-8400-64702	RECYCLING TOTES 494-015285	03/30/2015	10.00
WASTE MANAGEMENT OF IOW	670-8400-64702	RECYCLING TOTES 494-015285	03/30/2015	10.00
Total RECYCLING FUND:				2,495.00
Grand Totals:				134,162.83

City Council: _____

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
911 ETC INC				
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	10.82	GENERAL FUND
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	2.50	GENERAL FUND
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	1.67	ROAD USE TAX FU
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	15.00	POLICE FUND
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	9.17	FIRE FUND
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	1.67	POOL (MEMORIAL)
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	4.17	PARK & RECREATI
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	13.33	PARK & RECREATI
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	9.17	LIBRARY FUND
911 ETC INC	911 MONTHLY ACCESS CHARGE	03/31/2015	6.67	SEWER FUND
Total 911 ETC INC:			74.17	
ACME TOOLS				
ACME TOOLS	PLANER BLADES	03/19/2015	18.99	PARK & RECREATI
Total ACME TOOLS:			18.99	
AMERICAN BUSINESS PHONES				
AMERICAN BUSINESS PHONES	PHONE REPAIR	03/20/2015	50.00	GENERAL FUND
Total AMERICAN BUSINESS PHONES:			50.00	
AQUAFIX INC				
AQUAFIX INC	CHEMICALS	03/24/2015	3,249.44	SEWER FUND
Total AQUAFIX INC:			3,249.44	
ATLANTIC BOTTLING CO.				
ATLANTIC BOTTLING CO.	SOFTBALL CONCESSIONS	03/24/2015	1,484.40	PARK & RECREATI
Total ATLANTIC BOTTLING CO.:			1,484.40	
BOLTON & HAY INC.				
BOLTON & HAY INC.	SOFTBALL CONCESSION EQUIPMENT	03/24/2015	290.26	PARK & RECREATI
Total BOLTON & HAY INC.:			290.26	
BRUENING ROCK PRODUCTS				
BRUENING ROCK PRODUCTS	ROAD STONE	03/24/2015	288.70	ROAD USE TAX FU
Total BRUENING ROCK PRODUCTS:			288.70	
BSN SPORTS				
BSN SPORTS	RECREATION SPORTS EQUIPMENT	03/11/2015	2,803.51	PARK & RECREATI
Total BSN SPORTS:			2,803.51	
BURGIN, CHARLES				
BURGIN, CHARLES	WELLNESS 3/15/15 - 4/15/15	03/16/2015	15.00	GENERAL FUND
Total BURGIN, CHARLES:			15.00	
CARPENTER UNIFORM CO				
CARPENTER UNIFORM CO	UNIFORMS	03/06/2015	164.97	POLICE FUND
CARPENTER UNIFORM CO	UNIFORM	03/12/2015	179.97	POLICE FUND

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total CARPENTER UNIFORM CO:			344.94	
CENTURYLINK				
CENTURYLINK	PHONE	03/22/2015	47.77	SEWER FUND
CENTURYLINK	TRAFFIC SIGNALS	03/22/2015	48.07	ROAD USE TAX FU
Total CENTURYLINK:			95.84	
CERTIFIED POWER INC				
CERTIFIED POWER INC	CABLE	01/13/2015	72.55	ROAD USE TAX FU
Total CERTIFIED POWER INC:			72.55	
CHUMBLEY & JONES OIL				
CHUMBLEY & JONES OIL	GAS	03/23/2015	13.04	FIRE FUND
Total CHUMBLEY & JONES OIL:			13.04	
CIRCLE B CASHWAY				
CIRCLE B CASHWAY	ADVERTISING PLYWOOD	03/30/2015	119.67	POOL (MEMORIAL)
CIRCLE B CASHWAY	LUMBER	03/31/2015	70.04	ROAD USE TAX FU
Total CIRCLE B CASHWAY:			189.71	
CITY OF INDIANOLA - UTILITY				
CITY OF INDIANOLA - UTILITY	UTILITIES - MEMORIAL	03/31/2015	38.07	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES - BARKER	03/31/2015	24.87	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	40.00	CP--CAF FUND
CITY OF INDIANOLA - UTILITY	UTILITIES - PICKARD	03/31/2015	74.40	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES - MCCORD	03/31/2015	28.00	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	ACTIVITY CENTER UTILITIES	03/31/2015	593.28	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES - DOWNEY	03/31/2015	31.07	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	41.74	FIRE FUND
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	1,879.34	GENERAL FUND
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	200.00	FIRE FUND
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	13,908.51	GENERAL FUND
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	12,626.85	SEWER FUND
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	4,167.05	SEWER FUND
CITY OF INDIANOLA - UTILITY	UTILITIES - SHOP	03/31/2015	267.10	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES	03/31/2015	525.47	ROAD USE TAX FU
CITY OF INDIANOLA - UTILITY	UTILITIES - TRAIL	03/31/2015	20.00	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES - PD/FIRE BLDG	03/31/2015	135.22	FIRE FUND
CITY OF INDIANOLA - UTILITY	UTILITES - PICKARD	03/31/2015	78.73	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	ADULT SB UTILITIES	03/31/2015	122.27	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES - MOATS	03/31/2015	33.37	PARK & RECREATI
CITY OF INDIANOLA - UTILITY	UTILITIES - BUXTON	03/31/2015	107.17	PARK & RECREATI
Total CITY OF INDIANOLA - UTILITY:			34,942.51	
CLAUSEN, REBECCA				
CLAUSEN, REBECCA	IPAD CLASSES	03/19/2015	400.00	PARK & RECREATI
Total CLAUSEN, REBECCA:			400.00	
COMMUNITY BANK				
COMMUNITY BANK	410 S JEFFERSON	03/24/2015	28,669.77	CP--COMM RE-DE

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total COMMUNITY BANK:			28,669.77	
CONTINENTAL RESEARCH CRP				
CONTINENTAL RESEARCH CR	CLEANING SUPPLIES	03/19/2015	580.00	POOL (MEMORIAL)
CONTINENTAL RESEARCH CR	CLEANER/DISINFECTANT	03/13/2015	312.00	POOL (MEMORIAL)
Total CONTINENTAL RESEARCH CRP:			892.00	
CR SERVICES				
CR SERVICES	ADULT SB RESTROOM SUPPLIES	03/30/2015	348.69	PARK & RECREATI
Total CR SERVICES:			348.69	
CRYSTAL CLEAR WATER CO				
CRYSTAL CLEAR WATER CO	DI WATER FOR LAB	03/24/2015	15.00	SEWER FUND
Total CRYSTAL CLEAR WATER CO:			15.00	
DIAMONDTEC INTERNATIONAL INC				
DIAMONDTEC INTERNATIONAL	DIAMOND SAW BLADES	03/26/2015	3,851.64	ROAD USE TAX FU
Total DIAMONDTEC INTERNATIONAL INC:			3,851.64	
ELECTRONIC ENGINEERING CO				
ELECTRONIC ENGINEERING C	INSTALL RADIO IN TRUCK	03/13/2015	142.47	SEWER FUND
ELECTRONIC ENGINEERING C	FREQ. FILTER FOR 330	03/16/2015	129.00	FIRE FUND
ELECTRONIC ENGINEERING C	PAGER	03/25/2015	8.00	FIRE FUND
ELECTRONIC ENGINEERING C	PAGER - LARGESSE	03/25/2015	11.95	POLICE FUND
Total ELECTRONIC ENGINEERING CO:			291.42	
ENVIRONMENTAL RESOURCE ASSOCIATES				
ENVIRONMENTAL RESOURCE	LAB SUPPLIES	03/20/2015	641.11	SEWER FUND
Total ENVIRONMENTAL RESOURCE ASSOCIATES:			641.11	
FARNER-BROCKEN CO				
FARNER-BROCKEN CO	SOFTBALL CONCESSIONS	03/24/2015	4,019.69	PARK & RECREATI
Total FARNER-BROCKEN CO:			4,019.69	
FENIMORE BROS TREE SERVICE				
FENIMORE BROS TREE SERVI	REMOVE 4 ASH TREES MOATS PARK	03/18/2015	2,700.00	PARK & RECREATI
Total FENIMORE BROS TREE SERVICE:			2,700.00	
FOSTER COACH SALES INC				
FOSTER COACH SALES INC	PARTS	03/17/2015	22.86	AMBULANCE FUN
Total FOSTER COACH SALES INC:			22.86	
FULL SOURCE LLC				
FULL SOURCE LLC	MARKING PAINT	03/12/2015	144.96	SEWER FUND
Total FULL SOURCE LLC:			144.96	

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
GRAINGER INC				
GRAINGER INC	LINKAGE KIT G.H. FAN	03/05/2015	39.40	PARK & RECREATI
Total GRAINGER INC:			39.40	
GRAY DIETZ, PAULA				
GRAY DIETZ, PAULA	BRICKS 4 KIDZ	03/26/2015	300.00	PARK & RECREATI
Total GRAY DIETZ, PAULA:			300.00	
GREATER DM CONVENTION & VISITORS BUREAU				
GREATER DM CONVENTION &	MEMBERSHIP	03/16/2015	4,249.82	GENERAL FUND
Total GREATER DM CONVENTION & VISITORS BUREAU:			4,249.82	
HACH COMPANY				
HACH COMPANY	LAB SUPPLIES	03/18/2015	458.37	SEWER FUND
Total HACH COMPANY:			458.37	
HAWKEYE TRUCK EQUIPMENT				
HAWKEYE TRUCK EQUIPMENT	REPAIR SNOW PLOW	03/19/2015	113.00	SEWER FUND
Total HAWKEYE TRUCK EQUIPMENT:			113.00	
HEROLD, VICKI				
HEROLD, VICKI	MEALS & LODGING FOR AMB BILLING CONF	03/30/2015	489.25	AMBULANCE FUN
HEROLD, VICKI	WELLNESS MARCH 2015	03/21/2015	25.00	FIRE FUND
Total HEROLD, VICKI:			514.25	
HILLYARD/DES MOINES				
HILLYARD/DES MOINES	SUPPLIES	03/26/2015	71.00	FIRE FUND
Total HILLYARD/DES MOINES:			71.00	
HOLLIE SMITH GLASS & DOOR CO.				
HOLLIE SMITH GLASS & DOOR	FIRE DEPT DOOR LOCKS	03/26/2015	2,024.00	FIRE FUND
HOLLIE SMITH GLASS & DOOR	CITY HALL DOOR LOCKS	03/26/2015	3,732.50	GENERAL FUND
Total HOLLIE SMITH GLASS & DOOR CO.:			5,756.50	
HOMEFRONT PROTECTIVE GROUP				
HOMEFRONT PROTECTIVE GR	TRAINING	03/30/2015	175.00	POLICE FUND
Total HOMEFRONT PROTECTIVE GROUP:			175.00	
HUTTON, KAY				
HUTTON, KAY	REFUND	03/31/2015	68.00	PARK & RECREATI
Total HUTTON, KAY:			68.00	
HY-VEE FOOD STORE				
HY-VEE FOOD STORE	MEDS	02/10/2015	174.00	AMBULANCE FUN
HY-VEE FOOD STORE	SUPPLIES	02/24/2015	17.98	FIRE FUND
HY-VEE FOOD STORE	MEDS	02/25/2015	6.34	AMBULANCE FUN

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total HY-VEE FOOD STORE:			198.32	
IA DEPT OF INSPECTIONS/APPEALS				
IA DEPT OF INSPECTIONS/APP	FOOD SERVICE LICENSE	03/23/2015	67.50	POOL (MEMORIAL)
Total IA DEPT OF INSPECTIONS/APPEALS:			67.50	
INDOFF INCORPORATED				
INDOFF INCORPORATED	SUPPLIES	03/16/2015	42.58	GENERAL FUND
INDOFF INCORPORATED	OFFICE SUPPLIES	03/16/2015	74.11	AMBULANCE FUN
Total INDOFF INCORPORATED:			116.69	
INFOMAX OFFICE SYSTEMS INC.				
INFOMAX OFFICE SYSTEMS IN	COPIER CONTRACT	03/16/2015	59.86	FIRE FUND
INFOMAX OFFICE SYSTEMS IN	COPIER CONTRACT	03/16/2015	50.51	GENERAL FUND
INFOMAX OFFICE SYSTEMS IN	COPIER CONTRACT	03/16/2015	33.23	AMBULANCE FUN
INFOMAX OFFICE SYSTEMS IN	COPIER CONTRACT	03/16/2015	744.60	GENERAL FUND
INFOMAX OFFICE SYSTEMS IN	PRINTER	03/17/2015	61.02	PARK & RECREATI
INFOMAX OFFICE SYSTEMS IN	COPIER /PRINTER LEASE CHARGES	03/23/2015	167.52	GENERAL FUND
INFOMAX OFFICE SYSTEMS IN	COPIER	03/23/2015	210.34	SEWER FUND
INFOMAX OFFICE SYSTEMS IN	PRINTER LEASE	03/26/2015	79.00	FIRE FUND
Total INFOMAX OFFICE SYSTEMS INC.:			1,406.08	
INTEGRIVAULT				
INTEGRIVAULT	OFFSITE BACKUP - DEC	01/01/2015	250.00	GENERAL FUND
INTEGRIVAULT	OFFSITE BACKUP - JAN	02/01/2015	250.00	GENERAL FUND
INTEGRIVAULT	OFFSITE BACKUP - FEB	03/01/2015	250.00	GENERAL FUND
Total INTEGRIVAULT:			750.00	
IOWA ONE CALL				
IOWA ONE CALL	LOCATES	03/25/2015	58.60	SEWER FUND
Total IOWA ONE CALL:			58.60	
IOWA PARK & REC. ASSOC.				
IOWA PARK & REC. ASSOC.	SPRING CONFERENCE - JEFF LUCAS	03/13/2015	210.00	PARK & RECREATI
IOWA PARK & REC. ASSOC.	IPRA SRPING CONF.	03/17/2015	255.00	PARK & RECREATI
Total IOWA PARK & REC. ASSOC.:			465.00	
IOWA STATE AUDITOR				
IOWA STATE AUDITOR	STATE AUDIT REPORT FY 2014 CITY	03/20/2015	425.00	GENERAL FUND
Total IOWA STATE AUDITOR:			425.00	
IOWA STATE UNIVERSITY				
IOWA STATE UNIVERSITY	FIRE FIRE OFFICER 1	03/17/2015	50.00	FIRE FUND
Total IOWA STATE UNIVERSITY:			50.00	
ITRON INC.				
ITRON INC.	QUARTERLY SUPPORT (4/1/15 - 6/30/15)	03/12/2015	495.80	SEWER FUND

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total ITRON INC.:			495.80	
JETCO INC				
JETCO INC	FLOW METER REPAIR	03/13/2015	242.90	SEWER FUND
Total JETCO INC:			242.90	
JIM'S JOHNS				
JIM'S JOHNS	KYBO	03/03/2015	40.00	PARK & RECREATI
Total JIM'S JOHNS:			40.00	
KIYA KODA HUMANE SOCIETY				
KIYA KODA HUMANE SOCIETY	HUMANE SOCIETY CONTRACT - APRIL 2015	03/30/2015	2,412.74	POLICE FUND
Total KIYA KODA HUMANE SOCIETY:			2,412.74	
KOSMAN CLEANING CREW LLC				
KOSMAN CLEANING CREW LLC	2ND HALF OF MARCH	03/30/2015	2,166.67	GENERAL FUND
Total KOSMAN CLEANING CREW LLC:			2,166.67	
LADD, BEN				
LADD, BEN	MEALS	03/30/2015	48.70	FIRE FUND
Total LADD, BEN:			48.70	
LOGAN CONTRACTORS SUPPLY INC.				
LOGAN CONTRACTORS SUPPL	RE-BAR/BOOTS	03/30/2015	1,367.01	ROAD USE TAX FU
Total LOGAN CONTRACTORS SUPPLY INC.:			1,367.01	
LUCAS, JEFF				
LUCAS, JEFF	CELL PHONE REIMB. JAN - MARCH	03/27/2015	75.00	PARK & RECREATI
Total LUCAS, JEFF:			75.00	
MC COY HARDWARE INC				
MC COY HARDWARE INC	SUPPLIES	03/06/2015	4.67	ROAD USE TAX FU
MC COY HARDWARE INC	SUPPLIES - OFFICE	03/10/2015	49.34	POLICE FUND
MC COY HARDWARE INC	SOFTBALL CBANNER GROMMETS	03/20/2015	74.59	PARK & RECREATI
MC COY HARDWARE INC	MISC SUPPLIES	03/12/2015	25.02	SEWER FUND
MC COY HARDWARE INC	BUILDING SUPPLIES	03/13/2015	28.99	FIRE FUND
MC COY HARDWARE INC	HARDWARE	03/17/2015	1.38	PARK & RECREATI
MC COY HARDWARE INC	MISC SUPPLIES	03/18/2015	6.99	SEWER FUND
MC COY HARDWARE INC	BUILDING SUPPLIES	03/22/2015	13.03	FIRE FUND
MC COY HARDWARE INC	PLUMB PARTS	03/23/2015	17.11	PARK & RECREATI
MC COY HARDWARE INC	SOFTBALL CLEANING SUPPLIES	03/24/2015	15.98	PARK & RECREATI
MC COY HARDWARE INC	PLUMB PARTS	03/25/2015	11.05	PARK & RECREATI
MC COY HARDWARE INC	FLOOD LIGHTS	03/25/2015	8.09	ROAD USE TAX FU
MC COY HARDWARE INC	DOOR STOPS	03/25/2015	16.18	POOL (MEMORIAL)
MC COY HARDWARE INC	SOFTBALL HARDWARE & GLOVES	03/26/2015	127.11	PARK & RECREATI
MC COY HARDWARE INC	SOFTBALL LIGHT BULBS	03/27/2015	76.71	PARK & RECREATI
MC COY HARDWARE INC	PAINT THINNER	03/27/2015	10.34	PARK & RECREATI
MC COY HARDWARE INC	MISC SUPPLIES	03/27/2015	17.53	SEWER FUND
MC COY HARDWARE INC	RETURN MISC SUPPLIES	03/30/2015	9.89	SEWER FUND
MC COY HARDWARE INC	BALL VALVE	03/30/2015	9.89	ROAD USE TAX FU

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
MC COY HARDWARE INC	SCREWS	03/30/2015	7.01	POOL (MEMORIAL)
MC COY HARDWARE INC	KEY	03/31/2015	2.06	ROAD USE TAX FU
Total MC COY HARDWARE INC:			513.18	
MENARDS				
MENARDS	TABLE BOARDS	03/26/2015	42.35	PARK & RECREATI
Total MENARDS:			42.35	
METTLER TOLEDO INC.				
METTLER TOLEDO INC.	SCALE CALIBRATION	03/17/2015	377.75	SEWER FUND
Total METTLER TOLEDO INC.:			377.75	
MICHAEL RICHARD WASTEWATER MICRO.				
MICHAEL RICHARD WASTEWA	SLUDGE SAMPLE TESTING	03/18/2015	350.00	SEWER FUND
Total MICHAEL RICHARD WASTEWATER MICRO.:			350.00	
MID AMERICAN ENERGY CO.				
MID AMERICAN ENERGY CO.	07741-18004 65/69 LIFT	03/17/2015	66.26	SEWER FUND
MID AMERICAN ENERGY CO.	FUEL HEAT	03/25/2015	261.67	PARK & RECREATI
MID AMERICAN ENERGY CO.	FUEL HEAT	03/25/2015	236.01	ROAD USE TAX FU
MID AMERICAN ENERGY CO.	74080-22010 FUEL HEAT	03/26/2015	986.23	GENERAL FUND
MID AMERICAN ENERGY CO.	UTILITIES	03/25/2015	87.83	FIRE FUND
MID AMERICAN ENERGY CO.	08701-24006 QUAIL MDWS LIFT	03/25/2015	60.33	SEWER FUND
MID AMERICAN ENERGY CO.	05931-25003 N HWY 65/69 ENTRANCE SIGN	03/17/2015	18.68	GENERAL FUND
MID AMERICAN ENERGY CO.	26321-30003 ST LIGHTING	03/17/2015	150.78	GENERAL FUND
MID AMERICAN ENERGY CO.	UTILITIES	03/25/2015	11.83	FIRE FUND
MID AMERICAN ENERGY CO.	09750-87035 WESLEY LIFT	03/17/2015	44.10	SEWER FUND
Total MID AMERICAN ENERGY CO.:			1,923.72	
MIDWEST BREATHING AIR LLC				
MIDWEST BREATHING AIR LLC	QUARTERLY TEST	03/19/2015	125.00	FIRE FUND
Total MIDWEST BREATHING AIR LLC:			125.00	
MIERS, DAN				
MIERS, DAN	WELLNESS JAN - MARCH 2015	03/30/2015	75.00	SEWER FUND
Total MIERS, DAN:			75.00	
NAPA AUTO PARTS				
NAPA AUTO PARTS	OIL CAP	03/30/2015	12.49	ROAD USE TAX FU
Total NAPA AUTO PARTS:			12.49	
NICHOLS, MELISSA				
NICHOLS, MELISSA	REFUND	03/30/2015	25.00	PARK & RECREATI
Total NICHOLS, MELISSA:			25.00	
NOBLE FORD-MERCURY				
NOBLE FORD-MERCURY	PARTS	03/13/2015	78.32	AMBULANCE FUN

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total NOBLE FORD-MERCURY:			78.32	
NORWALK READY-MIXED CONCRETE				
NORWALK READY-MIXED CON	CONCRETE	03/18/2015	247.50	ROAD USE TAX FU
Total NORWALK READY-MIXED CONCRETE:			247.50	
O'REILLY AUTO PARTS				
O'REILLY AUTO PARTS	SUPPLIES	03/09/2015	13.98	POLICE FUND
O'REILLY AUTO PARTS	PARTS	03/12/2015	18.74	AMBULANCE FUN
O'REILLY AUTO PARTS	PARTS	03/12/2015	103.58	AMBULANCE FUN
O'REILLY AUTO PARTS	DEF FLUID	03/12/2015	59.96	AMBULANCE FUN
O'REILLY AUTO PARTS	SHOP	03/13/2015	12.99	FIRE FUND
O'REILLY AUTO PARTS	FILTERS/BRAKLEEN	03/24/2015	100.28	ROAD USE TAX FU
O'REILLY AUTO PARTS	PARTS	03/27/2015	139.64	AMBULANCE FUN
O'REILLY AUTO PARTS	STRIPE OFF IBT	03/30/2015	32.74	SEWER FUND
O'REILLY AUTO PARTS	FILTER	03/30/2015	36.46	ROAD USE TAX FU
O'REILLY AUTO PARTS	STROBE LIGHT	03/30/2015	47.49	ROAD USE TAX FU
Total O'REILLY AUTO PARTS:			565.86	
PARK WHOLESALE				
PARK WHOLESALE	SEEDS	03/10/2015	208.68	PARK & RECREATI
Total PARK WHOLESALE:			208.68	
PELLA PRINTING				
PELLA PRINTING	PRINTING - PARKING TICKET POSTCARDS	01/27/2015	70.00	POLICE FUND
PELLA PRINTING	MECHANICAL & PLBG PERMIT FORMS	02/27/2015	362.00	GENERAL FUND
Total PELLA PRINTING:			432.00	
PETTY CASH-RECREATION				
PETTY CASH-RECREATION	KEY CARD - MYERS	03/31/2015	39.50	PARK & REC SPEC
Total PETTY CASH-RECREATION:			39.50	
PHILIPS MEDICAL CAPITAL				
PHILIPS MEDICAL CAPITAL	MONITOR LEASE	03/07/2015	1,348.11	AMBULANCE FUN
Total PHILIPS MEDICAL CAPITAL:			1,348.11	
PIERCE BROTHERS REPAIR				
PIERCE BROTHERS REPAIR	STEEL	03/19/2015	36.00	ROAD USE TAX FU
Total PIERCE BROTHERS REPAIR:			36.00	
POINDEXTER FLOORING INC				
POINDEXTER FLOORING INC	FLOORING	07/11/2014	1,051.00	GENERAL FUND
Total POINDEXTER FLOORING INC:			1,051.00	
REND, PETER				
REND, PETER	MEALS FOR FIRE SCHOOL	03/30/2015	27.85	FIRE FUND
Total RENDA, PETER:			27.85	

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
ROTARY CLUB OF INDIANOLA				
ROTARY CLUB OF INDIANOLA	MEMBERSHIP QTR 2 & 3	02/21/2015	250.00	GENERAL FUND
Total ROTARY CLUB OF INDIANOLA:			250.00	
SHULL, DOUG				
SHULL, DOUG	TREASURER CONTRACT	03/30/2015	83.33	GENERAL FUND
Total SHULL, DOUG:			83.33	
SIMPSON COLLEGE				
SIMPSON COLLEGE	THINK SPRING ROOM RENTAL	03/18/2015	750.00	PARK & RECREATI
SIMPSON COLLEGE	FIRE CHIEF SEARCH KENT CAMPUS	03/18/2015	125.00	GENERAL FUND
Total SIMPSON COLLEGE:			875.00	
SNYDER & ASSOCIATES INC				
SNYDER & ASSOCIATES INC	HWY 65/69 IMPROVEMENTS - PHASE I	03/16/2015	1,514.00	STREET CAPITAL
Total SNYDER & ASSOCIATES INC:			1,514.00	
SOUTHEASTERN EMERGENCY EQUIPMENT				
SOUTHEASTERN EMERGENCY	MED SUPPLIES CREDIT	02/25/2015	162.00	AMBULANCE FUN
SOUTHEASTERN EMERGENCY	MED SUPPLIES	03/17/2015	83.88	AMBULANCE FUN
SOUTHEASTERN EMERGENCY	MED SUPPLIES	03/18/2015	300.77	AMBULANCE FUN
SOUTHEASTERN EMERGENCY	MED SUPPLIES	03/23/2015	58.36	AMBULANCE FUN
SOUTHEASTERN EMERGENCY	MED SUPPLIES	03/25/2015	222.54	AMBULANCE FUN
Total SOUTHEASTERN EMERGENCY EQUIPMENT:			503.55	
SPENCER MUNICIPAL HOSPITAL				
SPENCER MUNICIPAL HOSPITA	POLICE DEPT CPR CARDS	02/28/2015	108.00	POLICE FUND
SPENCER MUNICIPAL HOSPITA	FIRE DEPT CPR CARDS	02/28/2015	120.00	AMBULANCE FUN
Total SPENCER MUNICIPAL HOSPITAL:			228.00	
SPENCER, JEFFREY				
SPENCER, JEFFREY	MEALS & LODGING	03/17/2015	211.48	FIRE FUND
SPENCER, JEFFREY	MILEAGE TO SOUX CITY	03/17/2015	259.09	FIRE FUND
Total SPENCER, JEFFREY:			470.57	
T.R.M. DISPOSAL LLC				
T.R.M. DISPOSAL LLC	ACCT #1506	03/24/2015	79.00	GENERAL FUND
T.R.M. DISPOSAL LLC	GARBAGE - BUILDING ACCT #159	03/24/2015	15.00	POLICE FUND
T.R.M. DISPOSAL LLC	ACCT #583 - TRASH - NORTH PLANT	03/24/2015	96.00	SEWER FUND
T.R.M. DISPOSAL LLC	ACCT #583 - TRASH - SOUTH PLANT	03/24/2015	49.00	SEWER FUND
Total T.R.M. DISPOSAL LLC:			239.00	
THEISEN'S				
THEISEN'S	BALANCE DUE ON INVOICE 1674602	02/20/2015	.01	PARK & RECREATI
THEISEN'S	MISC TOOLS	03/11/2015	37.98	SEWER FUND
THEISEN'S	CLARIFIER HOSES	03/13/2015	9.18	SEWER FUND
THEISEN'S	LIGHT BALLAST	03/18/2015	27.99	PARK & RECREATI
THEISEN'S	FLAP WHEEL	03/18/2015	2.29	PARK & RECREATI
THEISEN'S	PROPANE	03/23/2015	51.54	ROAD USE TAX FU

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total THEISEN'S:			128.99	
TRANS-IOWA EQUIPMENT INC				
TRANS-IOWA EQUIPMENT INC	DIRT SHOES	03/18/2015	228.97	ROAD USE TAX FU
Total TRANS-IOWA EQUIPMENT INC:			228.97	
U.S. BANK				
U.S. BANK	ADOBE SOFTWARE SUBSCRIPTION	03/16/2015	9.99	LIBRARY FUND
U.S. BANK	MONTHLY DMX CHARGE PHONE SYSTEM	03/16/2015	24.95	GENERAL FUND
U.S. BANK	ADOBE SOFTWARE SUBSCRIPTION	03/16/2015	49.99	GENERAL FUND
U.S. BANK	MICROFILM MONITOR	03/16/2015	203.33	LIBRARY SPECIAL
U.S. BANK	SOFTWARE - QUICKBOOKS	03/16/2015	199.95	GENERAL FUND
U.S. BANK	MICROFILM COMPUTER	03/16/2015	571.34	LIBRARY SPECIAL
U.S. BANK	ADOBE SOFTWARE SUBSCRIPTION	03/16/2015	49.99	GENERAL FUND
U.S. BANK	ADOBE SOFTWARE SUBSCRIPTION	03/16/2015	49.99	PARK & RECREATI
U.S. BANK	DOOR HANGERS	03/16/2015	115.84	GENERAL FUND
U.S. BANK	REAL ESTATE CONF. REG.	03/16/2015	1,140.00	GENERAL FUND
U.S. BANK	PARKING - LEG. DAY	03/16/2015	6.00	GENERAL FUND
U.S. BANK	FREIGHT	03/16/2015	93.72	FIRE FUND
U.S. BANK	AMAZON - 1 DVD SET	03/16/2015	29.98	LIBRARY FUND
U.S. BANK	AMAZON - LOWEST PRICE CREDIT	03/16/2015	.03-	LIBRARY FUND
U.S. BANK	AMAZON - 4 BOOKS	03/16/2015	32.80	LIBRARY SPECIAL
U.S. BANK	AMAZON - 1 BOOK	03/16/2015	10.90	LIBRARY FUND
U.S. BANK	AMAZON - 2 BOOKS	03/16/2015	17.90	LIBRARY SPECIAL
U.S. BANK	BIOSOLIDS CONF	03/16/2015	105.00	SEWER FUND
U.S. BANK	COLLECTION SYSTEM CONF	03/16/2015	90.00	SEWER FUND
U.S. BANK	SHUTTLE	03/16/2015	10.00	SEWER FUND
U.S. BANK	RETURN SHUTTLE	03/16/2015	10.00	SEWER FUND
U.S. BANK	BAGGAGE FEE	03/16/2015	25.00	SEWER FUND
U.S. BANK	HOTEL FOR CONF	03/16/2015	767.52	SEWER FUND
U.S. BANK	COLLECTION LIC RENEWALS	03/16/2015	100.00	SEWER FUND
U.S. BANK	SELF STUDY MEMBERSHIP - CPE DEPOT	03/16/2015	178.00	GENERAL FUND
U.S. BANK	MEAL	03/16/2015	13.40	GENERAL FUND
U.S. BANK	MEALS	03/16/2015	96.00	GENERAL FUND
U.S. BANK	SWIM LESSON FACILITY FEE	03/16/2015	650.00	POOL (MEMORIAL)
U.S. BANK	AOAP MEALS	03/16/2015	119.27	PARK & RECREATI
U.S. BANK	AOAP CHECKED BAG	03/16/2015	50.00	PARK & RECREATI
U.S. BANK	AOAP SHUTTLE	03/16/2015	45.04	PARK & RECREATI
U.S. BANK	CREDIT FOR FRAUDLENT CHARGES LAST	03/16/2015	314.81-	PARK & RECREATI
U.S. BANK	FRAME	03/16/2015	41.51	POLICE FUND
U.S. BANK	POSTER W/INFO	03/16/2015	19.12	POLICE FUND
U.S. BANK	SQUARE PLANTERS 1/2 OF TOTAL BILL TO	03/16/2015	722.79	PARK & RECREATI
U.S. BANK	LUNCH FOR 3	03/16/2015	29.00	PARK & RECREATI
U.S. BANK	LG HORT. MESSAGE BOARD - INFORMATIO	03/16/2015	1,846.50	PARK & REC SPEC
Total U.S. BANK:			7,209.98	
U.S. CELLULAR				
U.S. CELLULAR	CELL PHONE -3	03/12/2015	100.15	ROAD USE TAX FU
U.S. CELLULAR	CELL PHONE - 1	03/12/2015	33.38	PARK & RECREATI
U.S. CELLULAR	CELL PHONE - 1	03/12/2015	33.38	PARK & RECREATI
U.S. CELLULAR	CELL PHONE - 2	03/12/2015	66.76	SEWER FUND
U.S. CELLULAR	CELL PHONE - 1	03/16/2015	39.71	SEWER FUND
Total U.S. CELLULAR:			273.38	

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
U.S. POSTMASTER				
U.S. POSTMASTER	STANDARD MAIL	03/23/2015	220.00	GENERAL FUND
Total U.S. POSTMASTER:			220.00	
UNITYPOINT HEALTH - DES MOINES				
UNITYPOINT HEALTH - DES MO	ACLS CARDS	03/23/2015	47.80	AMBULANCE FUN
Total UNITYPOINT HEALTH - DES MOINES:			47.80	
VERIZON WIRELESS				
VERIZON WIRELESS	DATA	03/15/2015	282.52	POLICE FUND
Total VERIZON WIRELESS:			282.52	
WAL-MART STORES INC.				
WAL-MART STORES INC.	OFFICE SUPPLIES	03/10/2015	11.54	POLICE FUND
WAL-MART STORES INC.	WINE/CANVAS SUPPLIES	03/27/2015	40.72	PARK & RECREATI
WAL-MART STORES INC.	EGG HUNT PRIZES	03/30/2015	79.60	PARK & RECREATI
WAL-MART STORES INC.	SOFTBALL RESTROOM SUPPLIES	03/27/2015	19.84	PARK & RECREATI
WAL-MART STORES INC.	SOFTBALL LIGHT PADLOCKS	03/27/2015	39.80	PARK & RECREATI
WAL-MART STORES INC.	PROMO SIGN SUPPLIES	03/31/2015	10.88	POOL (MEMORIAL)
WAL-MART STORES INC.	SUPPLIES	03/19/2015	23.33	GENERAL FUND
WAL-MART STORES INC.	SOFTBALL CONCESSIONS	03/19/2015	19.70	PARK & RECREATI
WAL-MART STORES INC.	OFFICE SUPPLIES	03/25/2015	12.79	PARK & RECREATI
WAL-MART STORES INC.	INK CARTRIDGES	03/30/2015	89.90	PARK & RECREATI
WAL-MART STORES INC.	SOFTBALL CONCESSIONS	03/26/2015	78.93	PARK & RECREATI
WAL-MART STORES INC.	STORAGE BOXES & BAGS	03/17/2015	20.22	PARK & RECREATI
Total WAL-MART STORES INC.:			447.25	
WALTERS GARDENS INC.				
WALTERS GARDENS INC.	PLANT SALE	03/09/2015	250.23	PARK & RECREATI
Total WALTERS GARDENS INC.:			250.23	
WARREN CO MASTER GARDENERS				
WARREN CO MASTER GARDEN	1/2 PROFITS -THINK SPRING	03/16/2015	1,123.20	PARK & RECREATI
Total WARREN CO MASTER GARDENERS:			1,123.20	
WARREN COUNTY ABSTRACT				
WARREN COUNTY ABSTRACT	410 S JEFFERSON WAY - ABSTRACT	03/03/2015	475.00	CP--COMM RE-DE
Total WARREN COUNTY ABSTRACT:			475.00	
WARREN COUNTY OIL				
WARREN COUNTY OIL	PROPANE	03/18/2015	1,128.20	SEWER FUND
Total WARREN COUNTY OIL:			1,128.20	
WASTE MANAGEMENT OF IOWA				
WASTE MANAGEMENT OF IOW	RECYCLING APT 494-0152822-0516-8	03/30/2015	2,465.00	RECYCLING FUND
WASTE MANAGEMENT OF IOW	TRASH - APR 2015	03/30/2015	32.00	ROAD USE TAX FU
WASTE MANAGEMENT OF IOW	RECYCLING TOTES 494-0152854-0516-1	03/30/2015	10.00	RECYCLING FUND
WASTE MANAGEMENT OF IOW	RECYCLING TOTES 494-0152855-0516-8	03/30/2015	10.00	RECYCLING FUND
WASTE MANAGEMENT OF IOW	RECYCLING TOTES 494-0152856-0516-6	03/30/2015	10.00	RECYCLING FUND

Vendor Name	Description	Invoice Date	Net Invoice Amount	FUND
Total WASTE MANAGEMENT OF IOWA:			2,527.00	
WESTERN IOWA TECH COMM COLLEGE				
WESTERN IOWA TECH COMM	FIRE SCHOOL	03/17/2015	75.00	FIRE FUND
Total WESTERN IOWA TECH COMM COLLEGE:			75.00	
WILLIAMS, BARBARA				
WILLIAMS, BARBARA	REFUND	03/30/2015	41.00	PARK & RECREATI
Total WILLIAMS, BARBARA:			41.00	
Grand Totals:			134,162.83	

City Council: _____

Information

Subject

Resolution approving salaries

Information

This action sets salaries per the personnel management guide, union contract and seasonal salaries:

Luke Buhrow, Police Officer, from PO-5 \$55,186/year to PO-6 \$57,090/year effective April 5, 2015

Justin Keller, Police Officer, from PO-6 \$57,090/year to PO-7 \$57,995/year effective April 5, 2015

Tyler Smith, Light Equipment Operator, Range 19-2 \$39,471/year effective April 13, 2015

Greg Chia, Fire Chief, CE 13.5-2 \$94,453/year effective May 4, 2015

Denise Core, Part-time Library Assistant, from CE 1-6 \$13.385/hour to CE 1-7 \$13.812/hour effective May 17, 2015

Jim Isley, Seasonal Mower Operator, \$10.07/hour effective April 13, 2015. Jim is returning for his fifth year.

David Melling, Seasonal Mower Operator, \$9.27/hour effective April 13, 2015. David is returning for his third year.

Nathan Russell - Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015 - this is Nathan's first year.

Adrean Johnson -Wigley, Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015 - this is Adrean's first year.

Justin Shepherd, Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015 - this is Justin's first year.

Devin Norman, Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015 - this is Devin's first year.

Attached 2015 Recreational Summer Seasonal Summer Staff

Roll call is in order.

Attachments

Buhrow/Keller Step Increases

Core Step Increase

Recreational Summer Staff

Resolution

RECOMMENDATION FOR WITHIN GRADE INCREASE

This is to note that Luke Buhrow will complete the appropriate waiting period for creditable service to salary class/range PO 6 on 4/05/2015 to be reflected in hourly rate on pay date 4/24/2015.

\$57,090
Annual

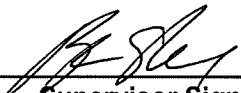
\$27.447
Hourly

XIncludes Longevity

Does Not Include Longevity

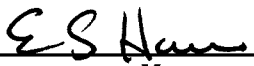
Evaluation

A finding of satisfactory service and a recommendation to advance salary class/range and step on the effective date as listed above has been made. The written Performance Evaluation has been completed and forwarded to the Human Resource Office for placement in the employee's personnel file.



Supervisor Signature

3-24-15
Date



Manager Signature

3-24-15
Date

Employment Information

Date of Hire: 3/24/2010

Present Class/Range: PO5

Present Salary: \$55,186

Includes Longevity XDoes Not Include Longevity

Eligibility Date for Next Advance: 3/24/2020

City Council or Board of Trustee

Action Approved:

Disapproved:

Date:

RECOMMENDATION FOR WITHIN GRADE INCREASE

This is to note that Justin Keller will complete the appropriate waiting period for creditable service to salary class/range PO 7 on 04/05/2015 to be reflected in hourly rate on pay date 04/24/2015.

\$57,995
Annual

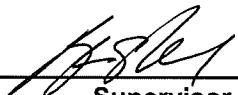
\$27.882
Hourly

XIncludes Longevity

Does Not Include Longevity

Evaluation

A finding of satisfactory service and a recommendation to advance salary class/range and step on the effective date as listed above has been made. The written Performance Evaluation has been completed and forwarded to the Human Resource Office for placement in the employee's personnel file.



Supervisor Signature

3-24-15

Date



Manager Signature

3-24-15

Date

Employment Information

Date of Hire: 3/31/2005

Present Class/Range: PO 6

Present Salary: \$57,090

X Includes Longevity

Does Not Include Longevity

Eligibility Date for Next Advance: NA

City Council or Board of Trustee

Action Approved:

Disapproved:

Date:

RECOMMENDATION FOR WITHIN GRADE INCREASE

This is to note that Denise Core will complete the appropriate waiting period for creditable service to salary class/range CE 1-7 on 5/17/2015 to be reflected in hourly rate on pay date 6/15/2015.

Annual

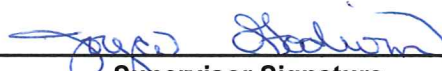
\$13.812
Hourly

Includes Longevity

X Does Not Include Longevity

Evaluation

A finding of satisfactory service and a recommendation to advance salary class/range and step on the effective date as listed above has been made. The written Performance Evaluation has been completed and forwarded to the Human Resource Office for placement in the employee's personnel file.



Supervisor Signature

3-17-15

Date



Manager Signature

3-26-15

Date

Employment Information

Date of Hire: 5/15/2006

Present Class/Range: CE 1-6

Present Salary: \$13.385

Includes Longevity X Does Not Include Longevity

Eligibility Date for Next Advance: 5/27/2018

City Council or Board of Trustee

Action Approved:

Disapproved:

Date:

Recreation Summer Staff

April 1, 2015

* Returning

Rate of Pay

*	Candy	Cronbaugh	\$12.25	4/1/2015	Softball Concessions Manager
*	Sarah	Darr	\$9.25	3/20/2015	Facility Supervisor/Concessions
*	Jen	Deckard	\$8.75	4/1/2015	Facility Supervisor/Concessions
*	Gabe	Henderson	\$8.50	4/1/2015	Facility Supervisor/Concessions
*	Alex	Michel	\$8.50	4/1/2015	Facility Supervisor/Concessions
*	Elizabeth	Bonnett	\$8.50	3/20/2015	Facility Supervisor/Concessions
*	Joey	Gioffredi	\$8.50	3/20/2015	Facility Supervisor/Concessions
*	Kasey	Wiedmaier	\$8.50	5/5/2015	Facility Supervisor/Concessions
*	Kim	Ferguson	\$8.25	4/1/2015	Facility Supervisor/Concessions
*	Taylor	Greubel	\$8.25	4/1/2015	Facility Supervisor/Concessions
*	Ashley	Hoffman	\$8.25	4/1/2015	Facility Supervisor/Concessions
*	Bree	Hallin	\$8.25	4/1/2015	Facility Supervisor/Concessions
*	Madeline	Brittingham	\$8.25	4/1/2015	Facility Supervisor/Concessions
*	Drew	Lundquist	\$8.00	3/20/2015	Facility Supervisor/Concessions
*	Brandon	DeCook	\$9.50	5/5/2015	Field Maintenance
*	Larry	Vriezelaar	\$9.50	3/20/2015	Field Maintenance
*	Andrew	Bowans	\$9.00	3/20/2015	Field Maintenance
*	Amber	Johnson	\$9.00	3/20/2015	Field Maintenance
*	Michael	Hallin	\$8.50	3/20/2015	Field Maintenance
*	Logan	Lawler	\$8.50	5/5/2015	Field Maintenance
*	Claire	Dugan	\$8.25	5/5/2015	Field Maintenance
*	Riley	Hildreth	\$8.00	3/20/2015	Field Maintenance
	Lucas	Menke	\$8.00	4/1/2015	Facility Supervisor/Concessions
	Mitchell	Berry	\$8.00	3/20/2015	Facility Supervisor/Concessions
	McKenzie	McKnight	\$8.00	5/5/2015	Field Maintenance
	Jake	Youmans	\$8.00	4/28/2015	Field Maintenance
	Joseph	Howard	\$8.00	4/1/2015	Field Maintenance
	Jordan	Huff	\$8.00	5/5/2015	Field Maintenance
	Brianna	Chaplin	\$9.00	3/20/2015	Instructor/Field Maintenance
	JoAnn	King	\$10.00	3/1/2015	Activity Center Attendant
	Ed	Hallin	\$10.00	3/1/2015	Activity Center Attendant

RESOLUTION APPROVING SALARIES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDIANOLA, IOWA:

Luke Buhrow, Police Officer, from PO-5 \$55,186/year to PO-6 \$57,090/year effective April 5, 2015

Justin Keller, Police Officer, from PO-6 \$57,090/year to PO-7 \$57,995/year effective April 5, 2015

Tyler Smith, Light Equipment Operator, Range 19-2 \$39,471/year effective April 13, 2015

Greg Chia, Fire Chief, CE 13.5-2 \$94,453/year effective May 4, 2015

Denise Core, Part-time Library Assistant, from CE 1-6 \$13.385/hour to CE 1-7 \$13.812/hour effective May 17, 2015

Jim Isley, Seasonal Mower Operator, \$10.07/hour effective April 13, 2015

David Melling, Seasonal Mower Operator, \$9.27/hour effective April 13, 2015

Nathan Russell - Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015

Adrean Johnson -Wigley, Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015

Justin Shepherd, Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015

Devin Norman, Summer Seasonal Street Department, \$9.50/hour effective May 4, 2015

Attached 2015 Recreational Summer Seasonal Summer Staff

Passed and approved on the 6th day of April, 2015.

Kelly B. Shaw, Mayor

ATTEST:

Diana Bowlin, City Clerk

Information

Subject

Receive FY 13/14 Audit Report from Shull & Co.

Information

As required by Iowa Code, the Finance Director submits this report on an annual basis. It contains general, statistical and financial information about the city and was independently audited (packet) by Shull and Co. It is also used to meet continuing disclosure requirements for our outstanding general obligation bonds.

Arlen Schrum, Shull & Co., will attend the meeting to discuss the FY 13/14 audit and its findings. The City is in sound financial condition and no internal control issues were found.

Simple motion accepting FY 13/14 comprehensive annual financial reports (packet) is in order.

Attachments

City Audit

Electric Audit

Water Audit

Utilities Audit

CITY OF INDIANOLA

General and Statistical Information

**Financial Statements and Supplemental Information
(With Independent Auditor's Report Thereon)**

**Independent Auditor's Report on Compliance
and Internal Control over Financial Reporting**

Schedule of Findings

Year Ended June 30, 2014



Shull
and Co. P.C.
certified public accountants

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CITY OF INDIANOLA
Chief Accounting Officer's Report

March 1, 2015

To the Honorable Mayor, Members of the Council, and Citizens of the City of Indianola,

This comprehensive annual financial report consists of management's representations concerning the finances of the City of Indianola. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Indianola has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Indianola's financial statements. Because the cost of internal controls should not outweigh their benefits, the City of Indianola's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Indianola's financial statements have been audited by Shull & Co., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Indianola for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation.

The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City of Indianola's financial statements for the fiscal year ended June 30, 2014 are fairly presented. The independent auditor's report is presented as the first component of the financial section of this report.

Rules promulgated by the Iowa State Auditor's Office require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Indianola's MD&A can be found immediately following the statistical section of this report.

Profile of the Government

The City of Indianola, incorporated in 1864, is the county seat of Warren County and is located in the central part of Iowa approximately 17 miles south of the state capital, Des Moines. Indianola is considered part of the Des Moines MSA, one of the top growth areas in the state. The City of Indianola encompasses an area of approximately nine square miles and a population of 14,782. The City of Indianola is empowered to levy a property tax on real properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

CITY OF INDIANOLA
Chief Accounting Officer's Report (Continued)

City Council: The City of Indianola operates under a mayor-council form of government. Policy-making and legislative authority are vested in a governing body consisting of the mayor and six council members. The city council is responsible, among other things, for passing ordinances; adopting the budget; appointing commission and committee members; and, hiring the government's manager. The government's manager, whose duties are set by local ordinance, is responsible for carrying out the policies of the city council; overseeing day-to-day operations; and, appointing the employees of the various departments for the governmental functions under the management control of the governing council. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three of the members elected every two years. Four council members are elected by districts or wards while the two remaining council members and the mayor are elected at large. The mayor is elected to serve a four-year term.

The City of Indianola provides a full range of services, including police and fire protection; ambulance service; the construction and maintenance of highways, streets, and other infrastructure; recycling and organic material removal; and recreational activities and cultural events. The City of Indianola also operates a water pollution control (sewer) department as a utility under the management and control of the city council. The city participates in several non-related jointly governed organizations that provide goods or services including the South Central Iowa Landfill Agency, the Central Iowa Regional Transportation Alliance, the Marion/Warren County Drug Task Force, and the Community Athletic Facility.

Board of Trustees: The City of Indianola provides electric, water and telecommunications services as a discretely reported component unit under the management and control of a board of trustees. The board operates these three utilities as Indianola Municipal Utilities (IMU). The authority for management and control of each utility was established by a majority vote of the electorate as provided in the Iowa Code. The trustees are vested with the authorities of the city in relation to these utilities with the exceptions that the board may not: certify taxes to be levied; pass ordinances or amendments; or, issue general obligation or special assessment bonds. Real property is held in the name of the city; however, the utility board has all the powers and authorities of the city with respect to the acquisition or disposition of such property and the management, control, and operation associated with said property is subject to provisions of any outstanding obligations which are payable from the revenues of the city utility. Separate funds are maintained for each utility and operating budgets are subject to final approval by the city council. Utility fund balances deemed by the board of trustees to be in excess of the needs of a utility may be transferred to the city's general fund or other city funds as approved by the city council.

Five trustees serve staggered six-year terms and are appointed by the mayor and approved by the city council. The board of trustees appoints a general manager to oversee the day-to-day management of the electric, water and telecommunications utilities. The general manager appoints the employees of each of these utilities; carries out the policies of the board of trustees; and, performs other duties as determined by resolution of the board.

CITY OF INDIANOLA
Chief Accounting Officer's Report (Continued)

Other officials: The director of finance and administrative services serves as the chief accounting officer for all city services and submits the budget and year-end financial reports required of the city. The director of finance and administrative services has other financial duties and the city clerk has custodial duties as prescribed in Iowa Code, local ordinances, board resolutions, and by management discretion. An appointed treasurer serves as custodian for all funds. An attorney is also appointed to represent the city, its boards, and its commissions and performs certain functions prescribed in local ordinances and in the Iowa Code.

Budgeting process: The annual budget serves as the foundation for the City of Indianola's financial planning and control. The budget process, in general, is as follows:

- The city council sets its budget objectives and reviews major known factors.
- The city manager and the general manager each submit 5-year capital improvement project budgets to the respective managing authority for review and adoption.
- Departments submit operating budget requests to the city manager or general manager as appropriate.
- The city manager and the general manager compile their respective annual budgets for review. Budgets are prepared by fund (e.g. general), function (e.g. public safety), and department (e.g. police).
- The board of trustees adopts budgets for the electric, water and telecommunications utilities. These are compiled with governmental services and sewer utility budgets and are provided to the public by publication.
- The city council sets and conducts a public hearing on the budget.
- The city council adopts the budget and the budget is filed with the county auditor and the State of Iowa no later than March 15 of each year.

The State of Iowa limits expenditures to the total amount budgeted by function. Expenditures for individual departments, services or line items may exceed those budgeted as long as total expenditures by function are not exceeded. Budget amendments are permitted under provisions similar to the adoption of the original budget. In this report, the current year's budget is compared to the actual expenses by function.

Cash management policies and practices: The city annually reviews and adopts an investment policy outlining the roles and responsibilities in making investments using available cash balances. The director of finance and administrative services and the treasurer are jointly responsible for the investment of funds with oversight by the council and board of trustees.

Cash, which is temporarily idle during the year, is invested in bank deposits; money market funds; repurchase agreements; and/or the Iowa Public Agency Investment Trust. These temporary cash deposits were maintained in stable value investments with an average rate of return of 0.35%.

CITY OF INDIANOLA
Chief Accounting Officer's Report (Continued)

The city invests reserve funds (those not intended to be expended within 365 days) in a portfolio with the assistance of an investment advisement firm. The investment portfolio includes mortgage-backed securities; preferred stock; obligations of the U.S. Treasury or its agencies; and, cash held in a public entity money market fund. At fiscal year end, the effective duration of the portfolio is 2.9 years with a current yield of 2.15%. Reported returns may include changes in fair value during the year but do not necessarily represent continuing returns; therefore, it is not always possible to realize changes in fair value, especially in the case of temporary changes for securities the city intends to hold until maturity.

Additional information on the City of Indianola's cash management can be found in notes to the financial statements.

Risk management: The City of Indianola participates in the Iowa Communities Assurance Pool (ICAP), a local government risk-sharing pool with over 500 members throughout Iowa. The city makes annual contributions to ICAP recorded as disbursements from its operating funds for vehicle, property, casualty and liability coverage. The city maintains reserve funds to meet deductibles. The city also participates as a member of the Iowa Municipal Workers' Compensation Association (IMWCA) and pays the associate premiums from its operating funds. The city purchases boiler and machinery insurance from a private carrier. In addition, the city has an ongoing safety program to maintain a safe environment for employees and the public. Additional information on the City of Indianola's risk management activity can be found in notes to the financial statements.

Pension and other post-employment benefits: The City of Indianola provides pension benefits for its employees. With the exception of Police officers, these benefits are provided through a statewide plan managed by the Iowa Public Employees Retirement System (IPERS). Benefits for police officers are provided through a statewide plan managed by the Municipal Fire & Police Retirement System of Iowa (MFPRSI). The city makes periodic payments based on earned compensation by active employees; however, the city has no obligation in connection with employee benefits offered through these plans.

The City of Indianola also provides post-retirement access to its medical insurance plan until age 65 as required under Iowa Code. Retirees contribute an amount equal to the premium amount charged to the city on a monthly basis.

The City of Indianola maintains a health reimbursement arrangement (HRA) for the benefit of employees. The city makes a fixed annual contribution that allows each employee to be reimbursed for any medical expense allowed under IRS Code. If the employee does not utilize the full amount provided in any fiscal year, the balance is carried forward for use in a future period, even after retirement. Disbursements are paid out of operating funds and not held in trust. They are, however, accounted for in a sub-fund that is separate from other operating funds for budgetary control. Unpaid HRA balances totaled \$206,331 as of June 30, 2013.

Additional information on the City of Indianola's pension arrangements and other post-employment benefits can be found in notes to the financial statements.

CITY OF INDIANOLA
Chief Accounting Officer's Report (Continued)

Closing

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. As allowed under Iowa Code and administrative rules, the City of Indianola issues its financial statements on the basis of cash receipts and disbursements. Cash basis is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Pursuant to these requirements, I hereby issue the comprehensive annual financial report of the City of Indianola for the fiscal year ended June 30, 2014.

Christopher DesPlanques, CPA
Director of Finance and Administrative Services

**CITY OF INDIANOLA
CITY OFFICIALS AND BOARD OF TRUSTEES
JUNE 30, 2014**

<u>Name of Official</u>	<u>Official Title</u>	<u>Term Expires December 31</u>	<u>Amount Of Bond</u>
Kelly Shaw	Mayor	2017	300,000
John Parker Jr.	Councilperson First Ward	2015	300,000
Eric Mathieu	Councilperson Third Ward	2015	300,000
Greg Marchant	Councilperson At-Large	2015	300,000
Pam Pepper	Councilperson At-Large	2017	300,000
Greta Southall	Councilperson Fourth Ward	2017	300,000
Brad Ross	Councilperson Second Ward	2017	300,000
Eric Hanson	City Manager		300,000
Christopher Des Planques	Director of Finance & Community Services		300,000
RoxAnne Hunerdosse	Human Resource Director		300,000
Diana Bowlin	City Clerk		300,000
Doug Shull	City Treasurer		300,000
Ryan Ellis	City Solicitor		300,000

Indianola Municipal Utilities Board of Trustees
Authority: Indianola Code of Ordinances Section 25.02

<u>Name</u>		<u>Term Expires January 2</u>	<u>Amount Of Bond</u>
Eric VanderLinden	Chairperson	2015	300000
Deb White		2016	300,000
Pat Reding		2018	300,000
Grant Johnson		2019	300,000
Heather Hulen		2020	300,000
Todd Kielkopf	General Manager of Utilities		300,000

All other city employees are bonded under the Cincinnati Insurance Employee Loss Coverage, "Faithful Performance Blanket Position Bond," # B0359727 in the amount of \$300,000.

	Council Committee
<u>Council Study Committee</u>	Greg Marchant
	Eric Mathieu
	John Parker Jr.
	Pam Pepper
	Brad Ross
	Greta Southall

**CITY OF INDIANOLA
CITY BOARD AND COMMISSIONS
JUNE 30, 2014**

LIBRARY BOARD

Authority: Indianola Ordinance Chapter 17.3

Term - 6 Years

Meeting: 2nd Tuesday of every month

<u>Name</u>	<u>Term Expires</u>
Jim Lee	July 1, 2014
Pat Hicks	July 1, 2014
Dick Kerr	July 1, 2016
Kathy Farris	July 1, 2016
Mark Jufferbruch	July 1, 2016
Mary Jane Cassady	July 1, 2018
Rhonda Sayler	July 1, 2018

PARK AND RECREATION COMMISSION

Authority: Indianola Ordinance No. 520

Term - 3 Years

Meeting: 1st Wednesday of every month

Laura Beals	January 1, 2015
Cyd Dyer	January 1, 2015
Jennifer Leech	January 1, 2016
Roger Netsch	January 1, 2016
Jon Hagener	January 1, 2017
John Anderson	January 1, 2017

PLANNING AND ZONING COMMISSION

Authority: Indianola Ordinance Chapter 16.2

Term - 5 Years

Meeting: 2nd Tuesday of every month

Doug Opie	February 1, 2015
Cindy Johnson	February 1, 2015
Mary Donaghy	February 1, 2016
Rich Piper	February 1, 2016
Tiffany Coleman	February 1, 2017
Josh Rabe	February 1, 2017
Bob Ormsby	February 1, 2018
Joe Butler	February 1, 2018
Al Farris	February 1, 2019
Misty Soldwisch	February 1, 2019

**CITY OF INDIANOLA
CITY BOARDS AND COMMISSIONS
JUNE 30, 2014**

BOARD OF ADJUSTMENT

Authority: Indianola Ordinance No. 341 - Code of Iowa 414.7

Term - 5 Years

Meeting: 1st Wednesday of month on call

<u>Name</u>	<u>Term Expires</u>
Marty Miller	December 31, 2014
James Sullivan	December 31, 2015
Dennis Parker	December 31, 2016
Reed Thacker	December 31, 2017
Aaron Rasko	December 31, 2018

MEMORIAL BUILDING COMMISSION

Authority: Code of Iowa Chapter 37.9

Term - 3 Years - Meeting: On Call

Ray Walton	July 1, 2014
Dan Aldridge	July 1, 2015
Rick Branson	July 1, 2016
Darwin Brown	July 1, 2016
Bob Greener	July 1, 2016

CIVIL SERVICE COMMISSION

Authority: Indianola Ordinance No. 378

Term - 4 Years

Meeting: On Call

Wayne Petersen	First Monday in April, 2015
John Monroe	First Monday in April, 2016
Celeste Gebhart	First Monday in April, 2018

FINE ARTS & COMMUNITY BEAUTIFICATION COMMISSION

Authority: Indianola Ordinance No. 423

Term - 3 Years

Meeting: 1st Tuesday of every month

CITY OF INDIANOLA

Operational Review

City operations are divided into many departments and offices, all of which work toward the common goal of providing superior services to the citizens of Indianola. While the functions of each department may be varied, it is a cooperative effort on everyone's part that enables us to reach this goal. It's not uncommon to see two or more departments working together to solve some problem or complete a project. The Mayor, Council, boards and administrative staff encourage teamwork and it results in an enhanced quality of life for the citizens of Indianola.

The following summary provides a brief review of the various Departmental operations during the 2013-14 fiscal year.

Public Safety: The major Public Safety activities are police, fire, ambulance services and building and zoning regulation.

- **Police:** The Indianola Police Department is currently at its full strength contingent of nineteen sworn and six civilian employees. During a majority of 2014, the department operated with less than the full complement of officers while the calls for service increased 38%, from 7,399 in 2013 to 10,234 in 2014. The department emphasized increasing our visibility and traffic safety in 2014 and saw traffic citations and warnings increase 86%, from 1338 to 2498.

The department operates five fully marked squad cars and three unmarked vehicles. A new fully marked SUV was placed in service in 2014 bearing the new black and white color scheme. New in-car computers replaced the outdated computers in each of the marked squad cars. The department also finished equipping each marked squad car with a portable AED for use in cardiac emergencies.

The Iowa Law Enforcement Academy establishes a minimum number of hours of training required of each law enforcement officer in the state. The department exceeded the minimum, and the department collectively received 942 hours of training. The department started a rifle program in 2014 and added a second firearms instructor.

Community outreach is very important to the department. The department's charity, IPDCOP, provided thanksgiving meals and Christmas meals to community families in need, took children Christmas shopping, provided breakfast to local veterans, and took a group of children on a fishing outing during 2014.

- **Fire and Ambulance:** The Indianola Fire Department experienced a slight increase in calls for 2014 for a new record year. There were four major fire losses listed in order of loss; 307 S B St was our only fire fatality with \$5000 loss, 15205 Fairfax St with \$190,000 loss, 6793 168th Ave with \$120,000 loss and 18929 Hwy 92 with \$40,000 loss. The total dollar loss for the year was \$411,200; this dollar loss was a 30% decrease verses 2013. In addition to the regular activities that the full and part-time staff accomplished each day, staff responded to 2,053 fire and EMS incidents. This is an increase of 9% over the previous year. The 2,053 alarms consisted of: 88 fires; 27 Haz-Mat; 44 good intent; 104 false alarms; 6 weather-related and 2 other. The balance accounts for 1,782 EMS calls which is where all of the 9% increase was seen as there was a slight decrease in fire responses for the year.

CITY OF INDIANOLA Operational Review (Continued)

As of January 1, 2015, the department had one full-time chief, one full-time training officer, six full-time firefighters/medics, 1 full-time billing specialist, 19 part-time firefighter/medics, 26 paid on call for a total staff of 54 with no members on leave. Staff coverage continues with full-time staff working 24/48 shifts and part-time staff covering 7-days a week from 8:00 a.m. to 5:00 p.m.

Training is a big part of the department's time. Training is conducted every Monday night and several attend training on their own including nights and weekends. Some attend area fire schools and EMS conferences to keep their certifications current. The total hours that POC staff give for training held within our department was 3,633 hours and responses were 9116 hours for a total of 9,116 hours. This equates to the average paid on call staff giving over 202 hours toward regular training and calls each year. These calculations exclude the time the full-time staff puts towards calls and training.

Public Works: The street department staff members are dedicated to providing excellent service to the citizens of Indianola. The street department has kept busy by performing annual street repair, concrete and asphalt replacement/repair, crack sealing, street sweeping, and snow plowing. These are the major functions which occupy a substantial amount of time for the department. In addition, several storm sewer intakes were replaced or repaired along with maintaining the hundreds of street and traffic signs throughout the city.

Culture and Recreation: Culture and Recreation: Parks and Recreation programs, events, parks and facilities continued to be very important to the majority of Indianola residents. Participation and use were at high levels and many opportunities and enhancements were provided to help keep the quality of life at a high level.

We had another great year offering many new program opportunities and completing several improvements to the city parks. All that we are able to accomplish is largely due to the support and assistance we get from the Indianola citizens, volunteers, businesses, organizations, Indianola Community Schools, City Council, IMU, city departments and the parks and recreation commission.

New and strengthened cooperative partnerships and volunteer involvement allowed us to add or expand new programs and facilities including a Butterfly Flourish Sculpture and Drinking Fountain at Buxton Park. Over 30 free community events were offered including 2 Story Walks and "The Zone" – a free after school program for youth in 6th-8th grades. With the help of our partners, grants, sponsorships, advertising and grants totaled over \$61,000 to offset the costs of facilities and programs.

Thanks to community involvement, we had 528 volunteers donate 4,728 hours, 5,706 program registrations, 1,736 games played on the Pickard Softball Fields and served over 2,000 different families.

- **Veterans Memorial Aquatic Center:** The facility served over 23,000 visitors. Over 500 youth were served by the swim lesson program. The season was unusually mild during the months of July and August, contributing to an attendance and revenue decline. Much work was done on the pool gutter system and deck concrete repairs, showing a substantial reduction in chemical and utility costs. The lily pad play area was upgraded with five new pads. Overall operations were efficient and effective, especially ensuring facility safety. Forty seasonal staff assisted in operation of the facility, as well as assistance from the Parks Department, IMU, City Clerk's office, and IT Services.

CITY OF INDIANOLA
Operational Review (Continued)

The following table details the park system:

	<u>Acres</u>
Barker Park	1.20
Buxton Park	5.43
Dayton Park	1.08
DeNelsky Park	22.9
Downey Memorial Park	10.62
Easton Park	2.39
Indianola Activity Center	9.60
McCord Park	16.85
McVay Trail	13.30
Memorial Park	13.72
Moats Park	4.14
Pickard Park	160.00
South Park	4.47
Veterans Memorial Pool	3.50
Willow Creek Totlot	0.65
	<u>269.85</u>

- **Indianola Public Library:** Library patrons checked out 133,174 items which equals 9.0 items checked out by each resident. Attendance at 436 programs totaled 10,492. Library computers were used 14,686 times. Each item in the Library's collection was checked out an average of 2.25 times.

In addition to ebooks and eaudio, library patrons can now download songs with a valid library card. Patrons also have access to a variety of online resources from car repair manuals to reference topics.

- **Business-type or proprietary:** Indianola has four services that are classified as business-type services. Although the utility operations are divided into departments, they all work toward the common goal of providing superior services to the citizens of Indianola. The electric, water, and telecommunication departments are a discretely reported component unit. However, given their degree of importance to the overall services received by citizens, this operational review contains information pertaining to these activities in the next section of this report. The following summary provides a brief review of the various departmental operations during the 2013-14 fiscal year.
- **Water Pollution Control Department:** Full staff includes the Superintendent, 6 operators and a part-time office manager. We are no longer under Consent Order from the Iowa Department of Natural Resources. This Consent Order was lifted in May of 2014.

Construction was completed on Phase IV (final phase) in March of 2014. All punch list items were completed and final pay has been processed.

Residential I&I inspections and testing are being completed only by request.

CITY OF INDIANOLA Operational Review (Continued)

The treatment plant issues this year are going to be the lack of CBOD into the plant. We have found that we are about 50% lower in the influent CBOD. This creates issue with the treatment process. We will be working on identifying the reduction in CBOD. We will also need to have a plan to provide a good nitrogen source for the plant if this cannot be identified.

HR Green assisted the city in completing a site plan and several Waste Water Treatment Plant including: facility rehab projects on the RAS station, the south final clarifier equipment and general building maintenance.

There are several rehabilitation projects that are underway at the WPC plant. They are designed to remedy some capacity issues and extend the life of the current plant until a new plant can be constructed. The WPC department and HR Green have also completed the collection system Hydraulic Study.

HR Green will be proposing a contract to design a new facility plan. This will determine the future of Wastewater Treatment Plant for the City of Indianola.

- **Electric Utility.** The electric utility provides reliable service by purchasing wholesale energy for the community as a whole, receiving it over the transmission system, generating electricity within Indianola as needed, and distributing it safely to customers. Significant progress toward implementing operational strategies include:
 - Continued wreck-out of the East Side Conversion Project; negotiated final terms and conditions towards accepting the project as-is with IMU to complete restoration work
 - Finished plans & specifications for the I-35 Transmission Relocation Project; purchased materials
 - Added to authorized amounts of participation (using existing bond proceeds) in the CAPX2020 project to reflect lower-than-budgeted construction costs
 - Proactively hired one new lineman position, which resulted in shifting of positions among several IMU crew members
 - Continued termination work on the Hwy 65/69 Conversion Project
 - Adopted plans to start replacing streetlights on The Square (in the fall of 2014)
 - Monitored construction of the I-35 Transmission Relocation project
 - Worked to complete plans and revised drafts for the W Hwy 92 Transmission Relocation project
- **Water Utility.** The water utility provides reliable water service by pumping it from wells, treating it, keeping enough in storage to meet daily needs, and distributing it to customers. Significant progress towards implementing operational strategies include:
 - Completed construction on the Ann Parkway Water Main project
 - Finalized the A.T&T. (New Cingular) cellular tower lease contract to be located at the Simpson Water Tower
 - Transferred 210 N. First to the City of Indianola in exchange for \$100,000 over 5 years
 - Accepted a contract for the aerator replacement project (fall 2014 construction)
 - Updated Fluoride notices with an FAQ and other pertinent information

CITY OF INDIANOLA
Operational Review (Continued)

- **Water Utility (continued)**
 - Completed repairs to Well #11
 - Well #9 developed casing issues; scheduled initial repairs
 - Let the 2014 W IA Ave. Water Main replacement project
- **Communications Utility.** The communications utility provides the infrastructure that transmits affordable, competitive, and technologically advanced telecommunications service for both retail and other public uses. Telephone and Internet services are offered to commercial customers through a contractual private/public partnership. Significant progress towards implementing operational strategies include:
 - Continued to connect new residential & commercial customers and address operational issues with MCG
 - Worked to initiate service at the Indianola YMCA after competitors were not able/willing to serve the new facility
 - Worked with MCG staff on new marketing efforts & implemented connections at multi-family dwellings transitioning from free internet service (as part of rent) to MCG service
 - Revised expansion priorities; now planning for W Hwy 92, then N. Howard area, then proceed with fill-in projects
- **Administration.** All three utilities are administered by a combination of the IMU Board of Trustees and their staff, services provided by the City of Indianola through cost-sharing arrangements, and third-party contractors.

Public works activities primarily involve co-managing the public right of way. IMU also supports economic development and community betterment activities. Third, there are utility-specific services such as technical activities, safety, and utility programming. Last are the governance and professional services associated with oversight, regulatory actions, general management, human resources, fiduciary controls, public notifications and information systems, and legal compliance & risk management.

Public Works:

- Continued removing IMU poles; indication from both Century Link & Mediacom that they will soon start on priority areas
- Repainted street lights along north Hwy 65/69 (from Hillcrest south) where corrosion was visible
- Mediacom bored conduit in priority areas; cable is still aerial, however
- Finalized plans to replace streetlights on The Square (fall 2014)

Economic Development & Community Betterment:

- Planning meetings held regarding potential on-campus and outreach EMERGE programs
- Classes held to help new small business owners
- Meetings held with Simpson College regarding their upcoming strategic planning and developing EMERGE@Simpson College stands as a priority program

CITY OF INDIANOLA
Operational Review (Continued)

Economic Development & Community Betterment (continued):

- Meetings held with the IDA & Warren County to review both the proposed EMERGE hub (software platform), 28E building proposal, and local programs\
- Reports made by the IDA on progress over the past 2 years
- Continued EMERGE Hub planning with design team; continued EMERGE@Simpson College planning with Simpson leadership & IDA staff
- Continued EMERGE Hub planning with design team
- EMERGE@Simpson College direction set for 2014 & 2015
- Drafted IMU Partners scope of services with the IDA for FY 2015

Technical Services & Programs

- IMU Network Services summary edited & published in the founding issue of innovationIOWA
- Held the annual Customer Appreciation Luncheon in the IMU line shop
- Finished drafting bylaws to form the IMU Partners Agency (sent on for legal review)
- Set up Internet video channel; held planning meetings regarding video options
- Renewed the GIS Agreement with Warren Co. & City of Indianola
- Began using LinkedIn to update customers on IMU activities
- Expanded Key Account personal visits with larger customers
- Began investigation of the factors that determine the viability of a community-owned solar array
- Continued planning for the W. Hwy 92 relocation projects
- Revised IAMU Apprenticeship expectations/program adoption
- Held first meeting of IMU Partners, adopted policies, and discussed potential FY 2015 activities.
- Worked with MCG on new marketing plans (implementing the summer/fall of 2014)
- IMU staff more proactively meeting with WCEDC & Chamber of Commerce staff and attending their events
- Started participating as a member of the design team on an IAMU community solar (proposed to US Dept. of Energy, local match by the IA Energy Center) grant project
- Planned for a community sustainability planning forum
- The State of Iowa adopted the 2012 National Electric Safety Code, which is referenced in IMU safety & service plan documents

Governance and Professional Services:

- Adopted the 2013-15 Strategic Plan and reviewed associated Capital Improvement Plan components
- Updated & adopted new Employee Handbook, Mgmt. Personnel Policy Manual, and misc. policy manual
- Held first "General Manager Year-End" event and selected Jason Henle as the first IMU Employee of the Year
- Developed a hiring plan to begin training new linemen in anticipation of pending retirements over the next 3-5 years

CITY OF INDIANOLA

Operational Review (Continued)

Governance and Professional Services (continued):

- General Manager Todd Kielkopf was named Chair of the MEAN Risk Management Committee and elected Secretary/Treasurer of the MEAN Board of Directors
- Adopted FY 2015 budget within the context of ratios needed to retain an “A” rating
- Reviewed insurance deductibles/coverage options
- Technical Services Director Mike Metcalf was selected to serve on the IAMU Electrical Safety & Training Committee
- Completed union negotiations resulting in a 2-year agreement
- IMU awarded Platinum-level RP3 status by APPA
- Adopted a policy pertaining to imposing a Cost of Power Adjustment for bills issued starting July 1, 2014
- Monitored EPA pronouncements pertaining to new rules on carbon reduction targets for existing power plants
- Held joint meeting with the Mayor/City Council
- Issued RFP for Banking Services; awarded to City State Bank (summer 2014 transition)

General Government: The City of Indianola supports a proactive stance toward economic development, enhancing the local economy, and promoting efficiency. Major programs and events are:

- Continuation of a citywide residential urban revitalization (tax abatement) program that began in February 1998 has encouraged development and continues to strengthen the tax base.
- An aggressive schedule of improvements to infrastructure and facilities including sewer main extensions along highway corridors.
- Purchase and sale of real estate for redevelopment under the Dangerous & Dilapidated building program.
- Promotion and financing of the Downtown Business Incentive program to enhance the aesthetics of the area.
- Removal of storm water from entering the sanitary sewer system (I&I program). The entire community will benefit through decreased operation and maintenance expenses, decreased capital expenses, and increased sewer plant capacity.
- Completed 60,000 plus square feet recreational/wellness facility with 2 pools, a walking track, exercise rooms, racquetball courts and a gymnasium.

City staff takes a proactive role in communicating community events with staff and citizens. The Government Access Channel, established in January 1995, provides agendas, schedules, public safety and promotional information for government sponsored programs. Meetings are broadcast live to cable subscribers and re-broadcast throughout the week. The City of Indianola also regularly invests resources to enhance communications through its web sites which includes programming information, links to other community resources, and minutes of meetings. Utility payments, recreation program fees, parking tickets and certain other fees can be paid online.

CITY OF INDIANOLA
Operational Review (Continued)

Departments have learned to utilize electronic information systems to improve services. Each building is connected by a high-speed data network over fiber optic lines. Internet access and e-mail systems are also shared. In addition, the City Clerk's Office has improved its document imaging system to improve the retrieval of information and eventually additional features.

The following table summarizes the activities of the Clerk's Office (calendar year):

Permits/Licenses	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Water	80	90	11	38	35	21	33
Plumbing	106	62	75	42	62	59	31
Electric	113	60	93	103	99	88	36
Mechanical	104	62	42	56	97	53	14
Sewer	95	61	19	66	39	20	27
Warrants Written	8,865	8,883	8,921	9,257	9,237	9,304	9,852
Ordinance Adopted	19	22	24	23	26	16	22
Cigarette	18	18	20	17	17	16	15
Bicycle	5	5	2	2	2	2	7
Beer	15	15	15	15	16	16	16
Beer-Liquor	15	15	15	15	17	18	18
Sunday Beer & Liquor	29	29	29	29	29	28	29
Beer-Wine	3	3	3	3	3	3	3

Internal Service: The City of Indianola maintains a fund for employees' health insurance with premiums paid from each departmental fund. Premiums are targets at 75% of maximum cost exposure. Reserves are targeted at 25% of annual claims plus 2 times the difference between expected claims and maximum costs.

CITY OF INDIANOLA
Statistical Section

To compliment the financial review of the City of Indianola, the following statistical tables are attached. Below you will find a list of tables with some explanatory information:

Government-Wide Expenditures. These are the cash-based expenditures for the past 10 fiscal years. Capital projects are expensed in the function in which they occur, not solely in capital projects funds.

Governmental Revenues by Source. These are the sources of revenue for the non-proprietary activities of the City of Indianola.

Tax Revenues by Source. These are the sources of tax revenue for the City of Indianola.

Tax Collection Trend. This table shows how effective Warren County collects the property taxes levied for the City of Indianola.

Separate & Consolidated Rates. This table lists the property tax rates of the taxing authorities that govern the citizens within the City of Indianola. Agricultural land within cities is taxed at a different rate than other types of property.

100% Valuations. These are the approximate market values of the different types of property within the City of Indianola. The Operating Levy Total and Debt Levy Total do not contain Agricultural property values, since these values are taxed at a different rate. The Debt Capacity Total does contain the Agricultural property value.

Taxable Valuations. These are the property values that are subject to the property tax levies.

Debt Margin. Iowa Code limits cities' General Obligation debt to 5% of the total valuation of property. This table shows the amount of debt outstanding subject to this limitation and the capacity of the City of Indianola to assume more debt.

Building permits. This table shows the trend of new construction in the City of Indianola, the number of new housing units, and the amount of commercial or industrial construction.

Demographics. This is an attempt to show the growth of the community, its level of prosperity, and economic conditions over various historical periods.

CITY OF INDIANOLA
Statistical Section (Continued)

History of Government-Wide Expenditures

Fiscal Year	Public Safety	Public Works	Health & Social Services	Culture & Recreation	Community Economic Development	General Government (Adm.)	Debt Service	Capital Projects	(Business- type) Enterprises	Total
2004	2,575,157	1,236,314	-	1,681,481	109,684	838,593	1,412,173	194,328	12,433,507	20,481,237
2005	3,064,420	1,159,047	-	1,661,909	90,030	931,371	1,538,643	1,790,458	12,716,343	22,952,221
2006	3,098,730	1,338,627	-	1,937,224	65,386	972,894	1,623,792	958,781	16,858,260	26,853,694
2007	3,085,938	1,256,816	-	1,943,116	617,772	965,144	1,974,772	3,035,031	13,936,478	26,815,067
2008	3,173,199	1,348,228	-	1,904,951	83,781	995,408	1,956,788	966,952	13,123,248	23,552,555
2009	3,269,051	1,282,170	-	2,316,774	104,155	1,037,373	2,219,139	1,678,814	13,608,628	25,516,104
2010	3,356,420	1,151,365	-	1,970,347	146,617	1,144,193	2,276,338	2,713,018	15,766,541	28,524,839
2011	3,534,467	1,177,500	-	1,978,160	123,554	1,187,419	5,553,409	1,904,709	22,949,882	38,409,100
2012	3,893,610	1,320,362		2,097,728	1,295,997	1,292,181	3,368,178	2,778,035	24,171,255	40,217,346
2013	3,902,002	1,416,552	-	2,130,514	704,168	1,411,552	2,622,940	16,012,963	18,646,956	46,847,647
2014	4,267,845	1,341,786	-	2,092,304	430,585	1,509,360	3,000,167	2,860,272	20,645,747	36,148,066

Notes:

Transfers not included as expenditures.

CITY OF INDIANOLA
Statistical Section (Continued)

Governmental Revenues by Source

Fiscal Year	Taxes	Licenses & Permits	Inter- governmental	Charges for Services	Fines	Use of Money & Property	Special Assessment	Misc.*	Total
2004	3,880,373	209,890	1,540,566	720,225	78,004	160,430	101,884	1,002,420	7,693,792
2005	4,269,106	194,540	2,082,365	765,904	100,226	161,169	310,620	940,741	8,824,671
2006	4,549,048	163,875	1,366,839	897,130	115,328	163,875	148,054	1,226,974	8,631,123
2007	4,832,068	198,689	2,255,915	867,211	110,906	362,480	284,420	1,465,204	10,376,893
2008	5,152,853	187,498	1,813,521	1,033,928	92,912	320,015	331,949	1,495,550	10,428,226
2009	5,488,299	66,923	1,648,354	1,117,293	81,114	339,169	161,882	270,351	9,173,385
2010	5,657,732	96,392	2,337,365	888,562	67,589	366,428	197,299	351,202	9,962,569
2011	5,839,564	197,339	1,825,570	980,350	77,951	318,802	92,034	545,225	9,876,835
2012	6,229,085	144,940	1,651,642	987,982	81,150	298,088	139,226	334,909	9,867,022
2013	6,738,674	117,693	2,060,498	993,286	57,955	326,083	144,055	295,066	10,733,310
2014	7,150,122	164,364	1,692,398	1,024,228	54,590	335,498	109,522	1,926,196	12,456,918

*Excludes self-insurance pool (classified as business-type internal service fund beginning in 2003), proceeds from fixed asset sales, and issuance of debt. Includes only transfers in for utility payment in lieu of taxes and administrative office cost allocations from utilities.

Tax Revenues By Source

Fiscal Year	Franchise				Total
	Property	TIF	Fees	Hotel/Motel	
2004	3,657,046	104,611	55,079	63,637	3,880,373
2005	3,953,157	188,396	55,505	72,048	4,269,106
2006	4,193,386	242,399	54,120	59,143	4,549,048
2007	4,302,701	414,117	54,605	60,645	4,832,068
2008	4,380,621	652,572	57,417	62,243	5,152,853
2009	4,739,284	632,566	58,208	58,241	5,488,299
2010	4,826,350	712,476	61,406	57,500	5,657,732
2011	4,836,322	865,761	81,666	55,815	5,839,564
2012	4,929,376	1,146,801	85,196	67,712	6,229,085
2013	5,163,954	1,368,810	144,189	61,721	6,738,674
2014	5,472,196	1,383,060	225,916	68,950	7,150,122

CITY OF INDIANOLA
Statistical Section (Continued)

Tax Collection Trend

(Collection) Fiscal Year	Total Levied	Amount Collected*	% Collected
2004	3,664,800	3,657,046	99.8%
2005	3,921,085	3,953,157	100.8%
2006	4,186,938	4,193,386	100.2%
2007	4,322,757	4,302,701	99.5%
2008	4,348,256	4,380,621	100.7%
2009	4,717,671	4,739,284	100.5%
2010	4,786,023	4,826,350	100.8%
2011	4,788,677	4,836,322	101.0%
2012	4,916,871	4,929,376	100.3%
2013	5,147,991	5,163,954	100.3%
2014	5,339,600	5,472,196	102.5%

* includes delinquent taxes, if any.

CITY OF INDIANOLA
Statistical Section (Continued)

Property Tax Rates
Separate and Consolidated
Levy Rate per \$1,000 Taxable Valuation

	City of Indianola				County			School District				
Fiscal Year	Operating	Benefits & Ins.	Debt Service	Total	Operating	Other	Total	Operating	Debt Service	Total	Other	Total
2004	8.10	1.35	2.20	11.65	4.92	0.32	5.24	15.25	3.55	18.80	1.00	36.69
2005	8.10	1.38	2.17	11.65	5.66	0.36	6.02	15.02	3.38	18.40	1.06	37.13
2006	8.10	1.70	2.10	11.90	5.69	0.34	6.03	15.53	2.87	18.40	1.11	37.44
2007	8.10	1.75	2.10	11.95	6.08	0.35	6.43	16.19	2.70	18.89	1.14	38.41
2008	8.10	1.75	2.00	11.85	6.45	0.34	6.79	16.56	3.63	20.19	1.05	39.88
2009	8.10	1.55	2.00	11.65	6.11	0.30	6.41	16.81	3.24	20.05	1.05	39.16
2010	8.10	1.35	1.90	11.35	3.50	2.64	6.14	15.25	4.74	19.99	0.95	38.43
2011	8.10	1.30	1.90	11.30	3.50	2.48	5.98	16.22	4.67	20.89	0.95	39.12
2012	8.10	1.25	1.85	11.20	3.50	2.28	5.78	16.04	4.85	20.89	0.99	38.86
2013	8.10	1.15	1.95	11.20	3.50	2.22	5.72	15.57	2.09	17.66	1.07	35.65
2014	8.10	2.60	2.00	12.70	3.50	2.22	5.72	15.09	4.05	19.14	1.03	38.59

Ag Land

2004	3.00
2005	3.00
2006	3.00
2007	3.00
2008	3.00
2009	3.00
2010	3.00
2011	3.00
2012	3.00
2013	3.00
2014	3.00
2013	3.00

CITY OF INDIANOLA
Statistical Section (Continued)

100% Valuations

Fiscal Year	Residential	Ag/Bldgs	Commercial	Industrial	Personal Property	Rail & Utilities*	Gross Valuation	Exemptions	Total Valuation
2004	395,938,322	1,534,675	100,904,039	5,109,575	-	5,508,783	508,995,394	1,476,970	507,518,424
2005	445,274,397	1,035,300	114,196,095	5,004,142	-	5,063,217	570,573,151	1,464,932	569,108,219
2006	461,811,540	1,044,700	123,584,680	9,514,780	-	5,266,201	601,221,901	1,415,928	599,805,973
2007	491,599,280	1,117,600	130,585,000	13,051,885	-	5,609,331	641,963,096	1,439,904	640,523,192
2008	518,949,280	1,195,800	132,933,300	13,084,925	-	5,197,890	671,361,195	1,433,422	669,927,773
2009	600,967,220	1,344,000	141,538,420	14,231,700	-	5,354,152	763,435,492	1,499,194	761,936,298
2010	617,326,560	1,342,200	142,844,860	15,142,160		5,369,669	782,025,449	1,476,970	780,548,479
2011	610,354,360	1,874,500	143,432,485	15,163,880		5,582,297	776,407,522	1,493,638	774,913,884
2012	625,085,080	1,839,975	145,851,590	15,799,955		5,777,351	794,353,951	1,486,230	792,867,721
2013	646,903,900	4,447,700	156,223,760	15,475,490		2,389,713	825,440,563	1,451,042	823,989,521
2014	655,164,820	3,081,278	162,035,585	15,666,500		4,104,432	840,052,615	1,426,040	838,626,575

*includes gas & electric valuations at rates levied by the State of Iowa

CITY OF INDIANOLA
Statistical Section (Continued)

Taxable Valuations

Fiscal Year	Residential	Ag/Bldgs	Commercial	Industrial	Personal Property	Rail & Utilities*	Gross Valuation	Exemptions	Total Taxable Valuation
2004	203,460,846	1,534,675	100,904,039	5,109,575	-	5,508,783	316,517,918	1,476,970	315,040,948
2005	215,594,811	1,035,300	113,325,316	5,004,142	-	5,009,405	339,968,974	1,464,932	338,504,042
2006	221,243,341	1,044,700	120,608,343	4,641,582	-	5,065,357	352,603,323	1,415,928	351,187,395
2007	224,958,069	1,117,600	122,612,610	7,773,332	-	5,211,239	361,672,850	1,439,904	360,232,946
2008	255,353,906	1,195,800	120,608,343	4,641,582	-	5,354,152	387,153,783	1,499,194	385,654,589
2009	262,021,987	1,207,178	127,874,259	10,422,723	-	4,780,591	406,306,738	1,499,194	404,807,544
2010	278,482,876	1,258,303	127,591,097	10,578,951	-	4,818,592	422,729,819	1,476,970	421,252,849
2011	282,264,068	1,196,187	128,329,005	7,442,455		4,559,534	423,791,249	1,493,638	422,297,611
2012	297,423,424	1,222,266	127,240,836	4,649,639		4,812,221	435,348,386	1,486,230	433,862,156
2013	317,835,762	1,148,540	127,934,078	2,613,568		4,861,537	454,393,485	1,469,562	452,923,923
2014	365,146,253	1,200,820	145,832,027	14,103,850		4,104,432	530,387,382	1,426,040	528,961,342

*includes gas & electric valuations at rates levied by the State of Iowa

**military

	Operating Levy Total	TIF District Valuation	Debt Levy Total	100% Valuation Total	Ratio of Taxable to 100%
2004	313,506,273	3,349,917	316,856,190	507,518,424	62.4%
2005	337,468,742	7,369,169	344,837,911	569,108,219	60.6%
2006	350,142,695	8,110,407	358,253,102	599,805,973	59.7%
2007	359,115,346	13,303,403	372,418,749	640,523,192	58.1%
2008	384,458,789	20,144,573	404,603,362	669,927,773	60.4%
2009	403,600,366	19,978,653	423,579,019	761,936,298	55.6%
2010	419,994,546	22,769,004	442,763,550	780,548,479	56.7%
2011	421,101,424	26,874,547	447,975,971	774,913,884	57.8%
2012	432,639,890	35,690,858	468,330,748	792,867,721	59.1%
2013	451,775,383	42,652,063	494,427,446	823,989,521	60.0%
2014	527,760,522	52,745,764	580,506,286	838,626,575	69.2%

CITY OF INDIANOLA
Statistical Section (Continued)

Computation of Legal Debt Margin

Fiscal Year	5% of Debt Capacity Valuation	Less: Outstanding G.O. Debt	Legal Debt Margin	Debt Capacity Used
2004	25,449,770	8,331,000	17,118,770	32.7%
2005	28,528,658	8,940,000	19,588,658	31.3%
2006	30,061,095	13,018,000	17,043,095	43.3%
2007	32,098,155	11,248,000	20,850,155	35.0%
2008	33,568,060	11,318,165	22,249,895	33.7%
2009	38,171,775	9,440,000	28,731,775	24.7%
2010	39,101,272	11,268,384	27,832,888	28.8%
2011	38,820,376	13,362,456	25,457,920	34.4%
2012	39,717,698	21,823,249	17,894,449	54.9%
2013	41,272,028	25,255,000	16,017,028	61.2%
2014	42,002,631	24,190,000	17,812,631	57.6%

CITY OF INDIANOLA
Statistical Section (Continued)

Building Permit Trends

Calendar Year	Construction Value of new		Construction Value of			Total Residential Construction	Total No. of Units	Construction Value of		Total Residential Construction Value
	Single Family Dwellings	No. of Permits	Multi-Family Dwellings	No. of Permits	No. of Units			Alterations & Additions	No. of Permits	
2002	10,832,832	77	1,954,846	7	18	12,787,678	95	958,460	105	13,746,138
2003	10,622,051	66	2,345,779	5	11	12,967,830	77	1,582,908	93	14,550,738
2004	13,307,271	77	7,025,148	12	36	20,332,419	113	985,626	78	21,318,045
2005	10,029,458	70	1,956,509	7	14	11,985,967	84	826,263	82	12,812,230
2006	12,603,520	71	5,847,400	12	27	18,450,920	98	539,100	66	18,990,020
2007	10,568,484	63	2,687,887	9	19	13,256,371	82	743,942	63	14,000,313
2008	3,617,146	22	8,355,796	34	68	11,972,942	90	670,221	59	12,643,163
2009	3,676,598	23	4,417,800	1	62	8,094,398	85	278,426	35	8,372,824
2010	5,022,118	35	8,144,766	44	84	13,166,884	119	1,459,209	45	14,626,093
2011	3,362,600	21	223,000	1	2	3,585,600	23	540,643	46	4,126,243
2012	2,035,200	14	6,251,000	4	45	8,286,200	59	262,201	42	8,548,401
2013	8,052,802	47	6245150	13	62	14,297,952	60	262,850	40	14,560,802

	Construction Value of		Construction Value of		Total Construction	
	Commercial/ Industrial	No. of Permits	Non-taxable Construction	No. of Permits	Value of Construction	Total No. of Permits
2004	6,908,368	23	6,090,500	2	34,316,913	192
2005	3,876,148	31	1,325,200	1	18,013,578	191
2006	4,788,835	37	2,293,717	2	26,072,572	188
2007	11,405,065	9	14,262,433	2	34,729,175	193
2008	3,764,616	22	71,000	2	16,718,743	157
2009	4,399,823	21	1,616,980	6	12,975,239	101
2010	5,439,383	9	4,025,121	9	20,273,820	179
2011	40,613,859	39	30,565,682	9	44,897,710	136
2012	19,690,301	29	18,436,157	14	28,522,468	115
2013	10,846,316	18	4,857,530	1	25,488,473	140
2011	40,613,859	9	30,565,682	9	44,897,710	136
2012	19,690,301	29	18,436,157	14	28,522,468	115
2013	10,648,316	17	5,055,530	2	25,488,473	140

CITY OF INDIANOLA
Statistical Section (Continued)

Demographic Information

Trends:	<u>Calendar Year</u>	<u>Iowa Unemployment</u>
	2002	3.7%
	2003	4.2%
	2004	4.5%
	2005	4.5%
	2006	3.9%
	2007	3.6%
	2008	3.8%
	2009	5.6%
	2010	6.2%
	2011	6.0%
	2012	5.1%
	2013	4.6%
	2014	

History:	<u>Calendar Year</u>	<u>Population</u>	<u>10 year % increase</u>	<u>Median Family Income</u>
	1930	3,488		
	1940	4,100	17.5%	
	1950	5,145	25.5%	
	1960	7,062	37.3%	
	1970	8,976	27.1%	
Special	1975	9,611		
	1980	10,843	20.8%	
	1990	11,340	4.6%	\$ 34,684
Special	1995	12,339		
	2000	12,998	14.6%	\$ 52,235
Annexation	2004	13,044		
Special	2005	14,156	14.7%	
	2010	14,782	13.7%	\$ 52,238



Shull and Co. P.C.

certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Indianola, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards of 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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 the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Indianola as of June 30, 2014, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than the generally accepted accounting principles of the United States of America. Our opinion is not modified with respect to this matter.

Supplementary and Other Information

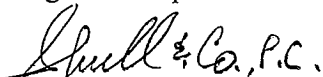
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Indianola's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2013 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 generally accepted auditing standards of the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, Management's Discussion and Analysis and budgetary comparison information on pages 27 through 33 and 61 through 63 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards we have also issued our report dated January 15, 2015 on our consideration of the City of Indianola's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 the City of Indianola's internal control over financial reporting and compliance.

Shull & Co., P.C.

January 15, 2015

CITY OF INDIANOLA

Management Discussion and Analysis (MD&A)

The City of Indianola offers readers of the City of Indianola's financial statements this narrative overview and analysis of the financial activities of the City of Indianola for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in this report.

2014 Financial Highlights

- The City of Indianola has an ending cash balance of \$19,249,654 to meet the government's ongoing obligations to citizens and creditors. Of this, \$10,563,820 is under the direct management and control of the primary government with \$7,416,193 for governmental activities and \$3,147,627 for business-type activities. The remaining \$8,685,834 is from the component unit, Indianola Municipal Utilities.
- Total cash balances decreased \$370,682 for the primary government and increased \$1,215,398 for the component unit. The primary reason for the decrease is capital expenditures and Highway 92 projects for the Utility that were paid for out of fund balances.

Using this Annual Report

The annual report consists of a series of financial statements and other requirements as follows:

Management Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Assets. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending (fund balance). Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other Supplementary Information provides detailed information about the non-major governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the City.

CITY OF INDIANOLA
Management Discussion and Analysis (MD&A) (Continued)

Reporting the City's Financial Activities

Basis of accounting: The City of Indianola maintains its financial records on the basis of cash receipts and disbursements and the financial statements presented in this report are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items.

Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

Government-wide Financial Statement: The Combined Statement of Cash Transactions presents information on all of the City of Indianola's cash balances. Over time, increases or decreases in balances may serve as a useful indicator of whether the financial position of the City of Indianola is improving or deteriorating. This statement details how cash balances changed during the most recent fiscal year.

This statement distinguishes functions of the City of Indianola that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

Governmental activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property taxes, charges for service, state and federal allocations and grants, and special assessments finance most of these activities.

Business type activities of the City include both internal service funds and sanitary sewer system funds.

The component unit of the City of Indianola is the combined transactions of the electric, water, and telecommunications utilities. Separate financial statements are issued for these activities under the report of Indianola Municipal Utilities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about individual, significant funds—not the City as a whole. Some funds are required to be established in Iowa Code and by bond covenants. The City of Indianola has established other funds to help it control and manage financial resources for particular purposes. The city has two types of funds:

1. Governmental funds account for most of the City of Indianola's basic services. They focus on how money flows into and out of the funds and the balances at year-end that are available for spending. Governmental funds include: 1) the General Fund, 2) Special Revenue Funds, 3) the Debt Service Fund, and 4) Capital Projects Funds. The Statement of Cash Receipts, Disbursements and Changes in Cash Balances - Governmental Funds provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more, or less, financial resources available.

CITY OF INDIANOLA
Management Discussion and Analysis (MD&A) (Continued)

2. Business type funds account for the City of Indianola's Enterprise Funds and Internal Services Funds. As shown on the "Statement of Cash Receipts, Disbursements and Changes in Cash Balances – Proprietary Funds" Enterprise Funds are maintained for the sanitary sewer funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among various functions. The City of Indianola uses Internal Service Funds to account for employee group health & short-term disability insurance and property & liability deductibles.

Financial Analysis

The following condensed financial information serves as summarized financial data and indicators for management, monitoring, and planning.

Net assets: The table below shows restricted and unrestricted net assets on a cash basis. These net assets exclude those of the component unit, which are under the management and control of a board of trustees.

Net Assets (Cash Basis)

	Year ended June 30,		
	2014	2013	Change
Governmental Activities			
Restricted	2,910,811	2,519,785	391,026
Unrestricted	5,512,213	6,537,931	(1,025,718)
Total	8,423,024	9,057,716	(634,692)
Business Type Activities			
Restricted	75,073	72,057	3,016
Unrestricted	1,674,201	1,406,486	267,715
Total	1,749,274	1,478,543	270,731
Total Primary Government			
Restricted	2,985,884	2,591,842	394,042
Unrestricted	7,186,414	7,944,417	(758,003)
Total	10,172,298	10,536,259	(363,961)
Component Unit			
Restricted	1,513,615	1,602,022	(88,407)
Unrestricted	7,563,740	8,697,452	(1,133,712)
Total	9,077,355	10,299,474	(1,222,119)

Sources and uses of funds: The following table summarizes how the operations of the city were financed and the programs in which they were expended.

CITY OF INDIANOLA
Management Discussion and Analysis (MD&A) (Continued)

Changes in Net Assets Governmental Funds

	Year ended June 30,					
	2014		2013		Change	
Receipts						
Property tax	\$ 5,472,196	44%	5,163,954	48%	308,242	6%
Tax increment financing collections	1,383,060	11%	1,368,810	13%	14,250	1%
Other city tax	294,866	2%	205,910	2%	88,956	43%
Licenses and permits	164,364	1%	117,693	1%	46,671	40%
Use of money and property	335,498	3%	326,083	3%	9,415	3%
Intergovernmental	1,692,398	14%	2,060,498	19%	(368,100)	-18%
Charges for service	1,024,228	8%	993,286	9%	30,942	3%
Special assessments	109,522	1%	144,055	1%	(34,533)	-24%
Miscellaneous	1,980,786	16%	353,021	3%	1,627,765	461%
Total Receipts	12,456,918	100%	10,733,310	100%	1,723,608	16%
Disbursements						
Public safety	4,257,526	28%	3,902,002	14%	355,524	9%
Public works	1,336,452	9%	1,416,552	5%	(80,100)	-6%
Culture and recreation	2,085,707	13%	2,130,514	8%	(44,807)	-2%
Community and economic development	430,585	3%	704,168	2%	(273,583)	-39%
General government	1,505,152	10%	1,411,552	5%	93,600	7%
Debt service	3,000,167	19%	2,622,940	9%	377,227	14%
Capital projects	2,860,272	18%	16,012,963	57%	(13,152,691)	-82%
Total disbursements	15,475,861	100%	28,200,691	100%	(12,724,830)	-45%
Other financing sources (uses)						
Bond proceeds	11,560		7,387,429			
Sale of capital assets	248,501		236,361			
Operating transfers in (out)	2,150,621		2,033,246			
Total other financing sources (uses)	2,410,682		9,657,036			
Net change in cash balances	(608,261)		(7,810,345)			
Cash balances, beginning of year	8,024,453		15,834,798			
Cash balances, end of year	\$ 7,416,192		8,024,453			

Property tax revenues increased due to taxable valuation growth and an increase of the tax rate to \$12.70 per \$1,000 of taxable valuation in FY14. The majority of the remaining revenues held relatively stable in comparison to total receipts.

CITY OF INDIANOLA
Management Discussion and Analysis (MD&A) (Continued)

Debt Service had the largest increase in spending for FY14. Public safety and General Government Operations disbursements increased, while public works, culture & recreation and capital projects decreased.

Governmental funds: Governmental funds ended the fiscal year with a balance of \$8,423,024 a decrease of \$608,261 over the prior year. This is mainly due to use of fund balances for capital improvements.

Business type funds: Business type funds ended the fiscal year with \$1,970,791 in cash basis fund balances, an increase of \$426,404 over the prior year.

Budgetary Highlights

In accordance with Iowa Code, the city council annually adopts a budget following required public notice and hearings for all funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. None of the amendments made, if any, negatively affect the following year's budget.

The FY 2014 budget was amended in May of 2014 to reflect the following items:

- Revenues:
 - Additional charges for services
- Expenditures:
 - Public Safety-the purchase of a new ambulance
 - Public Work-expenses related to snow control and overtime
 - Capital Improvement-Highway65/69 construction

Capital Asset and Debt Administration

In FY 2014, the City issued no General Obligation Bonds.

Factors Affecting Financial Condition

Local economy: The City of Indianola currently has a stable economic environment and local indicators point to slight growth. Although a primarily residential community, the varied nature of the educational, light manufacturing, agriculture services, and retail sectors of the local economy provides employment stability. Close proximity to the Des Moines metro area, the state capital with a combined population of approximately 460,000, provides employment for approximately 60% of Indianola's available workforce. Over the past 5 years single-family dwellings have been constructed at an average rate of 21 units.

CITY OF INDIANOLA
Management Discussion and Analysis (MD&A) (Continued)

The region (which includes the City of Indianola and the surrounding unincorporated area within Warren County) has a relatively stable employment outlook over the next several years. New commercial construction is occurring along the four-lane highway between the City of Indianola and the Des Moines metropolitan area. New utility services to recently annexed areas along its highway corridors have been installed to open new ground for development in these areas where commercial or industrial growth has started.

A four-lane bypass to the south of the Des Moines metro, completed in 2002, provides increased commercial development opportunities for the community as it improved traffic flow from Indianola to the western Des Moines suburbs and the interstate highway system. The city makes annual financial commitments to the Warren County Economic Development Corporation and Greater Des Moines Partnership to support economic development in the region. The component unit also offers its own revolving loan program to spur economic development.

Long-term financial planning: The city has adopted a Comprehensive Plan, last updated in 2013 to help determine future infrastructure needs. City authorities annually adopt 5-year capital improvement budgets that prioritize foreseen projects. Those with potential long-term significant impacts to the financial operations of the city are:

- The city is proceeding with the Infiltration and Inflow Program. The main objective of the program is to reduce storm water from entering the sanitary sewer system. The total program consists of four project phases at a cost of over \$12.5 million. The program is being funded with a low interest State Revolving Fund loan and is being paid back with sewer service fees. Work on Phases 1 and 3 were complete in FY12 and Phases 2 and 4 were completed in FY14.
- The city continues to support the Community Redevelopment (D&D) fund to improve the aesthetics of the community especially on the main highway corridors. This fund is being maintained using TIF from the Downtown district.

Regulatory changes: It is expected that the State of Iowa will enact new regulations on sewer treatment quality that could take effect within 5 years. Plant upgrades and gravity line improvements, which will reduce infiltration and inflow of storm water, will help the City of Indianola meet these regulations. The city is currently reviewing a potential upgrade or rehabilitation to the sewer plant to extend its service life until work on a new system can be completed.

Other regulatory impacts under consideration by the State of Iowa also include increased monitoring and controlling storm water pollution levels.

CITY OF INDIANOLA
Management Discussion and Analysis (MD&A) (Continued)

The City Council makes a concerted effort to maintain effective services while keeping tax rates affordable, especially in light of current economic conditions. Indianola continues to have growth in population, retail sales, and commercial construction, which is above the norm for the state as a whole. The city property tax rate for FY 2014 increased from \$11.20 in FY13 to \$12.70 per \$1,000 in taxable valuation. The City Council has adjusted sewer rates to pay the debt service for sewer capital projects and to cover increased operational costs.

Requests for Information

This financial report is designed to provide a general overview of the City of Indianola's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 110 N. First St., PO Box 299, Indianola, IA 50125. City Hall's telephone number is 515-961-9410.

BASIC FINANCIAL STATEMENTS

CITY OF INDIANOLA
Cash Basis Statement of Activities and Net Position
As of and for the Year Ended June 30, 2014

Functions / Programs	Disbursements	Program	
		Charges for Service	Operating Grants, Contributions, and Restricted Interest
Primary Government:			
Governmental activities:			
Public safety	\$ 4,267,845	893,877	147,164
Public works	1,341,786	132,218	1,476,797
Culture and recreation	2,092,304	395,752	245,988
Community and economic development	430,585	4,500	35,480
General government	1,509,360	84,467	29,286
Debt service	3,000,167	-	10,842
Capital projects	<u>2,860,272</u>	<u>5,352</u>	<u>-</u>
Total governmental activities	<u>15,502,319</u>	<u>1,516,166</u>	<u>1,945,557</u>
Business type activities:			
Sewer	3,535,328	3,128,848	73,753
Other nonmajor	<u>182,478</u>	<u>413,761</u>	<u>-</u>
Total business type activities	<u>3,717,806</u>	<u>3,542,609</u>	<u>73,753</u>
Total Primary Government	<u>\$ 19,220,125</u>	<u>5,058,775</u>	<u>2,019,310</u>
Component Unit:			
Municipal Utilities	<u>\$ 16,927,941</u>	<u>16,379,940</u>	<u>116,647</u>
General Receipts and Transfers:			
Property and other city tax levied for:			
General purposes			
Debt service			
Employee benefits			
Tax increment financing			
Utility tax replacement excise tax			
Grants and contributions not restricted to specific purpose			
Unrestricted interest on investments			
Bond, note and loan proceeds			
Rent			
Sale of assets			
Transfers			
Total general receipts and transfers			

Receipts	Net (Disbursements) Receipts and Changes in Cash Basis Net Position			
	Primary Government			Component Unit
Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total	Municipal Utilities
-	(3,226,804)	-	(3,226,804)	-
-	267,229	-	267,229	-
-	(1,450,564)	-	(1,450,564)	-
-	(390,605)	-	(390,605)	-
-	(1,395,607)	-	(1,395,607)	-
-	(2,989,325)	-	(2,989,325)	-
<u>1,561,868</u>	<u>(1,293,052)</u>	<u>-</u>	<u>(1,293,052)</u>	<u>-</u>
<u>1,561,868</u>	<u>(10,478,728)</u>	<u>-</u>	<u>(10,478,728)</u>	<u>-</u>
-	-	(332,727)	(332,727)	-
-	-	231,283	231,283	-
-	-	(101,444)	(101,444)	-
<u>1,561,868</u>	<u>(10,478,728)</u>	<u>(101,444)</u>	<u>(10,580,172)</u>	<u>-</u>
<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(356,354)</u>
	3,807,610	-	3,807,610	-
	1,116,628	-	1,116,628	-
	547,958	-	547,958	-
	1,383,060	-	1,383,060	-
	225,915	-	225,915	38,412
	68,951	-	68,951	-
	139,254	12,755	152,009	134,644
	11,560	1,364,303	1,375,863	-
	143,978	42,917	186,895	44,000
	248,501	-	248,501	20,000
	<u>2,150,621</u>	<u>(1,047,800)</u>	<u>1,102,821</u>	<u>(1,102,821)</u>
	<u>9,844,036</u>	<u>372,175</u>	<u>10,216,211</u>	<u>(865,765)</u>

CITY OF INDIANOLA
Cash Basis Statement of Activities and Net Position
As of and for the Year Ended June 30, 2014

Change in cash basis net position

Cash basis net position beginning of year

Cash basis net position end of year

Cash Basis Net Position

Restricted:

Expendable:

Streets

Urban renewal purposes

Debt service

Other purposes

Unrestricted

Total cash basis net position

See notes to financial statements.

Exhibit A
(Continued)

Net (Disbursements) Receipts and Changes in Cash Basis Net Position

<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>	<u>Municipal Utilities</u>
(634,692)	270,731	(363,961)	(1,222,119)
<u>9,057,716</u>	<u>1,103,209</u>	<u>10,160,925</u>	<u>9,834,088</u>
<u>\$ 8,423,024</u>	<u>1,373,940</u>	<u>9,796,964</u>	<u>8,611,969</u>
825,611	-	825,611	-
415,651	-	415,651	-
1,511,363	75,073	1,586,436	1,513,615
158,186	-	158,186	-
<u>5,512,213</u>	<u>1,674,201</u>	<u>7,186,414</u>	<u>7,563,740</u>
<u>\$ 8,423,024</u>	<u>1,749,274</u>	<u>10,172,298</u>	<u>9,077,355</u>

CITY OF INDIANOLA

Statement of Cash Receipts, Disbursements
And Changes in Cash Balances
Governmental Funds
As of and for the Year Ended June 30, 2014

	General	Special Revenue Road Use Tax
Receipts		
Property tax	\$ 3,799,495	-
Tax increment financing	-	-
Other city tax	294,866	-
Licenses and permits	164,364	-
Use of money and property	332,290	-
Intergovernmental	216,360	1,476,038
Charges for service	1,024,228	-
Special assessments	-	-
Miscellaneous	402,113	5,963
Total receipts	<u>6,233,716</u>	<u>1,482,001</u>
Disbursements		
Operating		
Public safety	4,257,504	-
Public works	172,466	1,163,986
Culture and recreation	2,085,707	-
Community and economic development	138,870	-
General government	1,479,878	-
Debt service	80,370	-
Capital projects	-	-
Total disbursements	<u>8,214,795</u>	<u>1,163,986</u>
Excess of receipts over disbursements	<u>(1,981,079)</u>	<u>318,015</u>
Other financing sources (uses)		
Bond proceeds, net of premiums/discounts	-	-
Sale of capital assets	248,501	-
Operating transfers in (out)	<u>1,878,069</u>	<u>(175,500)</u>
Total other financing sources (uses)	<u>2,126,570</u>	<u>(175,500)</u>

Debt Service	Capital Projects		Nonmajor	Total
	General Capital Projects	Street Construction		
998,084	126,659	-	547,958	5,472,196
-	-	-	1,383,060	1,383,060
-	-	-	-	294,866
-	-	-	-	164,364
-	-	-	3,208	335,498
-	-	-	-	1,692,398
-	-	-	-	1,024,228
104,170	-	5,352	-	109,522
10,842	1,551,757	10,111	-	1,980,786
<u>1,113,096</u>	<u>1,678,416</u>	<u>15,463</u>	<u>1,934,226</u>	<u>12,456,918</u>
-	-	-	22	4,257,526
-	-	-	-	1,336,452
-	-	-	-	2,085,707
-	-	-	291,715	430,585
-	-	-	25,274	1,505,152
2,919,797	-	-	-	3,000,167
-	2,036,040	599,746	224,486	2,860,272
<u>2,919,797</u>	<u>2,036,040</u>	<u>599,746</u>	<u>541,497</u>	<u>15,475,861</u>
<u>(1,806,701)</u>	<u>(357,624)</u>	<u>(584,283)</u>	<u>1,392,729</u>	<u>(3,018,943)</u>
11,560	-	-	-	11,560
-	-	-	-	248,501
1,595,871	7,033	-	(1,154,852)	2,150,621
<u>1,607,431</u>	<u>7,033</u>	<u>-</u>	<u>(1,154,852)</u>	<u>2,410,682</u>

CITY OF INDIANOLA

Statement of Cash Receipts, Disbursements And Changes in Cash Balances Governmental Funds As of and for the Year Ended June 30, 2014

	<u>General</u>	<u>Special Revenue Use Tax</u>
Net change in cash balances	145,491	142,515
Cash balances beginning of year	<u>2,706,396</u>	<u>683,096</u>
Cash balances end of year	<u>\$ 2,851,887</u>	<u>825,611</u>
Cash Basis Fund Balances		
Restricted for:		
Streets	\$ -	825,611
Urban renewal purposes	-	-
Debt service	-	-
Other purposes	-	-
Committed	-	-
Unassigned	<u>2,851,887</u>	<u>-</u>
Total cash basis fund balances	<u>\$ 2,851,887</u>	<u>825,611</u>

See notes to financial statements.

Exhibit B
(Continued)

Debt Service	Capital Projects		Nonmajor	Total
	General Capital Projects	Street Construction		
(199,270)	(350,591)	(584,283)	237,877	(608,261)
<u>1,710,633</u>	<u>932,391</u>	<u>1,649,609</u>	<u>342,328</u>	<u>8,024,453</u>
<u>1,511,363</u>	<u>581,800</u>	<u>1,065,326</u>	<u>580,205</u>	<u>7,416,192</u>
-	-	-	-	825,611
-	-	-	415,651	415,651
1,511,363	-	-	-	1,511,363
-	-	-	158,186	158,186
-	581,800	1,065,326	6,368	1,653,494
-	-	-	-	2,851,887
<u>1,511,363</u>	<u>581,800</u>	<u>1,065,326</u>	<u>580,205</u>	<u>7,416,192</u>

CITY OF INDIANOLA

Exhibit C

Reconciliation of the Statement of Cash
Receipts, Disbursements and Changes in Cash
Balances to the Cash Basis Statement of Activities and Net Position -
Governmental Funds
As of and for the Year Ended June 30, 2014

Total government funds cash balances	\$	7,416,192
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*Amounts reported for governmental activities in the Cash Basis
Statement of Activities and Net Position are different because:*

The Internal Service Fund is used by management to charge the costs of partial self funding of the City's health insurance benefit plan to individual funds. A portion of the cash balance of the Internal Service Fund is included in governmental activities in the Cash Basis Statement of Activities and Net Position 1,006,832

Cash basis net position of governmental activities	\$	<u>8,423,024</u>
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Change in cash balances	\$	(608,261)
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*Amounts reported for governmental activities in the Cash Basis
Statement of Activities and Net Position are different because:*

The Internal Service Fund is used by management to charge the costs of partial self funding of the City's health insurance benefit plan to individual funds. A portion of the change in the cash balance of the Internal Service Fund is reported with governmental activities in the Cash Basis Statement of Activities and Net Position. (26,431)

Change in cash basis net position of governmental activities	\$	<u>(634,692)</u>
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See notes to financial statements.

CITY OF INDIANOLA

Statement of Cash Receipts, Disbursements and Changes in Cash Balances - Proprietary Funds As of and for the Year Ended June 30, 2014

	Sewer	Enterprise Funds Nonmajor
Operating receipts		
Charges for service	\$ 3,093,429	413,762
Miscellaneous	254	-
Total operating receipts	<u>3,093,683</u>	<u>413,762</u>
Operating disbursements		
Governmental activities		
Public safety	-	-
Public works	-	-
Culture and recreation	-	-
General government	-	-
Business type activities	1,149,671	182,478
Component Unit:		
Municipal Utilities	-	-
Total operating disbursements	<u>1,149,671</u>	<u>182,478</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>1,944,012</u>	<u>231,284</u>
Non-operating receipts (disbursements)		
Interest on investments	12,748	-
Intergovernmental	-	-
Special assessments	35,165	-
Miscellaneous	116,669	-
Capital loan note proceeds	1,364,303	-
Debt Service	(677,862)	-
Capital projects	(1,704,219)	-
Net non-operating receipts (disbursements)	<u>(853,196)</u>	<u>-</u>
Excess of receipts over disbursements	1,090,816	231,284
Operating transfers in (out)	<u>(968,800)</u>	<u>(79,000)</u>
Net change in cash balances	122,016	152,284
Cash balances beginning of year	1,149,577	197,405
Cash balances end of year	<u>\$ 1,271,593</u>	<u>349,689</u>
Cash Basis Fund Balances		
Restricted for debt service	\$ 75,073	-
Unrestricted	1,196,520	349,689
Total cash basis fund balances	<u>\$ 1,271,593</u>	<u>349,689</u>

See notes to financial statements.

<u>Total</u>	<u>Internal Service Funds</u>
3,507,191	1,310,815
<u>254</u>	<u>279,127</u>
<u>3,507,445</u>	<u>1,589,942</u>
-	524,718
-	138,068
-	239,644
-	199,355
<u>1,332,149</u>	<u>133,855</u>
-	<u>391,057</u>
<u>1,332,149</u>	<u>1,626,697</u>
<u>2,175,296</u>	<u>(36,755)</u>
12,748	34
-	-
35,165	-
116,669	-
1,364,303	-
(677,862)	-
<u>(1,704,219)</u>	<u>-</u>
<u>(853,196)</u>	<u>34</u>
<u>1,322,100</u>	<u>(36,721)</u>
<u>(1,047,800)</u>	<u>-</u>
274,300	<u>(36,721)</u>
<u>1,346,982</u>	<u>1,563,067</u>
<u>1,621,282</u>	<u>1,526,346</u>

CITY OF INDIANOLA

Exhibit E

Reconciliation of the Statement of Cash
Receipts, Disbursements and Changes in Cash
Balances to the Cash Basis Statement of Activities and Net Position -
Proprietary Funds
As of and for the Year Ended June 30, 2014

Total enterprise funds cash balances	\$	1,621,282
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*Amounts reported for business type activities in the Cash Basis
Statement of Activities and Net Position are different because:*

The Internal Service Fund is used by management to charge the costs of partial self funding of the City's health insurance benefit plan to individual funds. A portion of the cash balance of the Internal Service Fund is included in business type activities in the Cash Basis Statement of Activities and Net Position.

		127,992
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Cash basis net position of business type activities	\$	1,749,274
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Change in cash balances	\$	274,300
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*Amounts reported for business type activities in the Cash Basis
Statement of Activities and Net Position are different because:*

The Internal Service Fund is used by management to charge the costs of partial self funding of the City's health insurance benefit plan to individual funds. A portion of the change in the cash balance of the Internal Service Fund is reported with business type activities in the Cash Basis Statement of Activities and Net Position.

		(3,569)
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Change in cash basis net position of business type activities	\$	270,731
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See notes to financial statements.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2014

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Indianola is a political subdivision of the State of Iowa located in Warren County. It was incorporated in 1864 and operates under the home rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development and general government services.

A. REPORTING ENTITY

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and authorities. The City 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 City are such that exclusion would cause the City's 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 City 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 City.

These financial statements present the City of Indianola (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. Certain disclosures about the discretely presented component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the City Clerk's office.

Discretely Presented Component Unit - The financial information for the Indianola Municipal Utilities is presented as a Component Unit to emphasize that it is legally separate from the City, but is financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The Utilities are governed by a five-member board appointed by the City Council and the Utilities' operating budget is subject to the approval of the City Council.

Jointly Governed Organizations - The City also participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: South Central Iowa Landfill Agency Board, Central Iowa Regional Transportation Planning Alliance Board, Metropolitan Planning Organization Committee, Marion/Warren County Drug Task Force, Community Athletic Facilities Board.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. BASIS OF PRESENTATION

Government-wide Financial Statement – The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position often has constraints on cash balances imposed by management, which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. **BASIS OF PRESENTATION (Continued)**

Fund Financial Statements (Continued) –

The Special Revenue - Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the City's general long-term debt.

The Capital Projects Funds are used to account for all resources used in the acquisition and construction of capital facilities.

The City reports the following major proprietary funds:

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The City also reports the following additional proprietary fund:

An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the City and provided to other departments or agencies.

C. **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The City of Indianola maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with generally accepted accounting principles of the United States of America.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there is both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. GOVERNMENTAL CASH BASIS FUND BALANCES

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted as amended.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED Year Ended June 30, 2014

2. CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2014 were entirely covered by Federal depository insurance or by 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 City 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 City council; 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.

The City's investments at June 30, 2014 were as follows:

	CARRYING AMOUNT	MARKET VALUE
Money market accounts	\$ 1,925,152	1,925,152
Certificates of Deposit	504,500	504,500
U.S. government obligations	260,205	260,225
U.S. agency mortgage pass-through	846,578	917,683
U.S. agency bonds and notes	9,977,376	10,027,095
U.S. agency collateralized mortgage obligations	2,651,414	2,714,881
U.S. agency asset backed securities	1,001,191	1,031,996
Corporate Bonds	251,787	253,317
	<u>\$17,418,203</u>	<u>17,634,849</u>

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$111,106 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The City's investment in the Iowa Public Agency Investment Trust is unrated.

Interest rate risk – The City's 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 investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the City.

Credit risk – The City's investments are held by a bank's trust department in the City's name. Investments with a carrying amount of \$10,540,638 are rated AA+. The balance of the investments are not rated.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

3. **BONDS AND NOTES PAYABLE**

Annual debt service requirements to maturity for the City's general obligation bonds and notes, capital loan notes, revenue capital loan notes, and other long-term debt as of June 30, 2014 are as follows:

YEAR	GENERAL OBLIGATION		CAPITAL		REVENUE CAPITAL		TOTAL	
ENDING	BONDS & NOTES		LOAN NOTES		LOAN NOTES		TOTAL	
June 30,	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2015	\$ 2,345,000	449,282	210,000	14,320	403,000	264,875	2,958,000	728,477
2016	2,515,000	417,611	210,000	10,540	386,000	255,317	3,111,000	683,468
2017	2,365,000	372,763	220,000	6,760	396,000	245,900	2,981,000	625,423
2018	2,310,000	332,936	75,000	2,437	407,000	236,219	2,792,000	571,592
2019	2,075,000	289,694	-	-	417,000	226,260	2,492,000	515,954
2020	2,120,000	253,444	-	-	429,000	216,037	2,549,000	469,481
2021	1,560,000	206,340	-	-	441,000	205,505	2,001,000	411,845
2022	1,465,000	179,733	-	-	453,000	194,662	1,918,000	374,395
2023	1,495,000	153,400	-	-	464,000	183,509	1,959,000	336,909
2024	1,250,000	124,552	-	-	477,000	172,065	1,727,000	296,617
2025	975,000	97,718	-	-	491,000	160,279	1,466,000	257,997
2026	745,000	76,102	-	-	504,000	148,137	1,249,000	224,239
2027	770,000	59,135	-	-	517,000	135,655	1,287,000	194,790
2028	785,000	40,735	-	-	531,000	122,832	1,316,000	163,567
2029	390,000	21,580	-	-	512,884	109,639	902,884	131,219
2030	150,000	9,925	-	-	333,000	96,639	483,000	106,564
2031	160,000	5,200	-	-	344,000	86,649	504,000	91,849
2032	-	-	-	-	355,000	76,329	355,000	76,329
2033	-	-	-	-	366,000	65,679	366,000	65,679
2034	-	-	-	-	378,000	54,699	378,000	54,699
2035	-	-	-	-	391,000	43,359	391,000	43,359
2036	-	-	-	-	403,000	31,629	403,000	31,629
2037	-	-	-	-	417,000	19,539	417,000	19,539
2038	-	-	-	-	430,000	7,029	430,000	7,029
2039	-	-	-	-	277,881	8,336	277,881	8,336
	<u>\$ 23,475,000</u>	<u>3,090,150</u>	<u>715,000</u>	<u>34,057</u>	<u>10,523,765</u>	<u>3,366,778</u>	<u>34,713,765</u>	<u>6,490,985</u>

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended June 30, 2014

3. **BONDS AND NOTES PAYABLE (CONTINUED)**

Revenue Notes

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$383,000 of Sewer Revenue Capital Loan Notes, Series 1995, issued in June 1995. Proceeds from the notes provided financing for improvements and extensions to the municipal sewer system utility. The notes are payable solely from sewer customer net receipts and are payable through 2015.

Annual principal and interest payments on the notes are expected to require less than 2% of net receipts. The total principal and interest remaining to be paid on the notes is \$28,420. For the current year, principal and interest paid and total customer net receipts were \$28,245 and \$1,944,012, respectively.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$9,090,000 of Sewer Revenue Capital Loan Notes, Series 2009, issued in May 2009. Proceeds from the notes provided financing for the costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping of the municipal sewer system utility. The notes are payable solely from sewer customer net receipts and are payable through 2041. Annual principal and interest payments on the notes are expected to require less than 26% of net receipts. The total principal and interest remaining to be paid on the notes is \$10,544,674. For the current year, principal and interest paid and total customer net receipts were \$419,759 and \$1,944,012, respectively.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$4,036,000 of Sewer Revenue Capital Loan Notes, Series 2013, issued in April 2013. Proceeds from the notes provided financing for the costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping of the municipal sewer system utility. The notes are payable solely from sewer customer net receipts and are payable through 2033. Annual principal and interest payments on the notes are expected to require less than 15% of net receipts. The total principal and interest remaining to be paid on the notes is \$3,314,448. For the current year, principal and interest paid and total customer net receipts were \$209,751 and \$1,944,012, respectively.

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

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to a separate water revenue sinking account within the Enterprise Fund for the purpose of making the note principal and interest payments when due.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

3. **BONDS AND NOTES PAYABLE (CONTINUED)**

Revenue Notes (continued)

- 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 or replacements to the water system, or to pay or redeem the notes or parity obligations, and then can be used for any lawful purpose.

General Obligation Bonds and Notes

In December 2011, May 2012 and January 2013 the City issued \$2,410,000, \$4,580,000 and \$5,510,000, respectively, of General Obligation Urban Renewal Bonds. The proceeds from the bonds were used to pay costs of aiding in the planning, undertaking, and carrying out of urban renewal projects, including the construction of a community/wellness center.

In January 2013 the City issued \$1,865,000 of General Obligation Bonds. The proceeds from the bonds were used to pay costs of equipping the fire and street departments and improvements to City parks.

In July 2013 the City issued \$2,070,000 of General Obligation Refunding Bonds for a crossover refunding of a portion of the General Obligation Bonds dated May 2008 and August 2009. The City entered in to an escrow agreement whereby the proceeds from the general obligation refunding bonds were converted into U.S. Securities. These securities along with additional cash were placed in an escrow account for the express purpose of paying \$670,000 principal on the refunded general obligation bonds dated May 2008 when they became callable on June 1, 2014 and \$1,335,000 principal on the refunded general obligation bonds dated August when they become callable on June 1, 2015 and the interest from June 1, 2013 to and including June 1, 2015 on the refunding bonds. After the principal and interest on all of the outstanding bonds have been paid, any remaining funds in the escrow account, together with any interest thereon, shall be returned to the City. The City refunded the bonds to reduce its total debt service payments by approximately \$62,384 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$59,774.

4. **PENSION AND RETIREMENT BENEFITS**

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA - The City contributes to the Municipal Fire and Police Retirement System of Iowa (the Plan), which is a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees. The Plan provides retirement, disability and death benefits which are established by state statute to plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Fire and Police Retirement System of Iowa, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

4. **PENSION AND RETIREMENT BENEFITS (CONTINUED)**

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (continued)

Plan members are required to contribute 9.40% of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, is 30.12% of earnable compensation. Contribution requirements are established by state statute. The City's contribution to the Plan for the years ended June 30, 2014, 2013 and 2012 were \$358,196, \$292,449 and \$275,284, respectively, which met the required minimum contribution for each year.

IPERS - The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most plan members are required to contribute 5.95% of their annual covered salary and the City is required to contribute 8.93% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$438,218, \$288,480 and \$254,715, equal to the required contributions for each year.

5. **OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description – The City operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 91 active and 1 retired members in the plan. Participants must be 55 or older at retirement. Some Fire/Rescue participants qualify at age 50 with 22 years of service.

The medical/prescription drug benefits are provided through a self-funded plan. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$510 for single coverage and \$1,260 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2014, the City contributed \$0 and plan members eligible for benefits contributed approximately \$13,680 to the plan.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2014

6. **COMPENSATED ABSENCES**

City employees accumulate vacation hours and sick leave for subsequent use. Unused vacation hours are payable upon termination, retirement or death. Sick leave hours are payable only when used and not upon separation of service. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate maximum liability for unrecognized accrued employee benefits as of June 30, 2014, primarily relating to the General Fund, was as follows:

Vacation	\$ 379,897
Sick leave	<u>977,049</u>
	\$ <u>1,356,946</u>

This liability has been computed based on rates of pay as of June 30, 2014.

7. **HEALTH INSURANCE AND HEALTH REIMBURSEMENT ARRANGEMENT**

The City self-funds its health insurance plan as permitted by Iowa Code Section 509A using an internal service fund. Transfers to the fund are made at pre-established rates for single or family coverage by each city department on a monthly basis. Disbursements from the fund are made to pay administrative fees, stop loss insurance premiums and payment of claims. As of June 30, 2014 the actuarially determined reserve necessary for claims incurred but not yet paid was \$182,982 (2013 - \$144,989) and the internal service fund balance was \$1,068,506 (2013 - \$1,123,031).

The City also maintains a health reimbursement arrangement (HRA) for the benefit of employees. The City makes a fixed annual commitment that employees may use to offset premium contributions or cash payments for any medical expense allowed under current income tax provisions. If the employee does not utilize the full amount provided in the fiscal year, the balance is carried forward to the following year and is available in any future period, including after retirement. Disbursements are paid out of operating funds and not held in trust. They are, however, accounted for in a sub-fund that is separate from other operating funds for budgetary control. Unpaid HRA balances totaled \$230,096 as of June 30, 2014.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 20148. **INTERFUND TRANSFERS**

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Road Use Tax	\$ 169,500
	Employee Benefits Levy	547,958
	Police Retirement	12,500
	Enterprise:	
	Sewer	392,100
	Recycling	16,500
	Component Unit	941,321
		<u>2,079,879</u>
Special Revenue:		
YMCA Maintenance Obligations	General	<u>53,333</u>
Police Seizures	General	<u>15,000</u>
Debt Service	General	113,477
	Special Revenue:	
	Industrial Park Urban Renewal Tax Increment	644,668
	Downtown Tax Increment	31,026
	Enterprise:	
	Sewer	570,700
	Stormwater Utility	62,500
	Component Unit	173,500
		<u>1,595,871</u>
Capital Projects:		
Capital Projects Fund	General	<u>8,333</u>
Community Athletic Facility	General	11,667
	Capital Projects Fund	<u>1,300</u>
		<u>12,967</u>
Component Unit	Special Revenue:	
	Road Use Tax	6,000
	Enterprise:	
	Sewer	6,000
		<u>12,000</u>
		<u>\$ 3,777,383</u>

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended June 30, 2014

8. **INTERFUND TRANSFERS (CONTINUED)**

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

9. **RISK MANAGEMENT**

The City is a member in 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 700 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, public officials liability, police professional liability, property, inland marine and boiler/machinery. 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 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 by the Board not to exceed 300% of basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

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 City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2014 were \$143,022 (2013 - \$124,449).

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are insured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

CITY OF INDIANOLA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year Ended June 30, 2014

9. **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 member's risk-sharing certificate, or in the event that a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. As of June 30, 2014, 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 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 City is a member of the Iowa Municipalities Workers' Compensation Association (the "Association"). The Association is governed by a board of directors elected by representatives of the governing bodies of each participating governmental jurisdiction. The City has executed a Worker's Compensation coverage Agreement with the Association which extends through June 30, 2014 and has authorized the Association to issue general obligation bonds to provide funds with which to pay claims. During the year ended June 30, 2014, the City paid workers' compensation insurance premiums of \$133,365 (2013 - \$119,824) to the Association.

10. **DOWNTOWN BUSINESS INCENTIVE PROGRAM**

The City offers an incentive program for renovation and repair of existing commercial building structures and facades in certain blocks of the Original Town Plat. Property owners in the program are eligible for grants for a portion of the costs incurred and obtain a loan from a local lender for the balance of the costs. In order to provide the loans to property owners at 0% interest, the City places a non interest bearing deposit with the lender. As property owners pay down the loans, the non interest bearing funds are returned to the City. Through June 30, 2014 grants of \$336,628 and loan deposits of \$349,413 had been made under the program. As of June 30, 2014 remaining non interest bearing deposits totaled \$301,179.

11. **COMMITMENTS**

The City has entered into contracts for street and highway improvements, a waste water collection system rehabilitation project, and other projects totaling approximately \$8,448,000. The remaining commitment on these contracts at June 30, 2014 is \$5,113,234.

OTHER INFORMATION

CITY OF INDIANOLA

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) - All Governmental Funds and Proprietary Funds Other Information Year Ended June 30, 2014

	Governmental Funds Actual	Proprietary Funds Actual
Receipts		
Property tax	\$ 5,472,196	-
Tax increment financing collections	1,383,060	-
Other city tax	294,866	-
Licenses and permits	164,364	-
Use of money and property	335,498	12,782
Intergovernmental	1,692,398	-
Charges for service	1,024,228	4,818,006
Special assessments	109,522	35,165
Miscellaneous	<u>1,980,786</u>	<u>396,050</u>
Total receipts	<u>12,456,918</u>	<u>5,262,003</u>
Disbursements		
Public safety	4,257,526	524,718
Public works	1,336,452	138,068
Culture and recreation	2,085,707	239,644
Community and economic development	430,585	-
General government	1,505,152	199,355
Debt service	3,000,167	-
Capital projects	2,860,272	-
Business type activities	-	4,239,142
Total disbursements	<u>15,475,861</u>	<u>5,340,927</u>
Excess of receipts over disbursements	(3,018,943)	(78,924)
Other financing sources, net	<u>2,410,682</u>	<u>316,503</u>
Excess of receipts and other financing sources over disbursements and other financing uses	(608,261)	237,579
Balances beginning of year	<u>8,024,453</u>	<u>2,910,049</u>
Balances end of year	<u>\$ 7,416,192</u>	<u>3,147,628</u>

See accompanying independent auditor's report.

Less Funds not Required to to be Budgeted	Net	Budgeted Amounts		Final to Net Variance
		Original	Final	
-	5,472,196	5,315,731	5,315,731	156,465
-	1,383,060	1,490,400	1,490,400	(107,340)
-	294,866	290,169	290,169	4,697
-	164,364	115,900	115,900	48,464
34	348,246	387,800	407,800	(59,554)
-	1,692,398	2,406,100	2,406,100	(713,702)
1,310,815	4,531,419	4,107,200	4,157,200	374,219
-	144,687	91,200	91,200	53,487
<u>279,127</u>	<u>2,097,709</u>	<u>3,196,100</u>	<u>3,353,100</u>	<u>(1,255,391)</u>
<u>1,589,976</u>	<u>16,128,945</u>	<u>17,400,600</u>	<u>17,627,600</u>	<u>(1,498,655)</u>
524,718	4,257,526	4,308,600	4,530,600	273,074
138,068	1,336,452	1,388,500	1,428,500	92,048
239,644	2,085,707	2,384,400	2,384,400	298,693
-	430,585	458,300	458,300	27,715
199,355	1,505,152	1,390,800	1,567,800	62,648
-	3,000,167	3,060,200	3,060,200	60,033
-	2,860,272	1,203,200	3,203,200	342,928
<u>524,912</u>	<u>3,714,230</u>	<u>11,810,900</u>	<u>11,810,900</u>	<u>8,096,670</u>
<u>1,626,697</u>	<u>19,190,091</u>	<u>26,004,900</u>	<u>28,443,900</u>	<u>9,253,809</u>
(36,721)	(3,061,146)	(8,604,300)	(10,816,300)	7,755,154
<u>-</u>	<u>2,727,185</u>	<u>7,138,100</u>	<u>7,138,100</u>	<u>(4,410,915)</u>
(36,721)	(333,961)	(1,466,200)	(3,678,200)	3,344,239
<u>1,563,067</u>	<u>9,371,435</u>	<u>15,607,513</u>	<u>15,607,513</u>	<u>(6,236,078)</u>
<u>1,526,346</u>	<u>9,037,474</u>	<u>14,141,313</u>	<u>11,929,313</u>	<u>(2,891,839)</u>

CITY OF INDIANOLA

Notes to Other Information – Budgetary Reporting

June 30, 2014

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, 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 similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$2,439,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted.

SUPPLEMENTARY INFORMATION

CITY OF INDIANOLA

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2014

				Special
	Industrial Park Urban Renewal Tax Increment	Employee Benefits Levy	Downtown Tax Increment	YMCA Maintenance Obligations
Receipts				
Property tax	\$ -	547,958	-	-
Tax increment financing collections	950,534	-	432,526	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total receipts	<u>950,534</u>	<u>547,958</u>	<u>432,526</u>	<u>-</u>
Disbursements				
Operating				
Public safety	-	-	-	-
Community and economic development	258,573	-	33,142	-
General government	-	-	-	25,274
Capital projects	-	-	-	-
Total disbursements	<u>258,573</u>	<u>-</u>	<u>33,142</u>	<u>25,274</u>
Excess (deficiency) of receipts over (under) disbursements	<u>691,961</u>	<u>547,958</u>	<u>399,384</u>	<u>(25,274)</u>
Other financing uses				
Sale of capital assets	-	-	-	-
Operating transfers in (out)	<u>(644,668)</u>	<u>(547,958)</u>	<u>(31,026)</u>	<u>53,333</u>
Total other financing sources (uses)	<u>(644,668)</u>	<u>(547,958)</u>	<u>(31,026)</u>	<u>53,333</u>
Net change in cash balances	47,293	-	368,358	28,059
Cash balances beginning of year	-	-	-	-
Cash balances end of year	<u>\$ 47,293</u>	<u>-</u>	<u>368,358</u>	<u>28,059</u>
Cash Basis Fund Balances				
Restricted for:				
Urban renewal purposes	\$ 47,293	-	368,358	-
Other purposes	-	-	-	28,059
Committed	-	-	-	-
Total cash basis fund balances	<u>\$ 47,293</u>	<u>-</u>	<u>368,358</u>	<u>28,059</u>

See accompanying independent auditor's report.

Revenue		Capital Projects		
Police Retirement	Police Seizures	Community Athletic Facility	Community Redevelopment	Total
-	-	-	-	547,958
-	-	-	-	1,383,060
1,593	-	11	1,604	3,208
-	-	-	-	-
<u>1,593</u>	<u>-</u>	<u>11</u>	<u>1,604</u>	<u>1,934,226</u>
-	22	-	-	22
-	-	-	-	291,715
-	-	-	-	25,274
-	-	4,073	220,413	224,486
-	22	4,073	220,413	541,497
<u>1,593</u>	<u>(22)</u>	<u>(4,062)</u>	<u>(218,809)</u>	<u>1,392,729</u>
-	-	-	-	-
<u>(12,500)</u>	<u>15,000</u>	<u>12,967</u>	<u>-</u>	<u>(1,154,852)</u>
<u>(12,500)</u>	<u>15,000</u>	<u>12,967</u>	<u>-</u>	<u>(1,154,852)</u>
(10,907)	14,978	8,905	(218,809)	237,877
122,636	3,420	1,155	215,117	342,328
<u>111,729</u>	<u>18,398</u>	<u>10,060</u>	<u>(3,692)</u>	<u>580,205</u>
-	-	-	-	415,651
111,729	18,398	-	-	158,186
-	-	10,060	(3,692)	6,368
<u>111,729</u>	<u>18,398</u>	<u>10,060</u>	<u>(3,692)</u>	<u>580,205</u>

CITY OF INDIANOLA
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Proprietary Funds
As of and for the Year Ended June 30, 2014

	Enterprise			Internal	
	Recycling	Stormwater Utility	Total	Health Insurance Reserve	Property Insurance Council
Operating receipts					
Charges for service	\$ 213,047	200,715	413,762	17,398	-
Miscellaneous	-	-	-	31,557	4,471
Total operating receipts	<u>213,047</u>	<u>200,715</u>	<u>413,762</u>	<u>48,955</u>	<u>4,471</u>
Operating disbursements					
Governmental activities					
Public safety	-	-	-	17,515	3,622
Public works	-	-	-	3,954	2,090
Culture and recreation	-	-	-	7,903	-
General government	-	-	-	6,694	-
Business type activities					
Sewer	-	-	-	3,811	702
Other	180,978	1,500	182,478	-	-
Component Unit:					
Municipal Utilities	-	-	-	13,130	-
Total disbursements	<u>180,978</u>	<u>1,500</u>	<u>182,478</u>	<u>53,007</u>	<u>6,414</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>32,069</u>	<u>199,215</u>	<u>231,284</u>	<u>(4,052)</u>	<u>(1,943)</u>
Non-operating receipts (disbursements)					
Interest on investments	-	-	-	-	34
Capital loan note proceeds	-	-	-	-	-
Capital projects	-	-	-	-	-
Net non-operating receipts (disbur)	-	-	-	-	34
Excess of receipts over disbursements	32,069	199,215	231,284	(4,052)	(1,909)
Operating transfers in (out)	<u>(16,500)</u>	<u>(62,500)</u>	<u>(79,000)</u>	<u>-</u>	<u>-</u>
Net change in cash balances	15,569	136,715	152,284	(4,052)	(1,909)
Cash balances beginning of year	<u>47,546</u>	<u>149,859</u>	<u>197,405</u>	<u>231,930</u>	<u>1,775</u>
Cash balances end of year	<u>\$ 63,115</u>	<u>286,574</u>	<u>349,689</u>	<u>227,878</u>	<u>(134)</u>
Cash Basis Fund Balances					
Unrestricted	<u>63,115</u>	<u>286,574</u>	<u>349,689</u>	<u>227,878</u>	<u>(134)</u>
Total cash basis fund balances	<u>\$ 63,115</u>	<u>286,574</u>	<u>349,689</u>	<u>227,878</u>	<u>(134)</u>

See accompanying independent auditor's report.

Service

Health Pool	Health Reimbursement Arrangement		Total
1,185,792	107,625		1,310,815
243,099	-		279,127
1,428,891	107,625		1,589,942
479,142	24,439		524,718
125,349	6,675		138,068
217,469	14,272		239,644
181,867	10,794		199,355
122,679	6,663		133,855
-	-		-
356,910	21,017		391,057
1,483,416	83,860		1,626,697
(54,525)	23,765		(36,755)
-	-		34
-	-		-
-	-		-
-	-		34
(54,525)	23,765		(36,721)
-	-		-
(54,525)	23,765		(36,721)
1,123,031	206,331		1,563,067
1,068,506	230,096		1,526,346
1,068,506	230,096		1,526,346
1,068,506	230,096		1,526,346
1,068,506	230,096		1,526,346

CITY OF INDIANOLA

Schedule of Indebtedness
Year Ended June 30, 2014

OBLIGATION	DATE OF ISSUE	INTEREST RATES	AMOUNT ORIGINALLY ISSUED
2008 Street Improvements & Equipment	5/22/2008	2.20-3.80	1,575,000
2009 Street Improvements & Equipment	8/31/2009	2.00-3.60	2,500,000
2011 General Obligation Refunding	1/13/2011	1.00-2.50	3,915,000
2011 Refunding & Sewer Improvements	1/13/2011	1.00-2.00	1,300,000
2011 General Obligation	10/19/2011	0.55-2.25	850,000
2011 General Obligation Urban Renewal	12/28/2011	1.30-2.95	2,410,000
2012 General Obligation Urban Renewal	5/1/2012	2.00-2.95	4,580,000
2012 General Obligation	5/1/2012	0.50-2.40	3,875,000
2013 General Obligation	1/9/2013	0.50-1.55	1,865,000
2013 General Obligation	1/9/2013	1.25-2.00	5,510,000
2013 General Obligation Refunding	7/13/2013	1.00-1.50	2,070,000
Capital Loan Notes			
1995 Sewer Revenue	6/21/1995	3.00	383,000
2009 Sewer Revenue	5/20/2009	3.00	9,090,000
2009 General Obligation	8/31/2009	1.25-3.25	620,000
2011 General Obligation	12/20/2011	1.30	700,000
2013 Sewer Revenue	4/19/2013	1.75	4,036,000
Total City of Indianola			
Indianola Municipal Utilities			
Revenue Bonds and Notes			
2010 Electric Revenue Capital Loan Notes	6/15/2010	2.00-4.00	9,040,000
2011 Electric Revenue Bonds	12/29/2011	2.00-2.30	1,800,000
2011 Water Revenue Refunding	12/29/2011	0.50-1.30	1,350,000

See accompanying independent auditor's report.

BALANCE BEGINNING OF YEAR	ISSUED DURING YEAR	REDEEMED DURING YEAR	BALANCE END OF YEAR	INTEREST PAID	INTEREST DUE AND UNPAID
\$ 820,000	-	820,000	-	27,865	-
1,815,000	-	235,000	1,580,000	53,930	-
2,485,000	-	895,000	1,590,000	43,488	-
560,000	-	280,000	280,000	9,100	-
740,000	-	55,000	685,000	12,592	-
2,410,000	-	100,000	2,310,000	56,400	-
4,580,000	-	-	4,580,000	101,970	-
3,800,000	-	300,000	3,500,000	59,375	-
1,865,000	-	-	1,865,000	28,419	-
5,255,000	-	240,000	5,015,000	79,340	-
-	2,070,000	-	2,070,000	-	-
<u>24,330,000</u>	<u>2,070,000</u>	<u>2,925,000</u>	<u>23,475,000</u>	<u>472,479</u>	<u>-</u>
55,000	-	27,000	28,000	1,245	-
7,798,881	-	200,000	7,598,881	219,759	-
360,000	-	70,000	290,000	10,370	-
565,000	-	140,000	425,000	7,301	-
<u>1,698,581</u>	<u>1,364,303</u>	<u>166,000</u>	<u>2,896,884</u>	<u>43,751</u>	<u>-</u>
<u>10,477,462</u>	<u>1,364,303</u>	<u>603,000</u>	<u>11,238,765</u>	<u>282,426</u>	<u>-</u>
<u>\$ 34,807,462</u>	<u>3,434,303</u>	<u>3,528,000</u>	<u>34,713,765</u>	<u>754,905</u>	<u>-</u>
\$ 7,360,000	-	870,000	6,490,000	274,125	-
1,640,000	-	170,000	1,470,000	33,575	-
<u>1,085,000</u>	<u>-</u>	<u>270,000</u>	<u>815,000</u>	<u>9,920</u>	<u>-</u>
<u>\$ 10,085,000</u>	<u>-</u>	<u>1,310,000</u>	<u>8,775,000</u>	<u>317,620</u>	<u>-</u>

CITY OF INDIANOLA

Bond and Note Maturities
June 30, 2014

YEAR ENDING JUNE 30,	GENERAL			
	GENERAL OBLIGATION REFUNDING		STREET IMPROVEMENTS & EQUIPMENT	
	ISSUED JULY 17, 2013		ISSUED AUGUST 31, 2009	
	INTEREST		INTEREST	
	RATE	AMOUNT	RATE	AMOUNT
2015	1.00	\$ 170,000	2.50	\$ 245,000
2016	1.00	445,000	2.75	250,000
2017	1.00	450,000	2.95	260,000
2018	1.05	450,000	3.20	265,000
2019	1.30	275,000	3.40	275,000
2020	1.50	280,000	3.60	285,000
2021		-		-
		<u>\$ 2,070,000</u>		<u>\$ 1,580,000</u>

YEAR ENDING JUNE 30,	GENERAL			
	GENERAL OBLIGATION URBAN RENEWAL		GENERAL OBLIGATION URBAN RENEWAL	
	ISSUED DECEMBER 28, 2011		ISSUED MAY 1, 2012	
	INTEREST		INTEREST	
	RATE	AMOUNT	RATE	AMOUNT
2015	1.30	\$ 100,000	2.00	\$ 100,000
2016	1.50	100,000	2.00	380,000
2017	1.50	100,000	2.00	485,000
2018	1.50	100,000	2.00	380,000
2019	1.65	100,000	2.00	390,000
2020	1.90	150,000	2.00	350,000
2021	2.05	150,000	2.00	335,000
2022	2.20	150,000	2.05	345,000
2023	2.30	150,000	2.20	355,000
2024	2.40	150,000	2.35	370,000
2025	2.60	150,000	2.50	195,000
2026	2.75	150,000	2.65	205,000
2027	2.90	150,000	2.75	220,000
2028	3.00	150,000	2.85	230,000
2029	3.05	150,000	2.95	240,000
2030	3.15	150,000		-
2031	3.25	160,000		-
		<u>\$ 2,310,000</u>		<u>\$ 4,580,000</u>

OBLIGATION

GENERAL OBLIGATION REFUNDING		REFUNDING & SEWER IMPROVEMENTS		GENERAL OBLIGATION	
ISSUED JANUARY 13, 2011		ISSUED JANUARY 13, 2011		ISSUED OCTOBER 19, 2011	
INTEREST		INTEREST		INTEREST	
RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT
2.00	\$ 775,000	2.00	\$ 280,000	1.00	\$ 55,000
2.00	535,000	-	-	1.35	55,000
2.00	180,000	-	-	1.35	105,000
2.50	100,000	-	-	1.65	110,000
-	-	-	-	1.90	115,000
-	-	-	-	2.10	120,000
-	-	-	-	2.25	125,000
	<u>\$ 1,590,000</u>		<u>\$ 280,000</u>		<u>\$ 685,000</u>

OBLIGATION

GENERAL OBLIGATION		GENERAL OBLIGATION		GENERAL OBLIGATION		
ISSUED MAY 1, 2012		ISSUED JANUARY 9, 2013		ISSUED JANUARY 9, 2013		
INTEREST		INTEREST		INTEREST		
RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	TOTAL
0.70	\$ 305,000		\$ -	1.25	\$ 315,000	\$ 2,345,000
0.90	305,000	0.50	125,000	1.25	320,000	2,515,000
1.10	310,000	0.65	150,000	1.25	325,000	2,365,000
1.30	315,000	0.80	255,000	1.25	335,000	2,310,000
1.50	320,000	0.95	260,000	1.30	340,000	2,075,000
1.70	325,000	1.10	265,000	1.10	345,000	2,120,000
1.90	330,000	1.25	265,000	1.25	355,000	1,560,000
2.10	340,000	1.40	270,000	1.40	360,000	1,465,000
2.20	345,000	1.55	275,000	1.55	370,000	1,495,000
2.30	355,000		-	1.70	375,000	1,250,000
2.40	250,000		-	1.80	380,000	975,000
	-		-	1.90	390,000	745,000
	-		-	2.00	400,000	770,000
	-		-	2.00	405,000	785,000
	-		-		-	390,000
	-		-		-	150,000
	-		-		-	160,000
	\$ 3,500,000		\$ 1,865,000		\$ 5,015,000	\$ 23,475,000

CITY OF INDIANOLA

Bond and Note Maturities
June 30, 2014

YEAR ENDING JUNE 30,	CAPITAL					
	SEWER REVENUE		SEWER REVENUE		GENERAL OBLIGATION	
	ISSUED JUNE 21, 1995		ISSUED MAY 20, 2009		ISSUED AUGUST 31, 2009	
	INTEREST RATE	AMOUNT	INTEREST RATE	AMOUNT	INTEREST RATE	AMOUNT
2015	3.00	\$ 28,000	3.00	\$ 206,000	2.80	\$ 70,000
2016		-	3.00	213,000	2.80	70,000
2017		-	3.00	220,000	3.25	75,000
2018		-	3.00	227,000	3.25	75,000
2019		-	3.00	234,000		-
2020		-	3.00	242,000		-
2021		-	3.00	250,000		-
2022		-	3.00	258,000		-
2023		-	3.00	266,000		-
2024		-	3.00	275,000		-
2025		-	3.00	284,000		-
2026		-	3.00	293,000		-
2027		-	3.00	302,000		-
2028		-	3.00	312,000		-
2029		-	3.00	322,000		-
2030		-	3.00	333,000		-
2031		-	3.00	344,000		-
2032		-	3.00	355,000		-
2033		-	3.00	366,000		-
2034		-	3.00	378,000		-
2035		-	3.00	391,000		-
2036		-	3.00	403,000		-
2037		-	3.00	417,000		-
2038		-	3.00	430,000		-
2039		-	3.00	277,881		-
		<u>\$ 28,000</u>		<u>\$ 7,598,881</u>		<u>\$ 290,000</u>

See accompanying independent auditor's report.

LOAN NOTES

GENERAL OBLIGATION ISSUED DECEMBER 20, 2011		SEWER REVENUE ISSUED APRIL 19, 2013		
INTEREST RATE	AMOUNT	INTEREST RATE	AMOUNT	TOTAL
1.30	\$ 140,000	1.75	\$ 169,000	\$ 613,000
1.30	140,000	1.75	173,000	596,000
1.30	145,000	1.75	176,000	616,000
-	-	1.75	180,000	482,000
-	-	1.75	183,000	417,000
-	-	1.75	187,000	429,000
-	-	1.75	191,000	441,000
-	-	1.75	195,000	453,000
-	-	1.75	198,000	464,000
-	-	-	202,000	477,000
-	-	-	207,000	491,000
-	-	-	211,000	504,000
-	-	-	215,000	517,000
-	-	-	219,000	531,000
-	-	-	190,884	512,884
-	-	-	-	333,000
-	-	-	-	344,000
-	-	-	-	355,000
-	-	-	-	366,000
-	-	-	-	378,000
-	-	-	-	391,000
-	-	-	-	403,000
-	-	-	-	417,000
-	-	-	-	430,000
-	-	-	-	277,881
	<u>\$ 425,000</u>		<u>\$ 2,896,884</u>	<u>\$ 11,238,765</u>

CITY OF INDIANOLA

Statement of Receipts By Source and Disbursements By Function - All Governmental Funds For the Last Ten Years

	2014	2013	2012	2011	2010
Receipts					
Property tax	\$ 5,472,196	5,163,954	4,929,375	4,836,322	4,826,350
Tax increment financing collections	1,383,060	1,368,810	1,146,801	865,761	712,476
Other city tax	294,866	205,910	152,908	137,481	118,906
Licenses and permits	164,364	117,693	144,940	197,339	96,392
Use of money and property	335,498	326,083	298,072	318,803	366,427
Intergovernmental	1,692,398	2,060,498	1,651,642	1,825,569	2,337,365
Charges for service	1,024,228	993,286	983,827	982,632	888,563
Special assessments	109,522	144,055	139,226	92,034	197,299
Miscellaneous	1,980,786	353,021	416,059	623,383	418,791
Total	<u>\$ 12,456,918</u>	<u>10,733,310</u>	<u>9,862,850</u>	<u>9,879,324</u>	<u>9,962,569</u>
Disbursements					
Operating					
Public safety	\$ 4,257,526	3,902,002	3,953,821	3,574,355	3,356,421
Public works	1,336,452	1,416,552	1,329,010	1,185,798	1,151,366
Culture and recreation	2,085,707	2,130,514	2,113,184	1,992,708	2,020,345
Community and economic development	430,585	704,168	1,295,997	123,554	96,617
General government	1,505,152	1,411,552	1,303,284	1,196,933	1,144,194
Debt service	3,000,167	2,622,940	3,368,178	5,718,378	2,276,339
Capital projects	2,860,272	16,012,963	2,778,034	1,904,710	2,713,016
Total	<u>\$ 15,475,861</u>	<u>28,200,691</u>	<u>16,141,508</u>	<u>15,696,436</u>	<u>12,758,298</u>

See accompanying independent auditor's report.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
4,739,284	4,380,621	4,302,700	4,193,385	3,953,158
632,566	652,571	414,117	242,398	188,396
116,449	119,660	115,249	113,263	127,553
66,923	187,498	198,688	163,875	194,540
339,169	320,015	377,916	198,498	177,341
1,648,354	1,813,522	2,252,514	1,366,839	2,082,365
1,117,293	1,033,928	867,941	897,130	765,904
161,882	331,949	284,420	148,054	310,621
<u>351,465</u>	<u>648,262</u>	<u>620,475</u>	<u>410,502</u>	<u>243,665</u>
<u>9,173,385</u>	<u>9,488,026</u>	<u>9,434,020</u>	<u>7,733,944</u>	<u>8,043,543</u>
3,269,051	3,173,199	3,085,903	3,098,731	3,064,421
1,282,170	1,348,228	1,256,853	1,338,626	1,159,048
2,316,774	1,904,951	1,936,423	1,933,962	1,661,909
104,155	83,781	617,772	65,386	90,030
1,037,373	995,407	965,143	972,894	931,372
2,219,139	1,956,788	2,792,481	1,623,791	1,562,645
<u>1,678,814</u>	<u>966,954</u>	<u>3,041,721</u>	<u>962,040</u>	<u>1,790,459</u>
<u>11,907,476</u>	<u>10,429,308</u>	<u>13,696,296</u>	<u>9,995,430</u>	<u>10,259,884</u>



Shull

and Co. P.C.
certified public accountants

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

To the Honorable Mayor and
Members of the City Council

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 governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Indianola, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 15, 2015. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Indianola's internal control over financial reporting to determine the audit procedures 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 City of Indianola's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Indianola's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies in internal control.

A deficiency in internal control exists when the design or operation of the 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 a material misstatement of the City of Indianola's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of control deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Indianola's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. 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.

The City of Indianola's Responses to Findings

The City of Indianola's responses to findings identified in our audit are described in the accompanying Schedule of Findings. The City of Indianola's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, we express no opinion on them.

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 result of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Indianola during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



January 15, 2015

CITY OF INDIANOLA

Schedule of Findings
Year Ended June 30, 2014

Part I: Findings Related to the Financial Statements:

None

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-14 Certified Budget - Disbursements during the year ended June 30, 2014, did not exceed budgeted amounts, as amended
- II-B-14 Questionable Disbursements - No disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- II-C-14 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- II-D-14 Business Transactions - No business transactions between the City and City officials or employees were noted.
- II-E-14 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- II-F-14 City Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.
- II-G-14 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- II-H-14 Revenue Bonds and Notes - No instances of non-compliance with the revenue bond and note resolutions were noted.

**CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY**

**Financial Statements
June 30, 2014 and 2013
(With Independent Auditor's Report Thereon)**



Shull
and Co. P.C.
certified public accountants



Shull

and Co. P.C.

certified public accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of Indianola
Indianola, Iowa

We have audited the financial statements of the Municipal Electric Utility of the City of Indianola, Iowa, which comprise the statement of net position as of June 30, 2014 and 2013 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Utility's preparation and fair presentation of the financial statements 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 the Utility's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion

As discussed in Note 1, the financial statements present only the Municipal Electric Utility of the City of Indianola, Iowa. Accounting principles generally accepted in the United States of America require that the City of Indianola, Iowa's financial statements present the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Indianola, Iowa.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the City of Indianola, Iowa as of June 30, 2014 and 2013, or the changes in financial position or cash flows thereof for the year then ended.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Electric Utility as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Municipal Electric Utility. The other information included in the accompanying schedule of operations is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of operations is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards of the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Shull & Co., P.C.

January 16, 2015

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Statement of Net Position
June 30, 2014 and 2013

ASSETS	2014	2013
Current assets		
Cash and investments	\$ 5,075,334	5,874,276
Accounts receivable - customers	2,393,206	2,134,066
Other accounts receivable	20,175	35,640
Accrued interest receivable	25,803	21,432
Deferred charges	314,977	-
Inventory - fuel oil	645,770	659,194
Inventory - supplies	1,874,314	1,927,444
Loan receivable from municipal water utility within one year	228,847	214,816
Total current assets	<u>10,578,426</u>	<u>10,866,868</u>
Restricted assets - cash and investments		
Revenue capital loan notes and bonds bond and interest sinking fund	163,200	224,800
Revenue capital loan notes and bonds debt service reserve fund	979,000	1,084,000
Revenue capital loan notes and bonds improvement fund	207,691	207,691
Total restricted assets	<u>1,349,891</u>	<u>1,516,491</u>
Loan receivable from municipal water utility after one year	<u>1,554,337</u>	<u>2,123,184</u>
Electric utility plant and equipment		
Land	359,207	359,207
Service territory	446,000	446,000
Generating units	15,161,374	15,161,374
Distribution system	30,309,781	28,361,536
Transmission system	4,658,143	4,658,143
Power plant building	2,120,678	2,120,678
Computer equipment	403,968	403,968
Equipment	751,238	751,238
Vehicles	1,482,625	1,384,924
	<u>55,693,014</u>	<u>53,647,068</u>
Less accumulated depreciation	<u>25,530,981</u>	<u>24,187,333</u>
Net utility plant in service	<u>30,162,033</u>	<u>29,459,735</u>
	<u>\$ 43,644,687</u>	<u>43,966,278</u>

See accompanying notes to financial statements.

	<u>2014</u>	<u>2013</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 1,542,643	1,582,765
Wages and benefits payable	112,069	100,437
Sales tax payable	<u>187</u>	<u>2,056</u>
Total current liabilities	<u>1,654,899</u>	<u>1,685,258</u>
Current liabilities payable from restricted assets		
Accrued interest payable	45,359	50,168
Revenue capital loan notes and bonds payable within one year	<u>540,000</u>	<u>1,040,000</u>
Current liabilities payable from restricted assets	<u>585,359</u>	<u>1,090,168</u>
Long-term debt		
Revenue capital loan notes and bonds payable after one year (including unamortized premium of \$74,154 (2013 - \$70,438))	<u>7,494,154</u>	<u>8,030,438</u>
NET POSITION		
Invested in capital assets, net of related debt	22,667,879	21,429,297
Restricted for debt service	556,841	218,632
Restricted for plant improvement	207,691	207,691
Unrestricted	<u>10,477,864</u>	<u>11,304,794</u>
Total net position	<u>33,910,275</u>	<u>33,160,414</u>
	<u>\$ 43,644,687</u>	<u>43,966,278</u>

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues		
Sale of electricity	\$ 12,168,779	11,541,231
Capacity contract fees	532,920	378,840
Peaking power charges	114,903	140,270
Service installation fees	35,180	48,683
Fiber lease fees	189,536	98,300
Transmission revenue	544,971	314,670
Other	27,149	27,458
Total operating revenues	<u>13,613,438</u>	<u>12,549,452</u>
Operating expenses		
Plant operation	208,116	214,465
Plant maintenance	171,870	267,135
Purchased energy	8,254,437	7,152,377
Depreciation	1,343,648	1,288,768
Distribution operation	131,041	126,018
Distribution maintenance	986,700	965,389
Transmission operation and maintenance	11,708	29,701
Meter reading	41,361	39,820
Administrative and general	1,780,888	1,758,118
Total operating expenses	<u>12,929,769</u>	<u>11,841,791</u>
Income (loss) from operations	<u>683,669</u>	<u>707,661</u>
Nonoperating revenues (expenses)		
Interest on investments	104,842	147,056
Interest on loan to municipal water utility	56,000	99,649
Connect charges and service fees	32,833	27,468
Gain (loss) on sale of capital assets	-	(14,346)
Other revenues	117,249	191,688
Interest expense	(306,607)	(342,481)
	<u>4,317</u>	<u>109,034</u>
Net income	687,986	816,695
Capital contributions from developers	61,875	107,950
Change in net position	749,861	924,645
Net position, beginning of year	<u>33,160,414</u>	<u>32,235,769</u>
Net position, end of year	<u>\$ 33,910,275</u>	<u>33,160,414</u>

See accompanying notes to financial statements.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Statement of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Cash received from customers	\$ 13,269,792	12,598,706
Cash paid to suppliers	(10,666,777)	(9,074,375)
Cash paid to employees	(1,098,155)	(1,074,050)
Nonoperating revenues received	150,082	219,156
Net cash provided by operating activities	<u>1,654,942</u>	<u>2,669,437</u>
Cash flows from capital and related financing activities		
Purchases and construction of utility plant	(1,984,071)	(1,853,830)
Proceeds from sale of capital assets	-	29,954
Revenue capital loan notes and bonds principal paid	(1,040,000)	(1,010,000)
Revenue capital loan notes and bonds interest paid	(307,700)	(340,363)
Net cash used by capital and related financing activities	<u>(3,331,771)</u>	<u>(3,174,239)</u>
Cash flows from investing activities		
Loan principal received	554,816	587,046
Interest income received	156,471	248,492
Net cash provided by investing activities	<u>711,287</u>	<u>835,538</u>
Net increase (decrease) in cash and investments	(965,542)	330,736
Cash and investments, beginning of year	<u>7,390,767</u>	<u>7,060,031</u>
Cash and investments, end of year	<u>\$ 6,425,225</u>	<u>7,390,767</u>
Reconciliation of income from operations to net cash provided by operating activities		
Income from operations	\$ 683,669	707,661
Adjustments		
Nonoperating revenues	150,082	219,156
Depreciation	1,343,648	1,288,768
(Increase) decrease in accounts receivable	(243,675)	155,528
Increase in deferred charges	(314,977)	-
Decrease in inventories	66,554	309,949
Decrease in accounts, wages and benefits, and sales tax payable	(30,359)	(11,625)
Net cash provided by operating activities	<u>\$ 1,654,942</u>	<u>2,669,437</u>
Noncash capital and related financing activities		
Developer contributions of utility plant and equipment	\$ 61,875	107,950

See accompanying notes to financial statements.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements present only the financial position, changes in financial position and cash flows of the Municipal Electric Utility of the City of Indianola, Iowa and are not intended to present the financial position of Indianola Municipal Utilities or the City of Indianola, Iowa, and the changes in its financial position and cash flows of its proprietary fund types.

Accounting method - The accounting records of the Municipal Electric Utility are maintained on a cash basis. The accompanying financial statements have been prepared, after giving effect to all material adjustments including amounts due from utility customers and due to suppliers of goods and services, to reflect the account balances and results of operations on the accrual basis.

The Municipal Electric Utility reports its financial activity in accordance with applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) pronouncements unless those pronouncements conflict with or contradict GASB pronouncements.

Inventories - Inventories consist principally of materials and supplies for maintenance and construction and fuel oil to operate generators and are stated at the lower of cost (first-in, first-out basis) or market.

Electric Utility Plant in Service - The amounts shown for Plant in Service, other than land and vehicles, are the result of an appraisal by Associated Engineers, Minneapolis, Minnesota in 1971 plus the cost of additions to the various accounts in subsequent years. Appraisal values were determined at replacement cost and adjusted by a price level index factor applicable to the actual year of acquisition. The appraisal values were as follows:

Generating units	\$ 2,648,267
Distribution system	1,185,568
Power plant building	337,250

The accumulated depreciation as of June 30, 2014 and 2013 and the related charge to operations for the years then ended were determined using the following group depreciation rates:

Generating units	4.0%
Transmission and distribution systems	2.5%
Power plant building	2.0%
Computer equipment & equipment	20.0%
Vehicles	10.0%

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Cash and Investments and Interest Income - Cash balances available from each of the funds of the City of Indianola, Iowa are pooled for investment and cash management purposes. Investments purchased by the pool are stated at cost or amortized cost. Interest earned on pooled investments is allocated monthly on the basis of the funds' ending cash and investment balances. Because the cash of the Municipal Electric Utility is deposited with or withdrawn from the cash and investment pool without restriction its allocated share of the pool has been treated as a cash equivalent in the accompanying statement of cash flows.

2. POWER SUPPLY CONTRACTS

The Indianola Municipal Utilities (IMU) 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 65 participating municipal utilities. Each MEAN participant has entered into the Electrical Resources Pooling Agreement (ERPA) with MEAN, which provides for various service schedules.

IMU elected in 2009 to become a Total Requirements Participant and as such receives all power and energy from MEAN, and entered into Service Schedule M of the ERPA. As such, IMU 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, IMU is also subject to a Purchased Energy Adjustment based on MEAN's actual cost of energy compared to those budgeted and collected through base rates during its fiscal year of April through March.

IMU's pro-rata share of net at-risk annual costs borne by Schedule M participants is approximately 9.5% in 2014 (2013 – 9.3%), subject to annual fluctuation based on demand and energy, and are explicitly categorized as IMU annual operating expenditures. 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. IMU's 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.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

2. POWER SUPPLY CONTRACTS-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 CAPX2020 Brookings-Twin Cities Development Project. IMU's Election Share is 3.34% of the CMMPA-Brookings Project, which in total is 3.6% of the total CAPX2020 Brookings-Twin Cities Development Project. Any net costs associated with IMU's participation are explicitly categorized as annual operating expenditures.

3. DEFERRED CHARGES

In May 2014 the Board of Trustees determined a cost of energy adjustment would be imposed under the provisions of its electric rate resolution. The initial costs to be recovered are the sum of the purchased energy adjustments assessed from July 2013 through March 2014 by MEAN under the terms of its power supply contract. The charges are expected to be recovered over a one year period as an additional per kilowatt hour surcharge to all utility customers. Each quarter actual energy costs charged by MEAN in excess of the base energy costs included in the rate resolution are added to deferred charges and surcharges collected from customers are subtracted from deferred charges to determine the per kilowatt hour surcharge to be imposed until all excess energy costs are recovered.

4. LOAN RECEIVABLE FROM MUNICIPAL WATER UTILITY

The Board of Trustees have approved the following loans to the Municipal Water Utility: in September 1992 for the amount of \$500,000; in January 1994 for the amount of \$1,000,000; in September 1994 for the amount of \$1,000,000; in December 1995 for the amount of \$500,000; in July 1996 for the amount of \$2,000,000; in December 1997 for the amount of \$500,000; and in June 1999 for the amount of \$200,000. In August 1999 the Trustees elected to defer interest payments for one year and continue to make regular principal payments on the loans. In August 2000 the Trustees restructured all of the loans and the deferred interest into one loan of \$4,826,779 payable in monthly installments of \$33,300, including interest at 5% per annum. In May 2003 the Trustees restructured the loan to be payable in monthly installments of \$31,100, including interest at 4% per annum, through February 2019. In November 2003 the Trustees restructured the loan again to be payable in monthly installments of \$22,568, including interest at 2.5% per annum, through October 2023. In July 2005 the Trustees restructured the loan again to be payable in monthly installments of \$22,568, including interest at 3.5% per annum, through February 2026. In February 2013 the Trustees restructured the loan again to be payable in monthly installments of \$22,568, including interest at 2.5% per annum, through March 2023. In June 2014 a \$340,000 principal prepayment was made on the loan.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

4. LOAN RECEIVABLE FROM MUNICIPAL WATER UTILITY-Continued

Aggregate maturities of loan principal to reflect the restructured loan as of June 30, 2014 were as follows:

Year ending June 30,	
2015	\$ 228,847
2016	234,634
2017	240,568
2018	246,651
2019	252,888
2020-2022	579,596
	<u>\$ 1,783,184</u>

5. ACCUMULATED DEPRECIATION AND DEPRECIATION EXPENSE

For the years ended June 30, 2014 and 2013, the accumulated depreciation and depreciation expense were as follows:

	Accumulated Depreciation 2014	Depreciation Expense 2014	Accumulated Depreciation 2013	Depreciation Expense 2013
Electric utility plant and equipment				
Service territory	\$ 184,525	22,300	162,225	22,300
Generating units	11,299,900	367,276	10,932,624	367,282
Distribution system	9,025,514	662,262	8,363,252	589,733
Transmission system	2,039,243	116,453	1,922,790	116,453
Power plant building	939,628	33,364	906,264	40,572
Computer equipment	397,308	10,118	387,190	21,110
Equipment	661,275	59,577	601,698	62,194
Vehicles	983,588	72,298	911,290	69,124
	<u>\$ 25,530,981</u>	<u>1,343,648</u>	<u>24,187,333</u>	<u>1,288,768</u>

6. REVENUE CAPITAL LOAN NOTES AND BONDS

The Utility has pledged future electric customer receipts, net of specified operating disbursements, to repay \$9,040,000 of Electric Revenue Capital Loan Notes issued in June 2010. Proceeds from the notes provided financing for improvements and extensions to the Municipal Electric Utility. The notes are payable solely from electric net revenues and are payable through 2025. Annual principal and interest payments on the notes are expected to require less than 100% of net revenues. The total principal and interest remaining to be paid on the notes is \$8,179,175. For the current year, principal and interest paid and total net revenues were \$1,141,125 and \$2,338,241, respectively.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

6. REVENUE CAPITAL LOAN NOTES AND BONDS-Continued

The Utility has pledged future electric customer receipts, net of specified operating disbursements, to repay \$1,800,000 of Electric Revenue Bonds issued in December 2011. Proceeds from the notes provided financing for improvements and extensions to the Municipal Electric Utility, including underground distribution lines and communication systems, plant improvements and related equipment. The notes are payable solely from electric net revenues and are payable through 2022. Annual principal and interest payments on the notes are expected to require less than 100% of net receipts. The total principal and interest remaining to be paid on the notes is \$1,610,810. For the current year, principal and interest paid and total net revenues were \$203,575 and \$2,338,241, respectively.

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

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to a separate electric revenue sinking account within the Enterprise Fund for the purpose of making the note principal and interest payments when due.
- c. Additional monthly transfers of 25% of the amount required to be deposited in the water revenue sinking account shall be made to a separate electric revenue debt service reserve account until specific minimum balances have been accumulated in the accounts. Use of funds is restricted to funding any deficit in the sinking account.
- d. Additional monthly transfers of \$3,500 shall be made to a separate electric improvement account until specific minimum balance of \$200,000 has been accumulated in the account. Use of funds is restricted to funding any deficit in the sinking and reserve accounts or paying the cost of extraordinary maintenance expenses or repairs, renewals and replacements not included in the annual budget of revenues and current expenses, payments of rentals on any part of the system, and for capital improvements to the system.
- e. 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 or replacements to the electric system, or to pay or redeem any notes or bonds, and then can be used for any lawful purpose.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

6. REVENUE CAPITAL LOAN NOTES AND BONDS-Continued

Revenue capital loan note and bond debt service requirements are as follows as of June 30, 2013:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 540,000	278,200	818,200
2016	555,000	263,750	818,750
2017	730,000	248,850	978,850
2018	745,000	227,375	972,375
2019	770,000	201,175	971,175
2020-2024	3,875,000	580,835	4,455,835
2025	745,000	29,800	774,800
	<u>\$ 7,960,000</u>	<u>1,829,985</u>	<u>9,789,985</u>

7. COMPENSATED ABSENCES

Utility employees accumulate vacation hours, compensating time off and sick leave for subsequent use. Unused vacation hours and compensating time off are payable upon termination, retirement or death. These amounts are included in wages and benefits payable, as of June 30, 2014 and 2013. Accumulated sick leave benefits as of June 30, 2014 of \$160,922 (2013 - \$149,795) are payable only when used and have not been accrued.

8. PENSION AND RETIREMENT BENEFITS

The Municipal Electric Utility contributes to the Iowa Public Employees Retirement system (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.95% of their annual covered salary and the Municipal Electric Utility is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The Municipal Electric Utility contribution to IPERS for the year ended June 30, 2014 was \$69,432 (2013 - \$68,236), equal to the required contribution for the year.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

9. RISK MANAGEMENT

The City of Indianola is a member in 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 679 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, public officials liability, police professional liability, property, inland marine and boiler and machinery. 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 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 by the Board not to exceed 300% of the basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual 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 Municipal Electric Utility's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Utility's annual contributions to the Pool for the year ended June 30, 2014 were \$94,135 (2013 - \$70,292).

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City of Indianola's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City of Indianola's risk-sharing certificate.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

9. 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 member's 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 reinsurance 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 Utility does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2014, no liability has been recorded in the Utility's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance company 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 City is a member of the Iowa Municipalities Workers' Compensation Association (the "Association"). The Association is governed by a board of directors elected by representatives of the governing bodies of each participating governmental jurisdiction. The City has executed a Worker's Compensation Coverage Agreement with the Association which extends through June 30, 2014 and has authorized the Association to issue general obligation bonds to provide funds with which to pay claims. During the year ended June 30, 2014, the Utility paid workers' compensation insurance premiums of \$18,852 (2013 - \$19,244) to the Association.

10. COMMITMENTS

The Municipal Electric Utility has entered into contracts for transmission line relocation, electric underground conversion and other projects totaling approximately \$3,357,000. The remaining commitment on these contracts at June 30, 2014 is approximately \$2,068,000.

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Schedule of Operations
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues		
Sale of electricity		
Residential	\$ 6,644,649	6,481,103
Commercial	2,889,737	2,831,514
Large industrial	1,084,450	866,702
Small industrial	752,875	596,836
Street lighting	135,146	134,690
Other public authorities	255,319	257,952
Interdepartment sales	406,603	372,434
	<u>12,168,779</u>	<u>11,541,231</u>
Capacity contract fees	532,920	378,840
Peaking power charges	114,903	140,270
Service installation fees	35,180	48,683
Fiber lease	189,536	98,300
Transmission revenue	544,971	314,670
Penalties	27,149	27,458
Total operating revenue	<u>13,613,438</u>	<u>12,549,452</u>
Operating and maintenance expenses		
Plant operation		
Salaries	61,445	58,414
Payroll tax	11,204	9,134
IPERS	13,355	10,516
Fuel	79,751	95,863
Material and supplies	1,231	937
Other	41,130	39,601
	<u>208,116</u>	<u>214,465</u>
Plant maintenance		
Salaries	55,929	56,635
Maintenance and repairs	115,941	210,500
	<u>171,870</u>	<u>267,135</u>
Purchased energy	<u>8,254,437</u>	<u>7,152,377</u>
Depreciation	<u>1,343,648</u>	<u>1,288,768</u>

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Schedule of Operations - Continued
Years Ended June 30, 2014 and 2013

	2014	2013
Operating and maintenance expenses (continued)		
Distribution operation		
Salaries	84,685	79,889
Payroll tax	6,309	6,011
IPERS	7,056	6,695
Training	13,966	7,361
Other	19,025	26,062
	<u>131,041</u>	<u>126,018</u>
Distribution maintenance		
Salaries	547,824	526,430
Payroll tax	38,967	39,645
IPERS	45,579	45,269
Materials and supplies	289,047	253,745
Fleet operations and repairs	65,283	100,300
	<u>986,700</u>	<u>965,389</u>
Transmission operation and maintenance		
Salaries	10,174	12,933
Payroll tax	318	308
IPERS	371	352
Maintenance and repairs	-	13,543
Other	845	2,565
	<u>11,708</u>	<u>29,701</u>
Meter reading		
Salaries	34,462	31,755
Payroll tax	2,609	2,627
IPERS	3,071	3,004
Other	1,219	2,434
	<u>41,361</u>	<u>39,820</u>
Administrative and general		
Accounting and collections - transfer to IMU Administration	713,612	707,443
In lieu of property taxes - transfer to City General Fund	538,700	501,300
Insurance	154,547	149,299
Group Insurance	186,429	186,353

CITY OF INDIANOLA, IOWA
MUNICIPAL ELECTRIC UTILITY
Schedule of Operations - Continued
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating and maintenance expenses (continued)		
Administrative and general (continued)		
Energy efficiency programs	28,486	35,838
Bad debts	99,971	106,274
Donations	52,291	62,560
Miscellaneous	6,852	9,051
	<u>1,780,888</u>	<u>1,758,118</u>
 Total operating expenses	 <u>12,929,769</u>	 <u>11,841,791</u>
 Income (loss) from operations	 <u>683,669</u>	 <u>707,661</u>
 Nonoperating revenues (expenses)		
Interest on investments	104,842	147,056
Interest on loan to municipal water utility	56,000	99,649
Electric service fees	7,085	3,605
Connect charges	25,748	23,863
Cable franchise fees	35,190	33,300
Gain (loss) on sale of capital assets	-	(14,346)
Miscellaneous	82,059	158,388
Interest expense	(306,607)	(342,481)
	<u>4,317</u>	<u>109,034</u>
 Net income	 <u>\$ 687,986</u>	 <u>816,695</u>

**CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY**

**Financial Statements
June 30, 2014 and 2013
(With Independent Auditor's Report Thereon)**



Shull
and Co. P.C.
certified public accountants



Shull and Co. P.C.

certified public accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of Indianola
Indianola, Iowa

We have audited the accompanying financial statements of the Municipal Water Utility of the City of Indianola, Iowa, which comprise the statement of net position as of June 30, 2014 and 2013 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Utility's preparation and fair presentation of the financial statements 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 the Utility's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion

As discussed in Note 1, the financial statements present only the municipal Water Utility of the City of Indianola, Iowa. Accounting principles generally accepted in the United States of America require that the City of Indianola, Iowa's financial statements present the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Indianola, Iowa.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the City of Indianola, Iowa as of June 30, 2014 and 2013, or the changes in financial position or cash flows thereof for the years then ended

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Water Utility as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Municipal Water Utility. The other information included in the accompanying schedule of operations is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of operations is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards of the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Stull & Co., P.C.

January 16, 2015

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Statement of Net Position
June 30, 2014 and 2013

ASSETS	<u>2014</u>	<u>2013</u>
Current assets		
Cash and investments	\$ 1,283,348	1,510,033
Accounts receivable - customers	406,201	395,726
Accrued interest receivable	8,718	5,246
Receivable from the City of Indianola within one year	16,867	-
Inventories	<u>36,770</u>	<u>36,487</u>
Total current assets	<u>1,751,904</u>	<u>1,947,492</u>
Restricted assets - cash and investments		
Revenue bond and interest sinking fund	161,302	161,822
Revenue bond debt service reserve fund	135,000	135,000
Revenue bond water improvement fund	<u>75,000</u>	<u>75,000</u>
	<u>371,302</u>	<u>371,822</u>
Receivable from the City of Indianola after one year	<u>55,133</u>	<u>-</u>
Water utility plant & equipment		
Land	227,441	416,270
Service territory	328,412	328,412
Buildings and plant	7,595,528	7,595,528
Wells and towers	4,692,597	4,654,755
Mains, hydrants and meters	11,193,276	10,816,694
Machinery and equipment	598,512	598,512
Vehicles	<u>226,089</u>	<u>201,190</u>
	24,861,855	24,611,361
Less accumulated depreciation	<u>10,647,227</u>	<u>10,074,855</u>
Net utility plant in service	<u>14,214,628</u>	<u>14,536,506</u>
	<u>\$ 16,392,967</u>	<u>16,855,820</u>

See accompanying notes to financial statements.

	2014	2013
LIABILITIES		
Current liabilities		
Accounts payable	\$ 121,838	54,377
Wages and benefits payable	61,961	57,071
Sales tax payable	61	50
Accrued interest payable	1,459	1,589
Loan payable to municipal electric utility within one year	228,847	214,816
General obligation bonds payable within one year	155,000	154,400
Total current liabilities	<u>569,166</u>	<u>482,303</u>
Current liabilities payable from restricted assets		
Accrued interest payable	748	905
Revenue refunding bonds payable within one year	270,000	270,000
Current liabilities payable from restricted assets	<u>270,748</u>	<u>270,905</u>
Long-term debt		
Loan payable to municipal electric utility after one year	1,554,337	2,123,184
Revenue refunding bonds payable after one year		
(including unamortized premium of \$1,008 (2013 - \$411))	546,008	815,411
General obligation bonds payable after one year (net of unamortized discount of \$16,452 (2013 - \$20,698))	765,848	916,602
	<u>2,866,193</u>	<u>3,855,197</u>
NET POSITION		
Invested in capital assets, net of related debt	10,964,588	10,312,093
Restricted for debt service	25,554	25,917
Restricted for water improvements	75,000	75,000
Unrestricted	1,621,718	1,834,405
Total net position	<u>12,686,860</u>	<u>12,247,415</u>
	<u>\$ 16,392,967</u>	<u>16,855,820</u>

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues		
Sale of water	\$ 2,294,079	2,275,942
Other	<u>62,073</u>	<u>42,186</u>
Total operating revenues	<u>2,356,152</u>	<u>2,318,128</u>
Operating expenses		
Plant operation	538,752	517,832
Plant maintenance	36,370	36,480
Distribution maintenance	321,209	208,095
Vehicle operations and maintenance	20,029	19,501
Meter reading	10,795	11,240
Administrative and general	361,417	349,267
Depreciation	<u>572,372</u>	<u>569,412</u>
Total operating expenses	<u>1,860,944</u>	<u>1,711,827</u>
Income from operations	<u>495,208</u>	<u>606,301</u>
Nonoperating revenues (expenses)		
Interest on investments	30,618	39,320
Connection fees	23,609	18,583
Other revenues	72,946	64,019
Loss on transfer of land	(96,829)	-
Interest expense	<u>(89,575)</u>	<u>(137,186)</u>
	<u>(59,231)</u>	<u>(15,264)</u>
Net income	435,977	591,037
Capital contributions from customers and developers	-	112,560
Capital contributions from water main connection fees	<u>3,468</u>	<u>7,958</u>
Change in net position	439,445	711,555
Net position, beginning of year	<u>12,247,415</u>	<u>11,535,860</u>
Net position, end of year	<u>\$ 12,686,860</u>	<u>12,247,415</u>

See accompanying notes to financial statements.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Statement of Cash Flows
Year Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Cash received from customers	\$ 2,325,179	2,356,303
Cash paid to suppliers	(654,353)	(592,952)
Cash paid to employees	(541,642)	(534,282)
Other nonoperating fees and revenues received	96,555	82,602
Net cash provided by operating activities	<u>1,225,739</u>	<u>1,311,671</u>
Cash flows from capital and related financing activities		
Purchases and construction of plant and equipment	(439,323)	(221,233)
Water main connection fees received	3,468	7,958
Principal paid to municipal electric utility	(554,816)	(587,046)
Interest paid to municipal electric utility	(56,000)	(99,649)
Revenue refunding bonds principal paid	(270,000)	(265,000)
Revenue refunding bonds interest paid	(9,920)	(11,528)
General obligation bonds principal paid	(154,400)	(126,000)
General obligation bonds interest paid	(19,099)	(20,225)
Net cash used by capital and related financing activities	<u>(1,500,090)</u>	<u>(1,322,723)</u>
Cash flows from investing activities		
Principal payment received from the City of Indianola	20,000	-
Interest income received	27,146	39,905
Net cash provided by investing activities	<u>47,146</u>	<u>39,905</u>
Net increase(decrease) in cash and investments	(227,205)	28,853
Cash and investments, beginning of year	1,881,855	1,853,002
Cash and investments, end of year	<u>\$ 1,654,650</u>	<u>1,881,855</u>
Reconciliation of income from operations to net cash provided by operating activities		
Income from operations	\$ 495,208	606,301
Adjustments		
Other nonoperating fees and revenues	96,555	82,602
Depreciation	572,372	569,412
(Increase) decrease in accounts receivable	(10,475)	56,873
Decrease in prepaid rental fees	-	-
Increase in inventory	(283)	(3,490)
Increase (decrease) in accounts, wages and benefits, and sales tax payable	72,362	(27)
Net cash provided by operating activities	<u>\$ 1,225,739</u>	<u>1,311,671</u>
Noncash capital and related financing and investing activities:		
Developer contributions of utility plant and equipment	\$ -	112,560
Land transferred for receivable from the City of Indianola	92,000	-

See accompanying notes to financial statements.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements present only the financial position, changes in financial position and cash flows of the Municipal Water Utility of the City of Indianola, Iowa and are not intended to present the financial position of Indianola Municipal Utilities or the City of Indianola, Iowa, and the changes in its financial position and cash flows of its proprietary fund types.

Accounting method - The accounting records of the Municipal Water Utility are maintained on a cash basis. The accompanying financial statements have been prepared, after giving effect to all material adjustments including amounts due from utility customers and due to suppliers of goods and services, to reflect the account balances and results of operations on the accrual basis.

The Municipal Water Utility reports its financial activity in accordance with applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) pronouncements unless those pronouncements conflict with or contradict GASB pronouncements.

Inventories - Inventories consist principally of maintenance materials and supplies and are stated at the lower of cost (first-in, first-out basis) or market.

Depreciation - Depreciation expense is computed using the straight-line method and estimated useful lives as follows:

Buildings and plant	40 years
Machinery and equipment	15 years
Wells and towers	30-50 years
Mains and hydrants	50 years
Meters	20 years
Vehicles	10 years

Cash and Investments and Interest Income - Cash balances available from each of the funds of the City of Indianola, Iowa are pooled for investment and cash management purposes. Investments purchased by the pool are stated at cost or amortized cost. Interest earned on pooled investments is allocated monthly on the basis of the funds' ending cash and investment balances. Because the cash of the Municipal Water Utility is deposited with or withdrawn from the cash and investment pool without restriction its allocated share of the pool has been treated as a cash equivalent in the accompanying statement of cash flows.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

2. TRANSFER OF LAND

In September 2013 the Board of Trustees transferred management and control of land no longer needed in its operations to the City of Indianola in exchange for \$92,000 plus interest, payable in annual installments of \$20,000, including interest, through September 2017.

Maturities of the receivable from the City of Indianola as of June 30, 2014 were as follows:

Year ending June 30,	
2014	\$ 16,867
2015	17,601
2016	18,366
2017	19,166
	<u>\$ 72,000</u>

3. REVENUE REFUNDING BONDS

In December 2011 the Utility issued \$1,350,000 of Water Revenue Refunding Bonds, with interest rates ranging from .5% to 1.3%, for a current refunding of a portion of the refunding capital loan notes issued August 2004. The Utility refunded the capital loan notes to reduce its total debt service payments by approximately \$91,800 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$88,400.

The Utility has pledged future water customer receipts, net of specified operating disbursements, to repay \$1,350,000 of Water Revenue Refunding Bonds issued in December 2011. Proceeds from the notes provided financing for the current refunding of a portion of the refunding capital loan notes issued August 2004. The notes are payable solely from water customer net receipts and are payable through 2017. Annual principal and interest payments on the notes are expected to require less than 50% of net receipts. The total principal and interest remaining to be paid on the notes is \$829,608. For the current year, principal and interest paid and total customer net receipts were \$279,920 and \$1,035,392, respectively.

The resolution providing for the issuance of the revenue bonds include the following provisions:

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to a separate water revenue sinking account within the Enterprise Fund for the purpose of making the note principal and interest payments when due.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

3. REVENUE REFUNDING BONDS-Continued

- c. Additional monthly transfers of 25% of the amount required to be deposited in the water revenue sinking account shall be made to a separate water revenue debt service reserve account until specific minimum balances have been accumulated in the accounts. Use of funds is restricted to funding any deficit in the sinking account.
- d. 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 or replacements to the water system, or to pay or redeem any bonds, and then can be used for any lawful purpose.

The revenue bonds mature in annual installments of \$265,000 to \$275,000 through December 2016 and bear interest at rates of 0.50% to 1.30% payable semiannually. Debt service requirements were as follows as of June 30, 2014:

Year ending June 30,	Principal	Interest	Total
2015	\$ 270,000	7,760	277,760
2016	270,000	5,060	275,060
2017	275,000	1,788	276,788
	<u>\$ 815,000</u>	<u>14,608</u>	<u>829,608</u>

4. GENERAL OBLIGATION BONDS PAYABLE

In January 2011 the City issued \$3,915,000 of General Obligation Refunding Bonds for a crossover refunding of a portion of the General Obligation Bonds dated October 2003. 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 \$735,000 of bond principal and related interest be financed by the operations of the Municipal Water Utility. Accordingly, that portion of the bonds is reported as a liability and the interest payments are reported as an expense of the Utility in these financial statements. Municipal Water Utility principal payments are due on the notes in the amounts of \$100,000 to \$115,000 from June 1, 2012 through June 1, 2018. Interest on the notes at rates of 1.0% to 2.0% per annum is due semiannually beginning December 1, 2011.

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 bond principal and related interest be financed by the operations of the Municipal Water

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

4. GENERAL OBLIGATION BONDS PAYABLE-Continued

Utility. Accordingly, that portion of the bonds is reported as a liability and the interest payments are reported as an expense of the Utilities in these financial statements. Municipal Water Utility principal payments are due on the notes in the amounts of \$11,000 to \$52,500 from June 1, 2013 through June 1, 2025. Interest on the notes at rates of .5% to 2.4% per annum is due semiannually beginning December 1, 2012.

The Municipal Water Utility portion of general obligation bond debt service requirements are as follows as of June 30, 2014:

Year ending June 30,	Principal	Interest	Total
2015	\$ 155,000	17,500	172,500
2016	155,000	14,900	169,900
2017	145,800	12,300	158,100
2018	146,600	9,800	156,400
2019	47,300	6,700	54,000
2020-2024	250,600	20,800	271,400
2025	37,000	900	37,900
	\$ 937,300	82,900	1,020,200

5. LOAN PAYABLE TO MUNICIPAL ELECTRIC UTILITY

The Board of Trustees have approved the following loans from the Municipal Electric Utility: in September 1992 for the amount of \$500,000; in January 1994 for the amount of \$1,000,000; in September 1994 for the amount of \$1,000,000; in December 1995 for the amount of \$500,000; in July 1996 for the amount of \$2,000,000; in December 1997 for the amount of \$500,000; and in June 1999 for the amount of \$200,000. In August 1999 the Trustees elected to defer interest payments for one year and continue to make regular principal payments on the loans. In August 2000 the Trustees restructured all of the loans and the deferred interest into one loan of \$4,826,779 payable in monthly installments of \$33,300, including interest at 5% per annum. In May 2003 the Trustees restructured the loan to be payable in monthly installments of \$31,100, including interest at 4% per annum, through February 2019. In November 2003 the Trustees restructured the loan again to be payable in monthly installments of \$22,568, including interest at 2.5% per annum, through October 2023. In July 2005 the Trustees restructured the loan again to be payable in monthly installments of \$22,568, including interest at 3.5% per annum, through February 2026. In February 2013 the Trustees restructured the loan again to be payable in monthly installments of \$22,568, including interest at 2.5% per annum, through March 2023. In June 2014 a \$340,000 principal prepayment was made on the loan.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

5. LOAN PAYABLE TO MUNICIPAL ELECTRIC UTILITY - Continued

Aggregate maturities of the loans payable to reflect the restructured loan as of June 30, 2014 were as follows:

Year ending June 30,	
2015	\$ 228,847
2016	234,634
2017	240,568
2018	246,651
2019	252,888
2020-2022	579,596
	<u>\$ 1,783,184</u>

6. COMPENSATED ABSENCES

Municipal Water Utility employees accumulate vacation hours, compensating time off and sick leave for subsequent use. Unused vacation hours and compensating time off are payable upon termination, retirement or death. These amounts are included in wages and benefits payable as of June 30, 2014 and 2013. Accumulated sick leave benefits as of June 30, 2014 of \$81,008 (2013 -\$76,609) are payable only when used and have not been accrued.

7. PENSION AND RETIREMENT BENEFITS

The Municipal Water Utility contributes to the Iowa Public Employees Retirement system (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.95% of their annual covered salary and the Municipal Water Utility is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The Municipal Water Utility contribution to IPERS for the year ended June 30, 2014 was \$34,494 (2013 - \$32,448), equal to the required contribution for the year.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

8. RISK MANAGEMENT

The City of Indianola is a member in 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 679 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, public officials liability, police professional liability, property, inland marine and boiler and machinery. 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 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 by the Board not to exceed 300% of the basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual 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 Municipal Water Utility's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Utility's annual contributions to the Pool for the year ended June 30, 2014 were \$25,334 (2013 - \$24,937).

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protections provided by the City of Indianola's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City of Indianola's risk-sharing certificate.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Notes to Financial Statements - Continued
June 30, 2014 and 2013

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 member's 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 reinsurance 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 Utility does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2014, no liability has been recorded in the Utility's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance company 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 City is a member of the Iowa Municipalities Workers' Compensation Association (the "Association"). The Association is governed by a board of directors elected by representatives of the governing bodies of each participating governmental jurisdiction. The City has executed a Worker's Compensation Coverage Agreement with the Association which extends through June 30, 2014 and has authorized the Association to issue general obligation bonds to provide funds with which to pay claims. During the year ended June 30, 2014, the Utility paid workers' compensation insurance premiums of \$8,157 (2013 - \$7,832) to the Association.

9. COMMITMENTS

The Municipal Water Utility has entered into contracts for plant improvements and a water main project totaling approximately \$512,200. The remaining commitment on these contracts at June 30, 2014 is approximately \$144,500.

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Schedule of Operations
Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues		
Sale of water		
Residential	\$ 1,741,252	1,779,279
Commercial	481,989	420,538
Other public authorities	52,605	52,754
Interdepartment sales	18,233	23,371
	<u>2,294,079</u>	<u>2,275,942</u>
Other		
Sale of water meters	39,720	18,340
Penalty charges	22,353	23,846
	<u>62,073</u>	<u>42,186</u>
Total operating revenue	<u>2,356,152</u>	<u>2,318,128</u>
Operating expenses		
Plant operation		
Salaries	252,967	251,992
Payroll tax	21,260	21,631
IPERS	24,095	24,061
Utilities	153,697	127,096
Chemicals and supplies	68,079	74,692
Other	18,654	18,360
	<u>538,752</u>	<u>517,832</u>
Plant maintenance		
Equipment maintenance and repairs	35,067	23,503
Plant and grounds maintenance and repairs	1,303	12,977
	<u>36,370</u>	<u>36,480</u>
Distribution maintenance		
Salaries	146,941	134,384
Payroll tax	8,196	7,365
IPERS	9,631	8,452
Maintenance and repairs	156,441	57,894
	<u>321,209</u>	<u>208,095</u>
Vehicle operations and maintenance		
Materials and supplies	13,797	16,097
Maintenance and repair	6,232	3,404
	<u>20,029</u>	<u>19,501</u>

CITY OF INDIANOLA, IOWA
MUNICIPAL WATER UTILITY
Schedule of Operations - Continued
Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating expenses (continued)		
Meter reading		
Salaries	8,522	8,463
Payroll tax	652	657
IPERS	768	751
Other	853	1,369
	<u>10,795</u>	<u>11,240</u>
Administrative and general		
Accounting and collections - transfer to IMU Administration	160,064	150,600
In lieu of property taxes - transfer to General Fund	70,800	60,600
Insurance	36,169	35,447
Group Insurance	73,500	80,814
Professional fees	-	2,778
Bad debts	20,498	18,698
Other	386	330
	<u>361,417</u>	<u>349,267</u>
Depreciation	<u>572,372</u>	<u>569,412</u>
Total operating expenses	<u>1,860,944</u>	<u>1,711,827</u>
Income from operations	<u>495,208</u>	<u>606,301</u>
Nonoperating revenues (expense)		
Interest on investments	28,268	39,320
Connection fees	23,609	18,583
Other	72,946	64,019
Loss on transfer of land	(96,829)	-
Interest expense	(87,225)	(137,186)
	<u>(59,231)</u>	<u>(15,264)</u>
Net income	<u>\$ 435,977</u>	<u>591,037</u>

**CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES**

**Financial Statements
(With Independent Auditor's Report Thereon)**

**Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting**

Schedule of Findings

June 30, 2014 and 2013



Shull
and Co. P.C.
certified public accountants

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

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CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Officials

June 30, 2014

Electric and Water Utility Board of Trustees

Authority: Indianola City Ordinance No. 642

		<u>Term Expires December 31</u>	<u>Amount of Bond</u>
Eric Vander Linden	January 2014 Chairperson	2014	300,000
Bob Lester	(to July 2014)	2015	300,000
Deb White	(from July 2014)	2015	300,000
Pat Reding		2017	300,000
Grant Johnson		2018	300,000
Heather Hulen		2019	300,000

Indianola Municipal Utilities Management

Todd Kielkopf	General Manager	300,000
Bob Miller	Electric Superintendent	300,000
Lou Elbert	Water Superintendent	300,000
Mike Metcalf	Director of Technical Services	300,000
Chris Longer	Program Coordinator	300,000

City Officials and Management

Christopher DesPlanques	Director of Finance	300,000
Roxanne Hunerdosse	Director of Human Resources	300,000
Diana Bowlin	City Clerk	300,000
Douglas Shull	City Treasurer	300,000

All other city employees are bonded under the Cincinnati Insurance Employee Loss Coverage, "Faithful Performance Blanket Position Bond," # BD0359727 in the amount of \$300,000.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Board of Trustees Report

March 1, 2015

To the Honorable Mayor, Members of the Council, and Citizens of the City of Indianola,

This report consists of the board and management's representations concerning the finances of Indianola Municipal Utilities. Consequently, the board and management assume full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the board and management have established a comprehensive internal control framework that is designed both to protect the utility's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of these financial statements. Because the cost of internal controls should not outweigh their benefits, the utility's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The board and management assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Indianola Municipal Utilities' financial statements have been audited by Shull & Co., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Indianola Municipal Utilities' financial statements for the fiscal year ended June 30, 2014 are fairly presented. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of the Utility Board of Trustees

The City of Indianola, incorporated in 1864 and the county seat of Warren County, is located in the central part of the state approximately 17 miles south of the state capital, Des Moines. Indianola is considered part of the Des Moines MSA, one of the top growth areas in the state. The City of Indianola encompasses an area of approximately nine square miles and a population of 14,782. The city provides electric, water, and telecommunications services as a discretely reported component unit under the management and control of a board of trustees. The board operates these three utilities as Indianola Municipal Utilities (IMU). This system of management and control was established by a vote of the electorate and implemented by city ordinance in 1973 as provided in Iowa Code.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Board of Trustees Report - Continued

Electric and water utility territories are fixed in that any new territory expansions must be negotiated and purchased from incumbent service providers. The telecommunications utility has no fixed territory and leases fiber optic lines to customers and has a licensing arrangement with a private telecom service provider.

Utility board. Utility boards are vested with the authorities of the city in relation to these utilities, with the exceptions that the board may not certify taxes to be levied, pass ordinances or amendments, or issue general obligation or special assessment bonds. Real property is held in the name of the city, but the utility board has all the powers and authorities of the city with respect to the acquisition by purchase, condemnation, or otherwise, lease, sale, or other disposition of such property, and the management, control, and operation of the same, subject to provisions of any outstanding obligations which are payable from the revenues of the city utility. Separate funds are maintained for each utility. Utility fund balances deemed by the board of trustees to be in excess of the needs of a utility may be transferred to any other fund, upon approval by the city council. The five trustees are appointed by the mayor and approved by the city council, each serving staggered six-year terms.

Management. The board of trustees appoints a general manager to oversee the day-to-day management of the electric, water, and telecommunications utilities. The general manager appoints the employees of each of these utilities, carries out the policies of the board of trustees, and performs other duties as determined by resolution of the board.

Other officials. A director of finance serves as the chief accounting officer for all city services, including those provided by IMU, and submits budget and year-end financial reports required of the utility. There is also an appointed clerk, which serves as the secretary of the board of trustees and as such has custodial duties prescribed in Iowa Code, local ordinances, board resolutions, and by management discretion. An appointed treasurer serves as custodian for all funds. An attorney is also appointed to represent the city, its boards, and its commissions and performs certain functions prescribed in local ordinances and in the Iowa Code.

Budgeting process. The annual budget serves as the foundation for the utilities' financial planning and control. The budget process, in general, is as follows:

- The general manager submits a 5-year capital improvement project budget to the board of trustees for review and adoption.
- Departments submit operating budget requests to the general manager.
- The general manager compiles the annual budgets for review.
- The board of trustees adopts budgets for the electric, water, and telecommunications utilities. These are compiled with the City of Indianola's governmental services' budgets and that of the sewer utility for presentation to the public in publication form.
- The city council sets and conducts a public hearing on the budget.
- Any proposed changes to the IMU budget are referred back to the board of trustees.
- The city council adopts the overall budget and the budget is filed with the county auditor and the State of Iowa no later than March 15 of each year.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Board of Trustees Report - Continued

The State of Iowa limits expenditures to the total amount budgeted by function. Expenditures for individual departments or services may exceed those budgeted as long as total expenditures by function are not exceeded. Budget amendments are permitted under provisions similar to the adoption of the original budget. Budget-to-actual comparisons are provided in this report on a cash accounting basis, which is consistent with the city's financial basis of accounting.

Cash management policies and practices. The board of trustees annually reviews and adopts an investment policy outlining the roles and responsibilities in making investments using available cash balances. The clerk and treasurer are jointly responsible for the investment of funds under that policy, with oversight by the board of trustees.

Cash temporarily idle during the year was invested in bank deposits or money market funds, repurchase agreements, and the Iowa Public Agency Investment Trust. These temporary cash deposits were maintained in stable value investments with a June 30, 2014 rate of return of 0.35%.

The utility invests reserve funds (those not intended to be expended within 365 days) in a portfolio with the assistance of an investment advisement firm. The investment portfolio includes mortgage-backed securities, obligations of the U.S. Treasury or its agencies, and cash held in a public entity money market fund. At fiscal year end, the effective duration of the portfolio was 2.9 years with a current yield of 2.15%. Reported returns may include changes in fair value during the year but do not necessarily represent continuing returns; nor is it always possible to realize changes in fair value, especially in the case of temporary changes for securities the city intends to hold until maturity.

Additional information on the utility's cash management can be found in notes to the financial statements.

Risk management. Indianola Municipal Utilities participates in the Iowa Communities Assurance Pool (ICAP), a local government risk-sharing pool with over 500 members throughout the state of Iowa. The utility makes annual contributions to ICAP recorded as disbursements from its operating funds for automobile, property, casualty, and liability coverage. The utility maintains reserve funds to meet deductibles as they occur. The utility also participates as a member of the Iowa Municipal Workers' Compensation Association (IMWCA) and pays premiums to the association on an annual basis from its operating funds. The utility purchases boiler and machinery insurance from a private carrier. In addition, the utility has an ongoing safety program to monitor its facilities and employees to maintain a safe environment for employees and the public. Additional information on Indianola Municipal Utilities' risk management activity can be found in notes to the financial statements.

Pension and other post-employment benefits. Indianola Municipal Utilities provides pension benefits for its employees. These benefits are provided through a statewide plan managed by the Iowa Public Employees Retirement System. Indianola Municipal Utilities has no obligation in connection with employee benefits offered through this plan beyond its periodic payments based on earned compensation by active employees.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Board of Trustees Report - Continued

IMU also provides post-retirement access to its medical insurance plan until age 65 as required under Iowa Code. Retirees contribute an amount equal to the premium amount charged to city departments and active employees on a pay-as-you-go basis.

IMU maintains a health reimbursement arrangement (HRA) for the benefit of employees. The utility makes a fixed annual commitment that employees may use to offset premium contributions or cash payments for any medical expense allowed under IRS Code. If the employee does not utilize the full amount provided in the fiscal year, the balance is carried forward to the following year and is available in any future period, including after retirement. Disbursements are paid out of operating funds and not held in trust. They are, however, accounted for in a sub-fund that is separate from other operating funds for budgetary control.

Additional information on the utility's pension arrangements and other post-employment benefits can be found in notes to the financial statements.

Closing

State law and city ordinance require municipal utility boards to provide the city council an annual report with complete financial statements. State law also requires the city to publish within nine months of the close of each fiscal year a complete set of financial statements, including that of municipal utilities as a component unit. State law requires that financial statements must be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue this report for Indianola Municipal Utilities for the fiscal year ending June 30, 2014.

Todd Kielkopf
General Manager

Christopher DesPlanques
Director of Finance & Administrative Services

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Operational Review

Utility operations are divided into departments, all of which work toward the common goal of providing superior services to the citizens of Indianola. The IMU Board of Trustees annually adopts a Strategic Plan complete with service objectives, operating strategies, and annual goals. Performance towards plan objectives is reported on a quarterly basis.

The following summary provides a brief review of the various departmental activities and accomplishments in FY 2014.

- **Electric Utility.** The electric utility provides reliable service by purchasing wholesale energy for the community as a whole, receiving it over the transmission system, generating electricity within Indianola as needed, and distributing it safely to customers. Significant progress toward implementing operational strategies include:
 - Continued wreck-out of the East Side Conversion Project; negotiated final terms and conditions towards accepting the project as-is with IMU to complete restoration work
 - Finished plans & specifications for the I-35 Transmission Relocation Project; purchased materials
 - Added to authorized amounts of participation (using existing bond proceeds) in the CAPX2020 project to reflect lower-than-budgeted construction costs
 - Proactively hired one new lineman position, which resulted in shifting of positions among several IMU crew members
 - Continued termination work on the Hwy 65/69 Conversion Project
 - Adopted plans to start replacing streetlights on The Square (in the fall of 2014)
 - Monitored construction of the I-35 Transmission Relocation project
 - Worked to complete plans and revised drafts for the W Hwy 92 Transmission Relocation project
- **Water Utility.** The water utility provides reliable water service by pumping it from wells, treating it, keeping enough in storage to meet daily needs, and distributing it to customers. Significant progress towards implementing operational strategies include:
 - Completed construction on the Ann Parkway Water Main project
 - Finalized the A.T&T. (New Cingular) cellular tower lease contract to be located at the Simpson Water Tower
 - Transferred 210 N. First to the City of Indianola in exchange for \$100,000 over 5 years
 - Accepted a contract for the aerator replacement project (fall 2014 construction)
 - Updated Fluoride notices with an FAQ and other pertinent information
 - Completed repairs to Well #11
 - Well #9 developed casing issues; scheduled initial repairs
 - Let the 2014 W IA Ave. Water Main replacement project

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Operational Review - Continued

- **Communications Utility.** The communications utility provides the infrastructure that transmits affordable, competitive, and technologically advanced telecommunications service for both retail and other public uses. Telephone and Internet services are offered to commercial customers through a contractual private/public partnership. Significant progress towards implementing operational strategies include:
 - Continued to connect new residential & commercial customers and address operational issues with MCG
 - Worked to initiate service at the Indianola YMCA after competitors were not able/willing to serve the new facility
 - Worked with MCG staff on new marketing efforts & implemented connections at multi-family dwellings transitioning from free internet service (as part of rent) to MCG service
 - Revised expansion priorities; now planning for W Hwy 92, then N. Howard area, then proceed with fill-in projects
- **Administration.** All three utilities are administered by a combination of the IMU Board of Trustees and their staff, services provided by the City of Indianola through cost-sharing arrangements, and third-party contractors.

Public works activities primarily involve co-managing the public right of way. IMU also supports economic development and community betterment activities. Third, there are utility-specific services such as technical activities, safety, and utility programming. Last are the governance and professional services associated with oversight, regulatory actions, general management, human resources, fiduciary controls, public notifications and information systems, and legal compliance & risk management.

Public Works:

- Continued removing IMU poles; indication from both Century Link & Mediacom that they will soon start on priority areas
- Repainted street lights along north Hwy 65/69 (from Hillcrest south) where corrosion was visible
- Mediacom bored conduit in priority areas; cable is still aerial, however
- Finalized plans to replace streetlights on The Square (fall 2014)

Economic Development & Community Betterment:

- Planning meetings held regarding potential on-campus and outreach EMERGE programs
- Classes held to help new small business owners
- Meetings held with Simpson College regarding their upcoming strategic planning and developing EMERGE@Simpson College stands as a priority program
- Meetings held with the IDA & Warren County to review both the proposed EMERGE hub (software platform), 28E building proposal, and local programs

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Operational Review - Continued

Economic Development & Community Betterment - Continued:

- Reports made by the IDA on progress over the past 2 years
- Continued EMERGE Hub planning with design team; continued EMERGE@Simpson College planning with Simpson leadership & IDA staff
- Continued EMERGE Hub planning with design team
- EMERGE@Simpson College direction set for 2014 & 2015
- Drafted IMU Partners scope of services with the IDA for FY 2015

Technical Services & Programs

- IMU Network Services summary edited & published in the founding issue of innovationIOWA
- Held the annual Customer Appreciation Luncheon in the IMU line shop
- Finished drafting bylaws to form the IMU Partners Agency (sent on for legal review)
- Set up Internet video channel; held planning meetings regarding video options
- Renewed the GIS Agreement with Warren Co. & City of Indianola
- Began using LinkedIn to update customers on IMU activities
- Expanded Key Account personal visits with larger customers
- Began investigation of the factors that determine the viability of a community-owned solar array
- Continued planning for the W. Hwy 92 relocation projects
- Revised IAMU Apprenticeship expectations/program adoption
- Held first meeting of IMU Partners, adopted policies, and discussed potential FY 2015 activities.
- Worked with MCG on new marketing plans (implementing the summer/fall of 2014)
- IMU staff more proactively meeting with WCEDC & Chamber of Commerce staff and attending their events
- Started participating as a member of the design team on an IAMU community solar (proposed to US Dept. of Energy, local match by the IA Energy Center) grant project
- Planned for a community sustainability planning forum
- The State of Iowa adopted the 2012 National Electric Safety Code, which is referenced in IMU safety & service plan documents

Governance and Professional Services:

- Adopted the 2013-15 Strategic Plan and reviewed associated Capital Improvement Plan components
- Updated & adopted new Employee Handbook, Mgmt. Personnel Policy Manual, and misc. policy manual
- Held first “General Manager Year-End” event and selected Jason Henle as the first IMU Employee of the Year

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Operational Review - Continued

Governance and Professional Services - Continued:

- Developed a hiring plan to begin training new linemen in anticipation of pending retirements over the next 3-5 years
- General Manager Todd Kielkopf was named Chair of the MEAN Risk Management Committee and elected Secretary/Treasurer of the MEAN Board of Directors
- Adopted FY 2015 budget within the context of ratios needed to retain an “A” rating
- Reviewed insurance deductibles/coverage options
- Technical Services Director Mike Metcalf was selected to serve on the IAMU Electrical Safety & Training Committee
- Completed union negotiations resulting in a 2-year agreement
- IMU awarded Platinum-level RP3 status by APPA
- Adopted a policy pertaining to imposing a Cost of Power Adjustment for bills issued starting July 1, 2014
- Monitored EPA pronouncements pertaining to new rules on carbon reduction targets for existing power plants
- Held joint meeting with the Mayor/City Council
- Issued RFP for Banking Services; awarded to City State Bank (summer 2014 transition)



Shull

and Co. P.C.
certified public accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Indianola Municipal Utilities
Indianola, Iowa

Report on the Financial Statements

We have audited the accompanying statement of net position of the Indianola Municipal Utilities, a component unit of the City of Indianola, Iowa, as of June 30, 2014 and 2013 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, which collectively comprise the Utilities' financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards of 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Utilities' preparation and fair presentation of the financial statements 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 the Utilities' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Indianola Municipal Utilities as of June 30, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

The other information, Management's Discussion and Analysis and budgetary comparison information on pages 13 through 19 and 37 through 40 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards we have also issued our report dated January 16, 2015 on our consideration of the Indianola Municipal Utilities' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 the Indianola Municipal Utilities' internal control over financial reporting and compliance.

Stull & Co., P.C.

January 16, 2015

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A)

Indianola Municipal Utilities offers readers of its financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in this report.

2014 Financial Highlights

- Indianola Municipal Utilities has ending cash and investment balances totaling \$8,685,834 to meet the utility's ongoing obligations to citizens, creditors, for capital reinvestment in utility operations, and for emergency repairs.
- The utility annually uses prior years' positive cash flow and balances to reinvest in capital assets, as detailed in the "Long term financial planning" section of this MD&A.
- As reported on the Statement of Cash Flows, total cash and investment balances decreased by \$1,215,399.
- Net cash provided by operating activities was \$2,776,002, which decreased by \$1,241,260 compared with the prior year.
- At the end of the current fiscal year, unrestricted and undesignated net assets totaled \$11,090,109, which decreased by \$585,659 over the prior year.
- The utility's total liabilities decreased \$1,415,728 during the current fiscal year. Current liabilities decreased by \$504,966, primarily from decreased Electric Revenue Capital Loan Notes.

Using this Annual Report

The annual report consists of a series of financial statements as well as other requirements as follows:

Management Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The Financial Statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows. These statements provide information about the activities of the utility as a whole and present an overall view of the utility's finances.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A) - Continued

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Basis of accounting. Indianola Municipal Utilities maintains its financial records on the accrual basis and the financial statements presented in this report are prepared on that basis. The financial statements present the financial position and changes in financial position of the funds in accordance with U.S. generally accepted accounting principles.

Reporting the Utility's Financial Activities

One of the most important questions asked about the utility's finances is, "Is Indianola Municipal Utilities as a whole better off or worse off as a result of the year's activities?" The Financial Statements reports information which helps answer this question.

Fund Accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Separate funds are maintained for each utility. These funds are classified as business type, or proprietary, funds for reporting purposes.

Financial Statements. The Statement of Net Assets presents information on each utility's assets, liabilities, and equity. Over time, increases or decreases in unrestricted and undesignated net assets may serve as a useful indicator of whether the financial position of the utility is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets details the financial operating results of the utility during the most recent fiscal year, with a comparison to the prior year.

The Statement of Cash Flows provides the net increase or decrease in cash and investments as a result of operating, financing, and investment activities.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A) - Continued

Analysis of Financial Activities

This section of the MD&A summarizes the financial data contained in the utility's financial statements. It also provides an analysis of the major activities affecting changes from the previous fiscal year.

Statement of Net Position	Year ended June 30,	
	2014	2013
Assets		
Current	\$ 12,782,442	13,303,155
Restricted	1,721,193	1,888,313
Other	205,133	225,000
Capital	44,485,768	44,123,046
Total Assets	<u>59,194,536</u>	<u>59,539,514</u>
Liabilities		
Current	2,908,573	3,367,860
Long Term	8,806,010	9,762,451
Total Liabilities	<u>11,714,583</u>	<u>13,130,311</u>
Net Position		
Invested Capital Assets	35,524,758	34,206,195
Restricted	865,086	527,240
Designated	498,988	499,642
Unrestricted & Undesignated	10,591,121	11,176,126
Total Net Position	<u>\$ 47,479,953</u>	<u>46,409,203</u>

As shown above, total utility assets remained relatively stable, decreasing 0.58% or \$344,978. Invested Capital Assets increased by \$1,318,563 as construction projects progressed. The utility also repaid \$1,464,400 of indebtedness in FY 2014.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A) - Continued

Analysis of Financial Activities - Continued

Net Income	Year ended June 30,	
	2014	2013
Operating revenues		
Sales of electricity	\$ 12,168,779	11,541,231
Electrical capacity contract fees	532,920	378,840
Electrical transmission revenue	544,971	314,670
Sales of water	2,294,079	2,275,942
Fiber communications rental fees	236,483	234,494
Other	243,185	261,255
Total operating revenue	<u>16,020,417</u>	<u>15,006,432</u>
Operating expenses		
Electric utility	11,107,520	10,043,853
Water utility	1,488,732	1,351,320
Fiber communications utility	61,069	41,052
Administrative and general	1,383,717	1,354,216
Transfer to city for Clerk's operations	316,600	320,900
Transfer to city in lieu of property taxes	609,500	561,900
Total operating expenses	<u>14,967,138</u>	<u>13,673,241</u>
Income from operations	<u>1,053,279</u>	<u>1,333,191</u>
Nonoperating revenue (expenses)		
Revenue	389,139	508,248
Expenses	<u>(437,011)</u>	<u>(394,364)</u>
Net Income	<u>\$ 1,005,407</u>	<u>1,447,075</u>

Income from operations decreased by \$279,912. This was due to a combination of higher cost of power in the electrical utility offset by the lagging cost of power adjustment revenue.

Budgetary Highlights

The board of trustees annually adopts a budget for all funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level (i.e. proprietary) for the city as a whole, not at the fund or fund type level. Notice is given and a public hearing is held on the budget. The budget may be amended during the year utilizing similar statutorily prescribed procedures. None of the amendments made, if any, negatively affect the following year's budget.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A) - Continued

Budgetary Highlights - Continued

Information pertaining to budgetary to actual receipts, disbursements, and changes in balances is provided in the financial statements on a cash basis.

Capital Asset and Debt Administration

The utility issued no additional debt during the fiscal year.

The utility pledges electric rates to be sufficient to pay its pro-rata share of outstanding debt obligations of the Municipal Energy Agency of Nebraska under its wholesale energy contract.

The utility's bond rating remained A2 (Moody's) and A+ (S&P).

	Outstanding Debt at Year ended June 30,	
	2014	2013
Electric utility		
Revenue bonds	\$ 7,960,000	9,000,000
Water utility		
Revenue bonds	815,000	1,085,000
General Obligation bonds (issued by city)	937,300	1,091,700
Communications utility	-	-
Total	\$ 9,712,300	11,176,700
 Internal loan from Electric utility to Water utility	 \$ 1,783,184	 2,338,000

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A) - Continued

Economic Factors and Next Year's Budgets and Rates

Local economy. The City of Indianola currently enjoys a favorable economic environment and local indicators point to continued moderate growth. The projection in 2015 is for Indianola to grow to a population of approximately 15,500, which represents an increase of 5% from the 2010 census. Although a primarily residential community, the varied nature of the educational, light manufacturing, agriculture services, and retail sectors of the local economy provides relative employment stability. Close proximity to the Des Moines metro area, the state capital with a combined population of approximately 460,000, provides employment for approximately 60% of the available workforce. Over the past 7 years, retail sales have grown at an annual average of over 1.5% and new single-family dwellings have been constructed at an average annual rate in excess of 50 units.

The region (which includes the City of Indianola and the surrounding unincorporated area within Warren County) has a moderate growth employment outlook over the next several years. New commercial construction is occurring along the four-lane highway between the City of Indianola and the Des Moines metropolitan area. A four-lane bypass to the south of the Des Moines metro, completed in 2002, provides increased commercial development opportunities for the community as it improved traffic flow from Indianola to the western Des Moines suburbs and the interstate highway system. The utility makes annual financial commitments to the Indianola Development Corporation and Warren County Economic Development Corporation, both non-related entities to the city, to support economic development in the region. The utility also offers its own revolving loan program to spur economic development and participates in the Choose Des Moines Communities program of the Greater Des Moines Partnership.

Long-term financial planning. The utility annually adopts a 5-year capital improvement budget that prioritizes foreseen projects. Those with potential long-term significant impacts to the cash balances and financial operations of the utility are:

- Phase II of the long-term electric underground conversion project. Additional debt of \$5 million can be structured within current electric rates. It is anticipated this would be issued within 3-5 years.
- Water main replacements estimated at \$500,000 using available cash in excess of the utility's reserve policy.
- Construction of additional fiber optic trunk lines within the next 5 years (amount dependent upon opportunities to obtain adequate financial returns on investment).

Potential regulatory changes over the next 3-5 years with the most fiscal impact is climate control legislation and renewable energy purchasing requirements. Both could increase wholesale energy purchase costs per kwh. However, the cost of energy adjustment could be imposed to recover unanticipated costs without the need for board action.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES

Management Discussion and Analysis (MD&A) - Continued

Economic Factors and Next Year's Budgets and Rates - Continued

The utility has hedged these risks by purchasing 11.5% of its wholesale supply from alternative energy sources. New alternative supplies that would be required could be at a much higher price. Regulations could also cause higher average prices for conventional energy. The landfill gas project is structured such that higher daily prices benefit the utility.

Budgets and Rates. Indianola Municipal Utilities maintain existing electrical rates in FY 2014, however, it did add a cost of power adjustment to recover electrical expenses in excess of expected costs, annual rate increase are expected to fund capital projects and to pay for projected wholesale energy costs. Water rates remained stable. The communications utility entered into a new agreement with its private partner to begin receiving that offset debt carrying costs.

Requests for Information

This financial report is designed to provide a general overview of Indianola Municipal Utilities' finances for all those with an interest in the utility's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance or to the City Clerk, who serves as the Secretary of the Board of Trustees. Their offices are located at 110 N. First St., PO Box 299, Indianola, IA 50125 with a telephone number of 515-961-9410.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Statement of Net Position
June 30, 2014 and 2013

ASSETS	2014	2013
Current assets		
Cash and investments	\$ 6,964,641	8,012,920
Accounts receivable - customers	2,799,407	2,529,792
Other accounts receivable	20,175	35,640
Accrued interest receivable	34,521	26,678
Deferred charges	314,977	-
Inventories	2,556,854	2,623,125
Receivable from the City of Indianola within one year	16,867	-
Promissory note receivable within one year	75,000	75,000
Total current assets	<u>12,782,442</u>	<u>13,303,155</u>
Restricted assets - cash and investments		
Electric revenue note and interest sinking fund	163,200	224,800
Electric revenue note debt service reserve fund	979,000	1,084,000
Electric revenue note improvement fund	207,691	207,691
Water revenue bond and interest sinking fund	161,302	161,822
Water revenue bond debt service reserve fund	135,000	135,000
Water revenue bond water improvement fund	75,000	75,000
	<u>1,721,193</u>	<u>1,888,313</u>
Receivable from the City of Indianola after one year	55,133	-
Promissory note receivable after one year	150,000	225,000
	<u>205,133</u>	<u>225,000</u>
Electric utility plant and equipment, net of accumulated depreciation of \$25,530,981 (2013 - \$24,187,333)	30,162,033	29,459,735
Water utility plant and equipment, net of accumulated depreciation of \$10,647,227 (2013 - \$10,074,855)	14,214,628	14,536,506
Fiber communications utility plant and equipment, net of accumulated depreciation of \$790,603 (2013 - \$772,905)	109,107	126,805
	<u>44,485,768</u>	<u>44,123,046</u>
	<u>\$ 59,194,536</u>	<u>59,539,514</u>

See accompanying notes to financial statements.

	2014	2013
LIABILITIES		
Current liabilities		
Accounts payable	\$ 1,672,847	1,648,194
Wages and benefits payable	215,543	192,427
Sales tax payable	248	2,106
Deferred rental fees	7,369	8,071
Accrued interest payable	1,459	1,589
General obligation bonds payable within one year	155,000	154,400
Total current liabilities	<u>2,052,466</u>	<u>2,006,787</u>
Current liabilities payable from restricted assets		
Accrued interest payable	46,107	51,073
Electric revenue capital loan notes and bonds payable within one year	540,000	1,040,000
Water revenue refunding capital loan notes and bonds payable within one year	270,000	270,000
Current liabilities payable from restricted assets	<u>856,107</u>	<u>1,361,073</u>
Electric revenue capital loan notes and bonds payable after one year (including unamortized premium of \$74,154 (2013 - \$70,438))	7,494,154	8,030,438
General obligation bonds payable after one year (net of unamortized discount of \$16,452 (2013 - \$20,698))	765,848	916,602
Water revenue refunding capital loan notes and bonds payable after one year (including of unamortized premium of \$1,008 (2013 - \$411))	546,008	815,411
Total long term liabilities	<u>8,806,010</u>	<u>9,762,451</u>
Total liabilities	<u>\$ 11,714,583</u>	<u>13,130,311</u>
NET POSITION		
Invested in capital assets, net of related debt	\$ 35,524,758	34,206,195
Restricted for debt service	582,395	244,549
Restricted for electric utility improvements	207,691	207,691
Restricted for water utility improvements	75,000	75,000
Unrestricted		
Designated for payment of insurance coverage deductibles	20,827	22,851
Designated for economic development revolving loan fund	478,161	476,791
Undesignated	10,591,121	11,176,126
Total unrestricted	<u>11,090,109</u>	<u>11,675,768</u>
Total net position	<u>\$ 47,479,953</u>	<u>46,409,203</u>

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues		
Sales of electricity	\$ 12,168,779	11,541,231
Sales of water	2,294,079	2,275,942
Fiber communications rental fees	236,483	234,494
Capacity contract fees	532,920	378,840
Transmission revenue	544,971	314,670
Other	243,185	261,255
Total operating revenues	<u>16,020,417</u>	<u>15,006,432</u>
Operating expenses		
Electric utility		
Purchased energy	8,254,437	7,152,377
Plant operation and maintenance	379,986	481,600
Distribution operation and maintenance	1,117,741	1,091,407
Transmission operation and maintenance	11,708	29,701
Depreciation and amortization	1,343,648	1,288,768
Water utility		
Plant operation and maintenance	575,122	554,312
Distribution operation and maintenance	341,238	227,596
Depreciation and amortization	572,372	569,412
Fiber communications utility		
Operation and maintenance	43,371	23,354
Depreciation and amortization	17,698	17,698
Administrative and general	1,383,717	1,354,216
Transfer to city for Clerk's operations	316,600	320,900
Transfer to city in lieu of property taxes	609,500	561,900
Total operating expenses	<u>14,967,138</u>	<u>13,673,241</u>
Income from operations	<u>1,053,279</u>	<u>1,333,191</u>

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Statement of Revenues, Expenses and Changes in Net Position - Continued
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Nonoperating revenues (expenses)		
Investment income	142,487	197,320
Connection fees	56,442	46,051
Gain (loss) on sale or transfer of capital assets	(96,829)	(14,346)
Other	190,210	264,877
Interest expense	(340,182)	(380,018)
	<u>(47,872)</u>	<u>113,884</u>
Net income	1,005,407	1,447,075
Capital contributions from customers and developers	61,875	220,510
Capital contributions from water main connection fees	<u>3,468</u>	<u>7,958</u>
Change in net position	1,070,750	1,675,543
Net position, beginning of year	<u>46,409,203</u>	<u>44,733,660</u>
Net position, end of year	<u>\$ 47,479,953</u>	<u>46,409,203</u>

See accompanying notes to financial statements.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Statement of Cash Flows
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash received from customers	\$ 15,645,096	15,093,159
Cash paid to suppliers	(11,031,628)	(9,367,202)
Cash paid to employees	(2,084,118)	(2,019,623)
Other nonoperating fees and revenues received	<u>246,652</u>	<u>310,928</u>
Net cash provided by operating activities	<u>2,776,002</u>	<u>4,017,262</u>
 Cash flows from capital and related financing activities		
Purchases and construction of electric utility plant and equipment	(1,984,071)	(1,853,830)
Purchases and construction of water utility plant and equipment	(439,323)	(221,233)
Proceeds from sale of capital assets	-	29,954
Water main connection fees received	3,468	7,958
General obligation bond principal paid	(154,400)	(126,000)
General obligation bond interest paid	(19,099)	(20,225)
Electric revenue capital loan notes and bonds principal paid	(1,040,000)	(1,010,000)
Electric revenue capital loan notes and bonds interest paid	(307,700)	(340,363)
Water revenue refunding bonds principal paid	(270,000)	(265,000)
Water revenue refunding bonds interest paid	<u>(9,920)</u>	<u>(11,528)</u>
Net cash used by capital and related financing activities	<u>(4,221,045)</u>	<u>(3,810,267)</u>
 Cash flows from investing activities		
Principal payment received from the City of Indianola	20,000	-
Promissory note principal received	75,000	75,000
Investment income received	<u>134,644</u>	<u>199,692</u>
Net cash provided by investing activities	<u>229,644</u>	<u>274,692</u>
 Net increase (decrease) in cash and investments	(1,215,399)	481,687
Cash and investments, beginning of year	<u>9,901,233</u>	<u>9,419,546</u>
 Cash and investments, end of year	<u>\$ 8,685,834</u>	<u>9,901,233</u>

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Statement of Cash Flows - Continued
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Reconciliation of income from operations to net cash provided by operating activities		
Income from operations	\$ 1,053,279	1,397,393
Adjustments		
Other nonoperating fees and revenues	246,652	310,928
Depreciation and amortization	1,933,718	1,875,878
(Increase) decrease in accounts receivable	(254,150)	212,401
Increase in deferred charges	(314,977)	-
Decrease in inventories	66,271	306,459
Increase (decrease) in accounts, wages and benefits, and sales tax payable	45,911	(85,095)
Decrease in deferred rental fees	<u>(702)</u>	<u>(702)</u>
Net cash provided by operating activities	<u>\$ 2,776,002</u>	<u>4,017,262</u>
Noncash capital and related financing and investing activities		
Developer contributions of electric utility plant and equipment	\$ 61,875	107,950
Developer contributions of water utility plant and equipment	-	112,560
Land transferred for receivable from the City of Indianola	92,000	-

See accompanying notes to financial statements.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements present the financial position, changes in financial position and cash flows of the Indianola Municipal Utilities of the City of Indianola, Iowa. The Utilities are governed by a five member board appointed by the City Council and is considered a component unit of the City of Indianola, Iowa. These financial statements are not intended to present the financial position of the City of Indianola, Iowa, and the changes in its financial position and cash flows of its proprietary fund types.

Accounting method - The accounting records of the Utilities are maintained on a cash basis. The accompanying financial statements have been prepared, after giving effect to all material adjustments including amounts due from utility customers and due to suppliers of goods and services, to reflect the account balances and results of operations on the accrual basis.

The Utilities report their financial activity in accordance with all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) pronouncements unless those pronouncements conflict with or contradict GASB pronouncements.

Inventories - Inventories, which consist of fuel oil and supplies, are stated at the lower of cost (first-in, first-out basis) or net realizable value.

Depreciation - Depreciation expense is computed using the straight-line method and estimated useful lives as follows:

Electric utility	
Power plant building	50 years
Generating units	25 years
Transmission and distribution systems	40 years
Vehicles	10 years
Computer equipment	5 years
Water utility	
Buildings and plant	40 years
Wells and towers	30-50 years
Mains and hydrants	50 years
Meters	20 years
Machinery and equipment	15 years
Vehicles	10 years
Fiber communications utility	
Distribution and connection systems	10 years

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Investments and Interest Income - Cash balances available from each of the funds of the City of Indianola, Iowa are pooled for investment and cash management purposes. Investments purchased by the pool are stated at cost or amortized cost. Interest earned on pooled investments is allocated monthly on the basis of the funds' ending cash and investment balances. Because the cash of Indianola Municipal Utilities is deposited with or withdrawn from the cash and investment pool without restriction the allocated share of the pool has been treated as a cash equivalent in the accompanying statement of cash flows.

2. UTILITY PLANT AND EQUIPMENT

The following is a summary of utility plant and equipment in service as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Electric utility		
Land	\$ 359,207	359,207
Service territory	446,000	446,000
Generating units	15,161,374	15,161,374
Transmission and distribution systems	34,967,924	33,019,679
Power plant building	2,120,678	2,120,678
Computer equipment	403,968	403,968
Equipment	751,238	751,238
Vehicles	1,482,625	1,384,924
	<u>\$ 55,693,014</u>	<u>53,647,068</u>
Water utility		
Land	\$ 227,441	416,270
Service territory	328,412	328,412
Buildings and plant	7,595,528	7,595,528
Wells and towers	4,692,597	4,654,755
Mains, hydrants and meters	11,193,276	10,816,694
Machinery and equipment	598,512	298,512
Vehicles	226,089	201,190
	<u>\$ 24,861,855</u>	<u>24,311,361</u>
Fiber communications utility		
Distribution and connection systems	<u>\$ 899,710</u>	<u>899,710</u>

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

3. DEFERRED CHARGES

In May 2014 the Board of Trustees determined a cost of energy adjustment would be imposed under the provisions of its electric rate resolution. The initial costs to be recovered are the sum of the purchased energy adjustments assessed from July 2013 through March 2014 by IMU's wholesale electric power supplier under the terms of its power supply contract. The charges are expected to be recovered over a one year period as an additional per kilowatt hour surcharge to all utility customers. Each quarter actual energy costs charged by IMU's wholesale electric power supplier in excess of the base energy costs included in the rate resolution are added to deferred charges and surcharges collected from customers are subtracted from deferred charges to determine the per kilowatt hour surcharge to be imposed until all excess energy costs are recovered.

4. TRANSFER OF LAND

In September 2013 the Board of Trustee transferred management and control of land no longer needed in its water utility operations to the City of Indianola in exchange for \$92,000 plus interest, payable in annual installments of \$20,000, including interest, through September 2017.

Maturities of the receivable from the City of Indianola as of June 30, 2014 were as follows:

Year ending June 30,	
2014	\$ 16,867
2015	17,601
2016	18,366
2017	19,166
	<u>\$ 72,000</u>

5. PROMISSORY NOTE

The Utility has a promissory note receivable in connection with the Utility's revolving loan fund. Principal, with no interest thereon, is payable annually from October 2012. Principal not paid when due shall accrue interest at the rate of 8% per annum.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

5. PROMISSORY NOTE-Continued

Promissory note maturities are as follows as of June 30, 201:

Year ending June 30,	
2015	\$ 75,000
2016	75,000
2017	75,000
	<u>\$ 225,000</u>

6. REVENUE CAPITAL LOAN NOTES AND BONDS PAYABLE

The Utility has pledged future electric customer receipts, net of specified operating disbursements, to repay \$9,040,000 of Electric Revenue Capital Loan Notes issued in June 2010.

Proceeds from the notes provided financing for improvements and extensions to the Municipal Electric Utility. The notes are payable solely from electric net revenues, as defined, and are payable through 2025. Annual principal and interest payments on the notes are expected to require less than 100% of net revenues. The total principal and interest remaining to be paid on the notes is \$8,179,175. For the current year, principal and interest paid and total net revenues were \$1,144,125 and \$2,338,241, respectively.

The Utility has pledged future electric customer receipts, net of specified operating disbursements, to repay \$1,800,000 of Electric Revenue Bonds issued in December 2011. Proceeds from the notes provided financing for improvements and extensions to the Municipal Electric Utility, including underground distribution lines and communication systems, plant improvements and related equipment. The notes are payable solely from electric net revenues, as defined, and are payable through 2022. Annual principal and interest payments on the notes are expected to require less than 100% of net revenues. The total principal and interest remaining to be paid on the notes is \$1,814,385. For the current year, principal and interest paid and total net revenues were \$203,575 and \$2,338,241, respectively.

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

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to a separate electric revenue sinking account within the Enterprise Fund for the purpose of making the note principal and interest payments when due.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

6. REVENUE CAPITAL LOAN NOTES AND BONDS PAYABLE- Continued

- c. Additional monthly transfers of 25% of the amount required to be deposited in the water revenue sinking account shall be made to a separate electric revenue debt service reserve account until specific minimum balances have been accumulated in the accounts. Use of funds is restricted to funding any deficit in the sinking account.
- d. Additional monthly transfers of \$3,500 shall be made to a separate electric improvement account until specific minimum balance of \$200,000 has been accumulated in the account. Use of funds is restricted to funding any deficit in the sinking and reserve accounts or paying the cost of extraordinary maintenance expenses or repairs, renewals and replacements not included in the annual budget of revenues and current expenses, payments of rentals on any part of the system, and for capital improvements to the system.
- e. 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 or replacements to the electric system, or to pay or redeem any notes or bonds, and then can be used for any lawful purpose.

Revenue capital loan note and bond debt service requirements are as follows as of June 30, 2014:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 540,000	278,200	818,200
2016	555,000	263,750	818,750
2017	730,000	248,850	978,850
2018	745,000	227,375	972,375
2019	770,000	201,175	971,175
2020-2024	3,875,000	580,835	4,455,835
2025	745,000	29,800	774,800
	<u>\$ 7,960,000</u>	<u>1,829,985</u>	<u>9,789,985</u>

In December 2011 the Utility issued \$1,350,000 of Water Revenue Refunding Bonds, with interest rates ranging from .5% to 1.3%, for a current refunding of a portion of refunding capital loan notes issued August 2004. The Utility refunded the capital loan notes to reduce its total debt service payments by approximately \$91,800 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$88,400.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

6. REVENUE CAPITAL LOAN NOTES AND BONDS PAYABLE- Continued

The Utility has pledged future water customer receipts, net of specified operating disbursements, to repay \$1,350,000 of Water Revenue Refunding Bonds issued in December 2011. Proceeds from the notes provided financing for the current refunding of a portion of the refunding capital loan notes issued August 2004. The notes are payable solely from water net revenues, as defined, and are payable through 2017. Annual principal and interest payments on the notes are expected to require less than 50% of net receipts. The total principal and interest remaining to be paid on the notes is \$829,608. For the current year, principal and interest paid and total net revenues were \$279,920 and \$1,035,392, respectively.

The resolution providing for the issuance of the revenue bonds include the following provisions:

- a. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to a separate water revenue sinking account within the Enterprise Fund for the purpose of making the note principal and interest payments when due.
- c. Additional monthly transfers of 25% of the amount required to be deposited in the water revenue sinking account shall be made to a separate water revenue debt service reserve account until specific minimum balances have been accumulated in the accounts. Use of funds is restricted to funding any deficit in the sinking account.
- d. 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 or replacements to the water system, or to pay or redeem any bonds, and then can be used for any lawful purpose.

Revenue refunding bond debt service requirements were as follows as of June 30, 2014:

Year ending June 30,	Principal	Interest	Total
2015	\$ 270,000	7,760	300,617
2016	270,000	5,060	301,345
2017	275,000	1,788	298,030
	<u>\$ 815,000</u>	<u>14,608</u>	<u>829,608</u>

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

7. GENERAL OBLIGATION BONDS PAYABLE

In January 2011 the City issued \$3,915,000 of General Obligation Refunding Bonds for a crossover refunding of a portion of the General Obligation Bonds dated October 2003. 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 \$735,000 of bond principal and related interest be financed by the operations of the Municipal Water Utility. Accordingly, that portion of the bonds is reported as a liability and the interest payments are reported as an expense of the Utilities in these financial statements. Municipal Water Utility principal payments are due on the notes in the amounts of \$100,000 to \$115,000 from June 1, 2012 through June 1, 2018. Interest on the notes at rates of 1.0% to 2.0% per annum is due semiannually beginning December 1, 2011.

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 bond principal and related interest be financed by the operations of the Municipal Water Utility. Accordingly, that portion of the bonds is reported as a liability and the interest payments are reported as an expense of the Utilities in these financial statements. Municipal Water Utility principal payments are due on the notes in the amounts of \$11,000 to \$52,500 from June 1, 2013 through June 1, 2025. Interest on the notes at rates of .5% to 2.4% per annum is due semiannually beginning December 1, 2012.

The Municipal Water Utility portion of general obligation bond debt service requirements are as follows as of June 30, 2014:

Year ending June 30,	Principal	Interest	Total
2015	\$ 155,000	17,500	172,500
2016	155,000	14,900	169,900
2017	145,800	12,300	158,100
2018	146,600	9,800	156,400
2019	47,300	6,700	54,000
2020-2024	250,600	20,800	271,400
2025	37,000	900	37,900
	<u>\$ 937,300</u>	<u>82,900</u>	<u>1,020,200</u>

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

8. COMPENSATED ABSENCES

Indianola Municipal Utilities employees accumulate vacation hours, compensating time off and sick leave for subsequent use. Unused vacation hours and compensating time off are payable upon termination, retirement or death. These amounts are included in wages and benefits payable as of June 30, 2014 and 2013. Accrued sick leave benefits as of June 30, 2014 of approximately \$333,727 (2013 - \$314,276) are payable only when used and have not been accrued.

9. PENSION AND RETIREMENT BENEFITS

The Indianola Municipal Utilities contributes to the Iowa Public Employees Retirement system (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.95% (2013 – 5.78%) of their annual covered salary and Indianola Municipal Utilities is required to contribute 8.93% (2013 - 8.67%) of annual covered salary. Contribution requirements are established by state statute. Indianola Municipal Utilities contribution to IPERS for the year ended June 30, 2014 was \$132,065 (2013 - \$124,588), equal to the required contribution for the year.

10. RISK MANAGEMENT

The City of Indianola is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 384.12 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 679 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, public officials liability, police professional liability, property, inland marine and boiler and machinery. There have been no reductions in insurance coverage from prior years.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

10. RISK MANAGEMENT - Continued

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual 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 by the Board not to exceed 300% of the basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual 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 Indianola Municipal Utilities' property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Utilities' annual contributions to the Pool for the year ended June 30, 2014 were \$123,969 (2013 - \$117,182).

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City of Indianola's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City of Indianola's risk-sharing certificate.

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 member's 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 reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. The Utilities do not report a liability for losses in excess of reinsurance or excess risk - sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2014, no liability has been recorded in the Utilities financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

10. RISK MANAGEMENT - Continued

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 refunded to the withdrawing member.

Indianola Municipal Utilities is a member of the Iowa Municipalities Workers' Compensation Association (the "Association"). The Association is governed by a board of directors elected by representatives of the governing bodies of each participating governmental jurisdiction. Indianola Municipal Utilities has executed a Worker's Compensation Coverage Agreement with the Association which extends through June 30, 2014 and has authorized the Association to issue general obligation bonds to provide funds with which to pay claims. During the year ended June 30, 2014, Indianola Municipal Utilities paid workers' compensation insurance premiums of \$31,312 (2013 - \$30,752) to the Association.

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 65 participating municipal utilities. Each MEAN participant has entered into the Electrical Resources Pooling Agreement (ERPA) with MEAN, which provides for various service schedules.

IMU elected in 2009 to become a Total Requirements Participant and as such receives all power and energy from MEAN, and entered into Service Schedule M of the ERPA. As such, IMU 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, IMU is also subject to a Purchased Energy Adjustment clause based on MEAN's actual cost of energy compared to those budgeted & collected through base rates during its fiscal year of April 2013 - March 2014.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Financial Statements - Continued
June 30, 2014 and 2013

11. JOINTLY GOVERNED ORGANIZATIONS - Continued

IMU's pro-rata share of net at-risk annual costs borne by Schedule M participants is approximately 9.5% in 2014 (2013 – 9.3%), subject to annual fluctuation based on demand and energy, and are explicitly categorized as IMU annual operating expenditures. 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. IMU's 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.

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 CAPX2020 Brookings-Twin Cities Development Project. IMU's Election Share is 3.34% of the CMMPA-Brookings Project, which in total is 3.6% of the total CAPX2020 Brookings-Twin Cities Development Project. Any net costs associated with IMU's participation are explicitly categorized as annual operating expenditures.

12. COMMITMENTS

The Indianola Municipal Utilities have entered into contracts for transmission line relocation, electric underground conversion, a water main improvement project and other projects totaling approximately \$3,876,000. The remaining commitment on these contracts at June 30, 2014 is approximately \$2,212,400.

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Budgetary Comparison Schedule of Receipts, Disbursements
And Changes in Balances – Budget and Actual (Cash Basis)
Year Ended June 30, 2014

		Budget Amounts		Final
	Actual	Original	Final	to Actual Variance
Receipts				
Use of money and property	\$ 414,426	444,700	444,700	(30,274)
Intergovernmental	-	300,000	300,000	(300,000)
Charges for service	16,164,010	15,338,400	15,338,400	825,610
Special assessments	3,467	-	-	3,467
Miscellaneous	206,741	1,425,000	1,425,000	(1,218,259)
Total receipts	16,788,644	17,508,100	17,508,100	(719,456)
Disbursements				
Business type activities	16,921,220	16,186,300	16,186,300	(734,920)
Excess of receipts over (under) disbursements	(132,576)	1,321,800	1,321,800	(1,454,376)
Other financing sources (uses)				
Proceeds of debt	-	4,961,500	4,961,500	(4,961,500)
Sale of capital assets	20,000	-	-	20,000
Operating transfers in (out)	(1,102,822)	(1,099,600)	(1,099,600)	(3,222)
Total other financing sources (uses)	(1,082,822)	3,861,900	3,861,900	(4,944,722)
Excess of receipts and other financing sources over (under) disbursements and other financing uses	(1,215,398)	5,183,700	5,183,700	(6,399,098)
Balances, beginning of year	9,901,233	9,901,233	9,901,233	-
Balances, end of year	\$ 8,685,835	15,084,933	15,084,933	(6,399,098)

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Notes to Other Information –
Budgetary Reporting
Year Ended June 30, 2014

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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 similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, for the City of Indianola as a whole, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund.



Shull and Co. P.C.

certified public accountants

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 Indianola Municipal Utilities of the City of Indianola, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, and have issued our report thereon dated January 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Indianola Municipal Utilities' internal control over financial reporting to determine the audit procedures 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 Indianola Municipal Utilities' internal control. Accordingly, we do not express an opinion on the effectiveness of the Indianola Municipal Utilities' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies in internal control.

A deficiency in internal control exists when the design or operation of the 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 a material misstatement of the Indianola Municipal Utilities' financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of control deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Indianola Municipal Utilities' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Utilities' operations for the year ended June 30, 2014 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.

The Indianola Municipal Utilities' Responses to Findings

The Indianola Municipal Utilities' responses to findings identified in our audit are described in the accompanying Schedule of Findings. The Indianola Municipal Utilities' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, we express no opinion on them.

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 result 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.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Indianola Municipal Utilities during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Shull & Co., P.C.

January 16, 2015

CITY OF INDIANOLA, IOWA
INDIANOLA MUNICIPAL UTILITIES
Schedule of Findings

Year ended June 30, 2014

Part I: Findings Related to the Financial Statements:

None

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-13 Certified Budget - Disbursements during the year ended June 30, 2014, did not exceed the amounts budgeted.
- II-B-13 Questionable Disbursements - No disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- II-C-13 Travel Expense - No expenditures of Utilities money for travel expenses of spouses of Utilities officials or employees were noted.
- II-D-13 Business Transactions - No business transactions between the Indianola Municipal Utilities officials or employees were noted.
- II-E-13 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 coverage is adequate for current operations.
- II-F-13 Trustee Minutes - No transactions were found that we believe should have been approved in the Trustee minutes but were not.
- II-G-13 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Utilities' investment policy were noted.
- II-H-13 Revenue Bonds and Notes - The requirements of the electric revenue bonds and notes resolutions were met during the year ended June 30, 2014.
- II-I-13 Telecommunications Services - No instances of non-compliance with Chapter 388.10 of the Code of Iowa were noted.

Information

Subject

Receive Park and Recreation Highlights of 2014 and Annual Report

Information

The Park and Recreation Commission will present "Park and Recreation Highlights of 2014" and their annual report (packet).

Attachments

[Annual Report](#)

INDIANOLA PARKS & RECREATION

Annual Report 2014



Indianola Parks & Recreation
2204 W. 2nd Ave
Indianola, IA 50125



Bringing *Fun* to Life

Mission

Offer a variety of experiences that enhance and preserve quality of life in Indianola.

Vision

To have a community with a variety of parks, trails, recreation facilities and activities which are modern, fun, safe and attractive, highly valued by the community, promote economic and neighborhood growth and enhance the quality of life for our local citizens.

Our recreation and park facilities and activities will:

- show evidence of community pride,
- have manmade and natural environments which are in harmony and balance,
- have parks and open spaces enriching every neighborhood,
- have parks with unique focal points,
- have modern, well-maintained indoor and outdoor recreation facilities,
- have a wide variety of wholesome recreation & learning opportunities with substantial participation for everyone,
- enhance the physical, social and mental well-being for citizens of all ages and interests.

Our tree-lined streets, parks and trails will:

- provide good places to live and travel
- bond neighborhoods together in a continuous fabric of a united and progressive community

Parks & Recreation Staff

Full Time

Recreation Superintendent: Doug Bylund

Recreation Coordinator-Aquatics & Special Events: Jeff Lucas

Publicity /Marketing Coordinator: Kathy Kester

Office Manager: Pat Vroegh

Parks Superintendent: Mike Bowlin

Horticulturist: Angie Buchanan

Park Technician III: Marty Chittenden

Park Technician II: Kelly Heinkel

Part-Time

Office Assistant/Receptionist: Janean Hallin

Recreation Coordinator-Children, Teens, Adults: Becky Lane

Recreation Coordinator - Older Adults: Jerry Luedtke

Parks & Recreation Commission

The Parks and Recreation Commission is appointed by the Mayor and approved by the City Council. The purpose of the Commission is to represent the community, set policies, advise the City Council as needed on parks and recreation programs; oversee the city recreation programs and parks areas; plan, acquire, and develop recreation facilities, parks and open spaces to meet future needs as the city grows. Commission meetings are held at the Activity Center the second Wednesday of each month at 5:00 pm. To address the Commission, call 515-961-9420 to be put on the agenda.

Commission Member

Jennifer Leech

Roger Netsch

Jon Anderson

John Hagener

Cyd Dyer

Laura Beals

Term Expires

1-1-2016

1-1-2016

1-1-2017

1-1-2017

1-1-2018

1-1-2018

A Look at the Stats

528 volunteers donated **4,728** hours

25 new programs offered of the **185** programs offered in 2014

5,706 program registrations (4,778) and aquatic center passes (451)

1,554 online registrations (33% of all registrations)

13,976 People used the Activity Center (110 rentals, 531 Parks & Rec uses)

928 rentals - **256** shelter rentals, **172** equipment rentals, **498** campground (camper days)

1,736 games played on Pickard Ball Fields + **535** paid practices + **304** other practices =

2,575 total field usage at Pickard

2,419 different families served

25 trees were purchased at a reduced rate by Indianola residents through the Adopt-a-Tree program

21 50+ activities offered each month

17,015 plants grown in greenhouse for parks, public areas and fundraisers

119 sports teams **63** youth **56** adult

263 students at THE ZONE (grades 6-8) with average daily attendance of **73** over **49** meeting days

and over **3,500** snacks served

31 free events held

70 people used the Key Card Program for discounted program fees and **31** discounted pool passes

Senior Center Daily Drop-In Attendance, **13,277** with Daily Average of **44** adults 50+

19,100 visits to the Department's home web page with **79,462** page views

71 annual dog playground permits sold

133 attenders at the Think Spring Garden Seminar and **187** at the Daddy Daughter Date Night

519 summer swim lessons and **116** mighty minnows swimmers

Community Outreach

In 2014 we continued to use multiple ways to let our citizens know about our activities, events and services.

Department web pages at indianolaiowa.gov
Quarterly program guide included in Indianola Magazine
Fun Times e-newsletter
Facebook -1,036 likes
Twitter - 581 followers
Flyers distributed through schools

Promotional videos shown before each outdoor movie
City cable channel 7
Targeted emails to program participants
Outdoor electronic sign at City Hall
Local newspaper ads, press releases & information articles



Community Partnership and Development

Christian Opportunity Center and Genesis Development partnered with us to offer six Special Needs events
Indianola Schools - The Zone has use of Middle School cafeteria, multi-purpose room, computer lab and outside areas of the school. They also allow us to purchase snacks through their food service. Our department has use of the school greenhouse for 5 months a year.

Indianola Community Trees Committee –Mid America Trees Please Grant \$1,000, resident adopt-a-trees—25 trees, Tree City USA designation for 20th year.

Indianola Fire Department and the Indianola Police Department were partners for kids' summer academies.

Hy-Vee Dietitian Denise Boozell taught cooking classes to both children and adults

Indianola Friends of the Library Foundation, Indianola Public Library, Indianola Park Friends - partnered with them to offer 3 StoryWalks

Indianola Paramount Theatre – We promoted and sold Thursday movie matinee punch cards.

They donated \$500 to youth scholarship program and popcorn for the outdoor movie series.

Indianola Park Friends – This group put on the 2nd annual Buxton Park Garden Party, volunteered their services in park gardens and along the trails, and held a free family event in June - DeNelsky Park Discovery Day. They also helped enhance the entrance to DeNelsky Park.

Indianola Sustainability Committee - Participated in the Beautification Blowout.

Iowa DNR staffed nine weekly free summer outdoor nature-related events in Indianola Parks.

Iowa State University Extension and Outreach - partners for a babysitting clinic offered to youth grades 5 & up

Senior Health Insurance Information Program - our building is the site of the SHIIP office for Warren County. This free service offered by volunteers served 368 individuals in 2014.

Simpson College - Work Study students are our staff at The Zone. In 2013-2014, the college paid half of their wages which was \$1,282.78.

Warren County Fair - for the second year, we held a Parks & Rec Day at the fair with contests and fun for all ages

Warren County Conservation Board provided geocaching instruction at Pickard Park & McCord Parks, an evening prairie walk at DeNelsky Park, Monarch Tagging at Buxton Park, snowshoe instruction at city parks, and provided a place for residents to pick up their trees through the Adopt-a-Tree program.

Warren County Master Gardeners – Co-sponsored the 11th annual Think Spring Garden Seminar in February & awarded a grant to update the park entrance at DeNelsky Park

Wesley Woods Camp & Retreat Center— co-sponsored summer activities and horseback riding.

Highlights

Parks, Trails and Horticulture

Spring Planting Blitz 14 volunteers planted all the flowerbeds in Buxton & Sesquicentennial Parks in 3 days.

Bulbs - approximately 2000 bulbs were planted. Bulb sale netted \$390.60 in addition to covering the cost for all the bulbs planted

Flowerbeds - Aldridge Berm was redesigned and a bronze sculpture was installed

Butterfly Flourish Sculpture was installed in the rose garden paid for with money donated by the McConnell, Opstad and Bougher families & Warren County Philanthropic Partnership. A sculpture dedication and butterfly release was held Saturday, September 11.

Drinking Fountain For All was installed in Buxton Park with funds raised by a group of volunteers and a grant from WCPP.

Greenhouse - grew 1,015 perennials, 13,000 annuals for parks and downtown, 3,000 annual and vegetables for plant sale.

Think Spring! Garden Seminar - 133 people attended this all-day event, now in its 10th year

Earth Day Tree Planting - Mayor Kelly Shaw spoke and kindergarteners helped plant a tree at Memorial Park

Resident Adopt a Tree Program was held in partnership with the Warren County Conservation Board.

25 trees were purchased by Indianola residents at a discount rate provided by grants secured by the tree committee.

Buxton Garden Party - The Indianola Park Friends took the lead on the event this year. Advance ticket sales to 152 people, plus many more who paid that day



Recreation

Mayor's Youth Council (13-14 School Year)

- Initiated a "get out the vote" campaign in Fall 2013 to share info about each city council and mayoral candidate.
- Volunteered at Holiday Extravaganza & Indianola Beautification Blowout
- Partnered with Indianola Rotary to help with "The Night Ride" bike ride across Warren County which raised money for Warren County Trail Endowment: created posters to encourage riders along the trail, donated a silent auction basket full of Indianola items and gift cards, & entered two official MYC riders.

Daddy Daughter Date Night expanded to two nights to serve nearly 200 people.

iPad Workshops continued to be popular, serving 80 people after offering a second session for most classes.

207 athletes competed in the 2014 **Hershey's Track Meet**.

110 players competed in **T-Ball League**, 133 in **Youth Softball Leagues**, 180 in **Youth Soccer Leagues**, 80 in **Youth Flag Football Leagues**, 31 in **Youth Volleyball League**, and 107 in **Youth Basketball Leagues**.

Sponsorships \$ Advertising \$ Donations

Sponsors

21 Special Events	\$ 2,720
13 Youth Teams	\$ 1,900
17 Pickard Complex Sponsors	\$ 7,250

Advertising

Indianola Magazine	\$ 21,477
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Memorials

2 pavers	\$ 400
4 bricks	\$ 300
Statue	\$1,485
Trees	\$ 600

Fundraisers

Plant Sale	\$4,987
Bowling Balls	\$1,042
Think Spring	\$1,568
Holiday Sale	\$1,017
Bulb Sale	\$ 391
Dog Playground Permits	\$1,775
Youth Softball Tournament	\$1,678

Donations

Fridley Theatres	\$ 500
Zone After School Program	\$ 2,875
Tips for Trails	\$ 3,428

In Kind donated items were received from:

Accelerated Physical Therapy - Indianola,
CanoeSport Outfitters, Community 1st Credit Union,
Indianola Police Department, Ridegetop Horse Ranch,
Indianola YMCA, Kester Farms, Indianola Street
Department, Record Herald & Indianola Tribune,
Steph Steveson, Edward Jones - Qwendy Sweeney,
Good Samaritan Society - Indianola, Hy-Vee,
McDonalds, Portraits by Susannah, Secure Financial
Plan - Susan Anderson, Vintage Hills, Warren County
Conservation, Windsor Manor

Total	\$55,393
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Grants Received

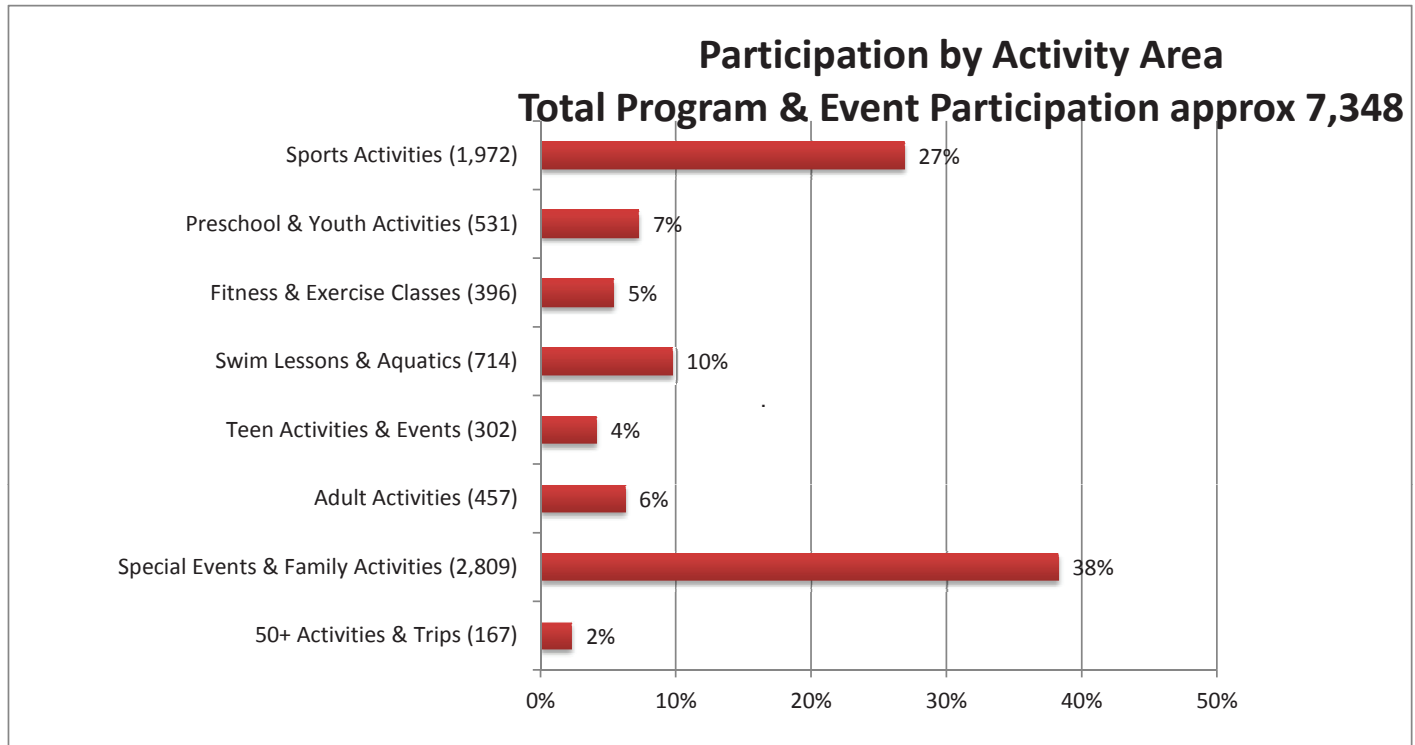
Mid-America Energy Tree Planting Grant	\$1,000
IMU	\$1,500
Warren County Philanthropic Grants	\$3,613

Resident Adopt a Tree program
Resident Adopt a Tree program
Butterfly Flourish Sculpture in Buxton Park

Total	\$6,113
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Participation for Everyone



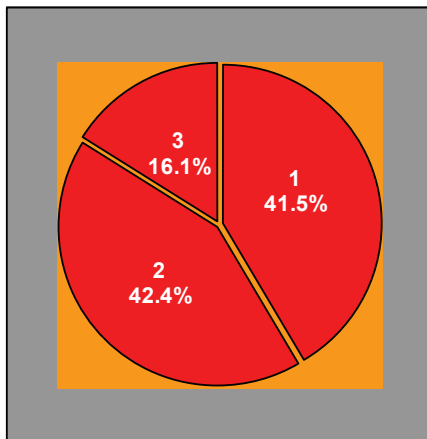
Parks and Recreation Department

Calendar Year 2014

January 1 - December 31, 2014

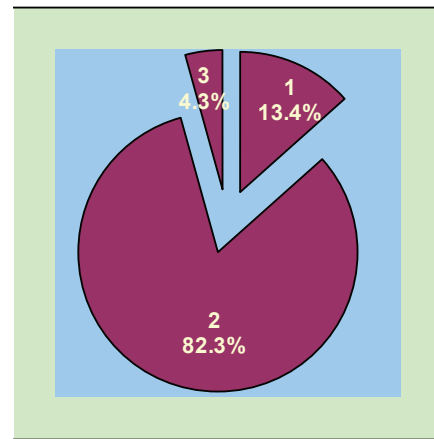
	Expenses	% of Total	Revenue	% of Total	% Revenue of Expenses	Subsidy
Parks	\$474,838.02	41.5%	\$51,089.61	13.4%	10.8%	89.2%
Recreation	\$485,766.03	42.4%	\$313,822.30	82.3%	64.6%	35.4%
Administration	\$184,039.30	16.1%	\$16,413.00	4.3%	8.9%	91.1%
	\$1,144,643.35	100%	\$381,324.91	100%	33.3%	66.7%

Expense Breakdown



1 = Parks
2 = Recreation
3 = Administration

Revenue Breakdown



Information

Subject

Proclamation declaring the month of April as Keep Indianola Beautiful

Information

Mayor Shaw will proclaim the month of April as Keep Indianola Beautiful.

Attachments

Proclamation



— OFFICE OF THE MAYOR —

PROCLAMATION KEEP INDIANOLA BEAUTIFUL

WHEREAS the rolling landscapes and the natural forested beauty of its river valleys define Indianola as “The Beautiful Land” (a place of peace),

WHEREAS Indianola has a high regard for the natural beauty of the City along with a strong sense of stewardship and want to encourage all its residents and visitors to help keep Indianola beautiful for future generations,

WHEREAS we have caring residents and citizens that want to build the pride and respect that we have toward both our natural lands and the built environment knowing that these are essential to the cultural and economic health and vitality of the City,

WHEREAS, Keep Indianola Beautiful, a state affiliate of Keep America Beautiful works with government organizations, private companies, communities, counties and volunteer / service groups statewide to conduct litter prevention, recycling, beautification, community and landscape enhancement, increased volunteerism and waste minimization programs and project, and

WHEREAS, Keep Indianola Beautiful recognizes the importance of service learning and clean and green education with our youth in helping to enhance or communities and State, and

WHEREAS, for more than ten years, Keep Indianola Beautiful and its’ Committee have combined leadership, creativity, insight and expertise that continues to enhance the beauty and cleanliness of Indianola, and

THEREFORE, I, Mayor Kelly B. Shaw proclaim the month of April – 2015 and thereafter to be known as Keep Indianola Beautiful month recognizing and celebrating the cleanliness and beauty of our City and the efforts of our citizens in building on that tradition.

Kelly B. Shaw, Mayor

Information

Subject

Final consideration of the following:

Information

Council needs to consider the final consideration of the following:

Information**Subject**

Amending the Municipal Code of the City of Indianola, Iowa, Chapter 166 "Site Plan" to include minimum paving requirements for parking stalls along highway corridors (P&Z approved unanimously on February 10, 2015)

Information

In your packet are Chuck's memo, P&Z minutes and the ordinance to amending Chapter 166 "Site Plan". The Planning and Zoning Commission began discussing the gravel surfacing at their August meeting in 2014. Prior to developing a recommendation, 47 letters were sent to property owners affected by the change along both Hwy 65/69 and 92 inviting them to a public input meeting which was held in November of 2014. At the meeting two individuals expressed concern regarding additional expense of paving. In all this issue was discussed at six separate P&Z meetings.

The ordinance includes the following:

1. The ordinance prohibits the use of gravel for areas over the required parking for new construction.
2. When improvements are made to existing structures in the amount of 1000 sq. ft. or greater than 50% of the existing floor area, whichever is less, all existing gravel areas located in front of the building must be hard surfaced.
3. Also included is the following language in section 166.06 titled Alternate Method of Approval:
When improvements are made to existing structures that meet the requirements of section 166.02, requiring the entire property to meet the design standards of site plan, the Planning and Zoning Commission and City Council may consider the following conditions:
 - The use of the land and building
 - Building setback
 - Lot area
 - Cost of compliance
 - Existing development in the surrounding area

Below is a table showing how the proposed change would affect existing businesses along the highway corridor.

	Business Affected by the Change
Properties with gravel in excess of 100' setback	6
Properties with gravel in excess of 50' setback	11
Properties with gravel in excess of 25' setback	6
Properties with gravel driveways only	9
Properties with no gravel in front and will not be affected by change	22

With the combination of changing the gravel to the front of the building and the additional language placed in the alternate method of approval section, Chuck Burgin recommended and P&Z approved unanimously.

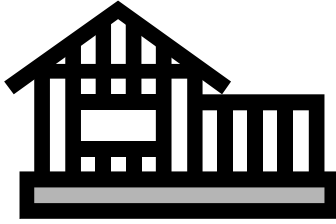
Roll call is in order.

Attachments

P&Z Memo

Ordinance

PZ Minutes



To: Planning and Zoning Commission
From: Chuck Burgin, Director of Community Development
Subject: February 10, 2015 Meeting

Item # 4 Election of Officers

If the commission chooses to stay with tradition, the chairperson and vice chairperson serve a two year term. Bob has served as chairperson for two years and Doug Opie has served as vice chair for a year. A nomination for Doug as Chairperson should be made first and a motion for a new vice chairperson can be made second. I will have ballots available if more than one nomination is made.

Item # 5 Consider an amendment to the Site Plan Ordinance regulating gravel parking.

Enclosed is a second draft of an ordinance which includes the issues discussed at our last meeting.

1. The proposed ordinance prohibits the use of gravel for areas over the required parking for new construction.
2. When improvements are made to existing structures in the amount of 1000 sq. ft. or greater than 50% of the existing floor area, whichever is less, all existing gravel areas located in front of the building must be hard surfaced.
3. I have included the following language in section 166.06 titled Alternate Method of Approval: When improvements are made to existing structures that meet the requirements of section 166.02, requiring the entire property to meet the design standards of site plan, the Planning and Zoning Commission and City Council shall consider the following conditions: 1. The use of the land and building. 2. Building setback. 3. Lot area. 4. Cost of compliance. 5. Existing development in the surrounding area.

I know we discussed placing this issue into the purpose section of the Site Plan Ordinance, but after review, I felt this section was a more appropriate location.

The commission also requested how the proposed change would affect existing businesses along the highway corridor. After reviewing building locations I found the following:

1. Properties with gravel in excess of 100' setback	6
2. Properties with gravel in excess of 50' setback	11
3. Properties with gravel in excess of 25' setback	6
4. Properties with gravel driveways only	9
5. Properties with no gravel in front and will not be affected by change	22

With the combination of changing the gravel to the front of the building and the additional language placed in the alternate method of approval section, I feel the change should be supported and recommend approval.

ORDINANCE NO. 2015-_____

**AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE
CITY OF INDIANOLA, IOWA, CHAPTER 166 “SITE PLAN” TO
INCLUDE MINIMUM PAVING REQUIREMENTS FOR PARKING
ON HIGHWAY CORRIDOR**

WHEREAS, the Indianola Code of Ordinances currently has no standard for parking along the highway corridor for existing structures; and

WHEREAS, the highway corridor is important to the City’s image and future development, and improvements thereto are in the best long-term economic and social interests of the City’s current and future residents; and

WHEREAS, It is the purpose of the Site Plan Ordinance to provide suitable design guidelines that improve the aesthetics of the highway corridors that regulate driveway and parking surfaces, truck loading, screen refuse disposal and outdoor storage areas from the public right-of way in a manner that promotes and permits flexibility to encourage development within the City; and

WHEREAS, the City Council of the City of Indianola, Iowa, now deems it necessary and proper to amend the Code of Ordinances to improve upon the architectural design standards in the highway corridor; and

WHEREAS, on the ___ day of _____ 2015, after due notice and hearing as provided by law, the City Council now deems it reasonable and appropriate to amend the Code of Ordinances accordingly.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF INDIANOLA, IOWA:**

Section 1: That the Municipal Code of the City of Indianola, Iowa, be and it is hereby amended by adding the following new subsection with underlined language to Chapter 166.11, “Highway Corridors:”

166.11 HIGHWAY CORRIDORS.

3. Design Standards.

G. Paving Required: All parking of vehicles, including recreational vehicles, trailers, all excess parking areas and driveways located between the highway right-of-way and the front of the building shall be hard surfaced. Gravel parking areas and driveways existing prior to (insert date) may continue to be used consistent with this chapter provided that existing buildings that require a site plan in accordance with 166.02 must comply with this section.

Section 2: That the Municipal Code of the City of Indianola, Iowa, be and it is hereby amended by adding the following underlined language to Chapter 166.06, “Alternate Method For Approval of Site Plan”:

166.06 ALTERNATE METHOD FOR APPROVAL OF SITE PLAN.

When improvements are made to existing structures that fall under the scope of Section 166.02 requiring the entire property to meet the applicable design standards of the site plan, the Planning and Zoning Commission and City Council may consider the following list of factors prior to approval:

1. The use of the land and building;
2. Building setback;
3. Lot area;
4. Cost of compliance; and
5. Existing development in the surrounding area

Section 3: All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 4: This ordinance shall be in full force and effect after its passage, approval and publication as provided by law.

PASSED AND APPROVED this ____ day of _____, 2015.

Kelly B. Shaw, Mayor

ATTEST:

Diana Bowlin, City Clerk

First reading: _____
Second reading: _____
Third reading: _____
Publication Date: _____

INDIANOLA PLANNING AND ZONING COMMISSION
REGULAR MEETING
FEBRUARY 10, 2015
6:00 P.M.

The meeting was called to order by Chairperson Bob Ormsby and on roll call the following members were present:

Joe Butler	Cindy Johnson
Tiffany Coleman	Doug Opie
Mary Donaghy	Bob Ormsby
Joe Gezel	Josh Rabe

Absent: Al Farris and Misty Soldwisch

Also present: Lindsey Offenburger and Chuck Burgin.

The minutes of the January 13, 2015 meeting were approved on a motion made by Opie and seconded by Butler. Question was called for and on voice vote Chairperson Ormsby declared the motion carried unanimously.

Election of Officers

A motion was made by Donaghy and seconded by Coleman for the nomination of Doug Opie to serve as Chairperson. Question was called for and on voice vote Chairperson Ormsby declared the motion carried unanimously.

A motion was made by Opie and seconded by Rabe for the nomination of Joe Butler to serve as Vice Chairperson. Question was called for and on voice vote Chairperson Ormsby declared the motion carried unanimously.

Consider amendment to Chapter 166, Site Plan Ordinance, regulating gravel parking.

Chuck reviewed the second draft ordinance which included the issues discussed at the January 13, 2015 meeting.

1. The proposed ordinance prohibits the use of gravel for areas over the required parking for new construction.
2. When improvements are made to existing structures in the amount of 1000 sq. ft. or greater than 50% of the existing floor area, whichever is less, all existing gravel areas located in front of the building must be hard surfaced.
3. Chuck included the following language in section 166.06 titled Alternate Method of Approval: When improvements are made to existing structures that meet the requirements of section 166.02, requiring the entire property to meet the design standards of site plan, the Planning and Zoning commission and City Council shall consider the following conditions: 1. The use of the

land and building. 2. Building setback. 3. Lot area. 4. Cost of compliance. 5. Existing development in the surrounding area.

Motion was made by Opie and seconded by Butler to approve the amendment to the Site Plan Ordinance regulating gravel parking with the exception of changing the wording in section 166.06 from “Planning and Zoning Commission and City Council shall consider the following list of factors prior to approval” to “Planning and Zoning Commission and City Council may consider the following list of factors prior to approval”. Question was called for and on voice vote Chairperson Ormsby declared the motion carried unanimously.

Meeting adjourned on a motion by Coleman and seconded by Donaghy.

Bob Ormsby, Chairperson

Mindi Robinson

Information

Subject

An amendment to the traffic control provisions of the Municipal Code of the City of Indianola, Iowa by providing for special speed zone on East Hillcrest Avenue

* Will change the speed to 35 mph from 65/69 to 14th Street on Hillcrest east and westbound

Information

The Indianola Police Department conducted a speed study in January and February to determine the average total speed along E. Hillcrest Avenue between Highway 65/69 and 14th Street. Based on this study, Police Chief Dave Button's is recommending the east and westbound lanes of Hillcrest have the same speed limit of 35 mph from Highway 65/69 east to 14th Street (see packet). As stated in his memo, he feels that 35 mph would be sufficient to allow vehicles to travel throughout the area and still allow for extra turning traffic at North 9th and at the YMCA area.

Roll call is in order.

Attachments

Memo

Ordinance

From: "Dave Button" <dbutton@cityofindianola.com>
Sent: Thursday, February 5, 2015 3:30 PM
To: "Chuck Burgin" <cburgin@cityofindianola.com>
Subject: Speed limit - Hillcrest

Chuck,

We ran the speed spy on Hillcrest for a 48 hour period 1/27 - 1/29. The total number of vehicles counted was 1525, and the average speed was 41 mph. Eastbound speed limit is 45, westbound 25 beginning at 9th.

We ran a second survey in the 600 block of N. 15th for 48 hours 2/2 - 2/4. The total number of vehicles counted was 1978, and the average speed was 26.75 mph in a 25 mph zone.

I recommend that the eastbound and westbound lanes of Hillcrest have the same speed limit, 35 mph, from Highway 65/69 east to 14th street at the industrial park. This would be consistent in both directions, and would reduce the speed eastbound past the neighborhood at N. 9th and past the bicycle trail crossing. The temporary 25 mph westbound seems like a great reduction in speed for that stretch of roadway. My opinion is that 35 would be sufficient to allow vehicles to safely travel throughout the area and still allow for extra turning traffic at N. 9th and at the YMCA area.

Let me know what else I need to do to advance this.

Thanks,
Dave

Chief Dave Button
Indianola Police Department
110 N. First
P.O. Box 299
Indianola, Iowa 50125
(515) 961-9400
(515) 961-9450 FAX
dbutton@cityofindianola.com

ORDINANCE NO. - _____

**AN ORDINANCE AMENDING THE TRAFFIC CONTROL PROVISIONS
OF THE MUNICIPAL CODE OF THE CITY OF INDIANOLA, IOWA, BY
PROVIDING FOR SPECIAL SPEED ZONE ON E. HILLCREST AVENUE**

WHEREAS, E. Hillcrest Avenue is currently 45 miles per hour eastbound and 25 miles per hour westbound between 14th street and highway 65/69; and

WHEREAS, a speed study was undertaken by the Indianola Police Department in January and February to determine the average total speed along E. Hillcrest Avenue between highway 65/69 and 14th Street; and

WHEREAS, the Police Department has recommended a change in the speed limits on Hillcrest based on a variety of factors, including, the speed that the majority of drivers considered prudent; and

WHEREAS, the recommendation for speed change for both eastbound and westbound traffic along E. Hillcrest Avenue between highway 65/69 and 14th Street is 35 miles per hour; and

WHEREAS, a notice was published and a hearing was held on March 2, 2015, as provided by law, and the City Council now deems it reasonable and appropriate to amend the Code of Ordinances, Appendix—Traffic Control, Special Speed Zones, to provide for a speed zone of 35 miles per hour along a portion of Hillcrest Street.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF INDIANOLA, IOWA:**

Section 1: That the Appendix to the Municipal Code of the City of Indianola, Iowa, Traffic Control, be and it is hereby amended by adding the following language to “Special 35 MPH Speed Zones”:

D. On E. Hillcrest Avenue from Highway 65/69 east to 14th Street.

Section 2: That appropriate signage shall be modified or replaced as necessary in accordance with this Ordinance.

Section 3: All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 4: This ordinance shall be in full force and effect after its passage, approval and publication as provided by law.

PASSED AND APPROVED this ____ day of _____, 2015.

Kelly B. Shaw, Mayor

ATTEST:

Diana Bowlin, City Clerk

First reading: _____

Second reading: _____

Third reading: _____

Publication Date: _____

Information**Subject**

Consider \$35,778.42 proposal to recoat, installation of tiled depth markers and signage for the Veteran Memorial Aquatic Center

* Quote consist of \$28,333.42 from Western Waterproofing (recoat project) and \$7,445.00 from Acco Unlimited (tiled depth markers and signage)

Information

Council needs to consider approval to recoat, tile mark and apply signage to the Veteran Memorial Aquatic Center. Jeff Lucas, Recreation Coordinator, received the following three quotes for the pool recoat project which will be completed this spring. Each contractor had an on-site review to view the condition of the current pool shell surface. Two contractors recommended a muriatic acid etching and wet blast rinse and the third recommended a shotblast preparation. Each contractor quoted the project using the existing colors, line, and lettering - two coats of epoxy paint. One contractor quoted the addition of tiled depth markers and signage.

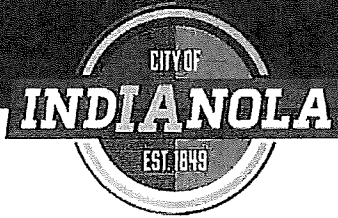
Company	Quote
CertaPro Painters Clive, Iowa	\$55,440.00-Muriatic Acid etching & wet Blast Rinse
Acco Unlimited Johnston, Iowa	\$32,097.00-Muriatic Acid etching & wet Blast Rinse \$7,445.00 - tiled depth markers and signate
Western Waterproofing West Des Moines, Iowa	\$28,333.42-Shotblast Preparation

Jeff's recommendation is to approve the quote from Western Waterproofing in an amount of \$28,333.42 and the quote of \$7,445.00 from Acco Unlimited to provide the tiled depth makers and signage.

Simple motion is in order.

Attachments

Pool Information



PARKS AND RECREATION

TO: Eric Hanson, City Manager
FROM: Jeff Lucas, Recreation Coordinator
RE: 2015 Veterans Memorial Aquatic Center – Recoat Project
DATE: 3/30/2015

Three quotes have been obtained for the Pool recoat project to be completed this spring. Each contractor has been on-site to view the condition of the current pool shell surface, and each has recommended their respective surface prep. Two contractors have recommended a muriatic acid etching and wet blast rinse; the third has recommended shotblast prep. Each contractor has quoted the project using the existing colors, lines, and lettering – two coats of epoxy paint. One contractor quoted the addition of tiled depth markers and signage.

Quote #1 : CertaPro Painters – Clive, Iowa
\$55,440

Quote #2: Acco Unlimited – Johnston, Iowa
\$32,097

Quote #3: Western Waterproofing – West Des Moines, Iowa
\$28,333.42

My recommendation would be to select the quote from Western Waterproofing. Western recommends shotblast prep. Additionally, I recommend the addition of the tiled depth markers and signage. Acco Unlimited provided a quote in the amount of \$7,445.00 to complete the tiling. Total project cost of recoat and tiling is \$35,778.42. All three quotes have been attached for your reference. Please contact me with any questions.

DATE: September 9, 2014
Reference: 140909-CIIA
TO: Painting Services
FROM: [redacted]

DESCRIPTION	AMOUNT
Proper prep, washing, and painting of both pools: Epoxy Pool Paint - 3 colors	\$55,440.00
Includes power washing of surface and cleaning of pool to accept overcoat of new epoxy	
includes edge details, swimming lanes, and step edges same as current look.	
Floor coating for locker rooms, entrance areas, and office areas:	
All systems would require proper washing of floor using a concrete etching acid	
Application of aggregate as needed or if needed to help with anti-slip properties	
Good system: Application of 2 coats of Industrial Enamel to floor	\$5,860.00
Better system: Proper floor prep and then application of 2 coats of Armor Seal Rexthane	\$8,840.00
Best system: Proper floor prep and application of ArmorSeal® 1000 HS Epoxy 2 part epoxy floor coating system with a top coat of ArmorSeal® HS Polyurethane Floor Enamel	\$11,680.00
Locker room, office, red cross room, main entrance walls: One color on all walls	
Good system: Bonding primer on all walls and top coats of DTM 100% acrylic	\$7,600.00
Better system: Bonding primer on walls and top coats of Waterbased Industrial Enamel	\$8,860.00
Best system: Bonding primer on walls and top coat of 2 part Waterbased Tile-Clad Epoxy	\$10,200.00
	0.00%
Thank you for the opportunity to earn your valued business.	-
	-
TOTAL	

October 31, 2014

Mr. Jeff Lucas
Indianola Parks & Recreation
2204 W 2nd Avenue
Indianola, IA 50125
jlucas@cityofindianola.com

Dear Mr. Lucas,

ACCO is pleased to provide the following quotation for painting your main and wading pools.

Prepare the pool surface for painting with muriatic acid etching and wet blast rinse. Application of 2 coats of white epoxy paint (based upon 11,500 sq. ft surface area). Application of 2 coats of blue epoxy paint to gutter and coping. Application 1 coat of black epoxy paint to break lines. If any patching or caulk is needed, it will be done on a time and materials basis. Customer to provide sales tax exemption certificate for this project. \$32,097.80

Our price is based upon the information provided to us that an Epoxy paint is currently on the pool. Should a chlorinated rubber base, acrylic, or synthetic rubber base paint be present within a layer of the existing pool surface, the epoxy paint application will not be compatible and adhesion cannot be guaranteed.

Installation of 40 tile depth markers and 20 No Diving tiles. \$7,445.00
Depth and No Diving markers consist of 2 – 6" x 6" non skid ceramic tiles that are installed flush on your deck surface. Each depth marker location has a "ft" and "in" tile. Exact tile depths will need to be verified for this project.

All of us at ACCO appreciate the opportunity to be of service.

Sincerely,
ACCO Unlimited Corporation



Debra J. Coffman
General Manager



Member-Western Construction Group

Master Craftsmen in Building Restoration & Preservation

PROPOSAL/CONTRACT

Jeff Lucas
City of Indianola

March 26, 2015

Indianola, IA 50125

WE (Western) HAVE PREPARED A PROPOSAL FOR: *Indianola Aquatic Center*

SCOPE OF WORK: We propose to furnish and install all necessary labor, materials, equipment, supervision, and insurance, as shown on the enclosed sample certificate, to complete the following:

1. Mobilization :

Mobilization will consist of the time necessary to properly mobilize and demobilize the project. Also included is the time necessary for the proper supervision to manage the project and the necessary equipment and material to assist in the mobilization and supervision of the project.

\$253.47

2. Aquatic Center Pools and Stripes Recoat :

Approximately 19,200 square feet of concrete substrate will be cleaned by using a combination of shotblast machine and sandblast machine. The shotblast machine will remove the dirt and contaminants on the horizontal floor areas and sand brush blasting on verticals and steep areas as required by the coating manufacturer to properly install their material. After the shot and sand blast is complete, the remaining shot will be removed from the jobsite. Excluded in this prep is the upper perimeter (blue) at the drains and the island.

The substrate will then be coated with two coats of Tnemec 66 epoxy. After the first coat has cured, a second coat will be applied. Both coats will be installed at approx 250 sf per gallon as directed by the manufacturer. The system will be required to cure for 48 hours prior to allowing traffic back into the area and minimum 7 days before submersing. Black striping and crosses will be repainted in their existing locations. Excluded in this work item is the upper perimeter (blue) at the drains and island.

\$24,413.63

3. Option : Aquatic Center Perimeter (blue) Recoat :

The substrate will be pressure washed for preparation according to the manufacturer's recommendations. The substrate will then be coated with two coats of Tnemec 66 at approximately 250 sf per gallon. The color will match as close as possible to the existing. The system will be required to cure for 48 hours prior to allowing traffic back into the area.

\$3,666.32

PROJECT SPECIFIC QUALIFICATIONS:

1. Miscellaneous sealant work will be performed at 5.00 per lineal foot

GENERAL QUALIFICATIONS:

1. Normal working hours, Monday through Friday have been used for this proposal.



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2. We have included one mobilization for the project. Additional mobilizations will result in additional charges.
3. Western Waterproofing Company, Inc. requires the disclosure of any existing "micro-wave" communication panels or other telecommunication equipment, antennas, panels, etc. located in our potential work area. We also request a full disclosure of any hazards associated with this type of equipment. Any of the above that could present a hazard to our craftsmen must be relocated and/or disconnected during the course of our work at no additional cost to Western Waterproofing Company, Inc.
4. This work will be performed by Western's own UNION CREWS.
5. Western shall not be held liable for the presence of fungi or bacteria as indicated on the attached Insurance Addendum.

Acceptance: By signing this proposal, the Purchaser accepts as a binding contract all of its terms and conditions, including the General Conditions and the Special Conditions on this page and all Continuation Pages of this proposal. This Proposal shall expire automatically unless the above named purchaser shall have delivered a copy of this Proposal, duly signed by it, to Western on or before the 30th day from the date hereof. No modification by Purchaser to this Proposal, or to the General Conditions, shall become a part of the contract unless specifically agreed to in writing by Western, and shall automatically make this Proposal void and of no effect.

Date Accepted: _____ **Western Waterproofing Company, Inc.**

[Purchaser]
By: _____ Tom Longer

Title: _____ BRANCH MANAGER

GENERAL TERMS OF THE CONTRACT

1. CHANGES IN THE WORK. It is understood that the type of work called for in this Agreement may require changes as the work progresses. Contractor will perform changes in the work (including changes requested by Customer) only after consultation with the Customer, and execution of a written agreement covering the changes in the scope of the work including any changes in Contract Price and time for performance.

2. PAYMENT TERMS. Payment of the Contract Price, shall be made monthly upon receipt of an invoice for portion of the Work performed during that month. If any invoice remains unpaid to the 20th day following receipt by Customer, Customer agrees to pay Contractor interest at the rate of ten percent (10%) per annum from the due date until paid.

3. TAXES. Contractor's price includes applicable taxes imposed on the work or materials included in this contract, to the extent required by law to be collected by Contractor. Such taxes may be separately itemized on invoices.

4. SECURITY FOR PAYMENT. Customer understands that if Contractor is not paid it can assert a lien against the property. Contractor will issue waivers of its lien rights only to the extent it receives payment.

5. DELAYS AND CLAIMS.

A. Liability Only for Acts Within Contractor's Control. Contractor will be excused and will not be liable for any damages, whether direct, incidental or consequential, for any delay or failure in performance (including but not limited to delays due to strikes, fires, accidents, acts of God and delays in performance by Contractor's suppliers and carriers) except to the extent caused by, or within the direct control of Contractor.

B. Notice of Claims, When. Any claims by Customer against Contractor must be presented in writing with particulars to Contractor within twenty days after they arise; otherwise Contractor shall have no responsibility or liability for such claims.

6. INSURANCE AND INDEMNIFICATION.

A. Customer shall purchase and maintain property insurance on its property and liability insurance to cover the acts or omissions of its agents and employees at the Site.

B. Contractor maintains insurance as shown on the attached Insurance Addendum. A certificate showing coverage limits and Carriers will be issued to Customer prior to beginning work at the Site.

C. Contractor agrees to indemnify Customer from any loss, damage or expense which Customer suffers as a result of claims asserted against Customer by third parties (including Contractor's employees) which arise out of Contractor's work at the Site, to the extent caused by the negligent acts or omissions of Contractor or anyone for whom Contractor is responsible. Customer agrees to indemnify Contractor for any loss, damage or expense, which Contractor suffers as a result of claims asserted against Contractor by third parties (including Customer's employees) which arise out of Customer's activities at the Site, to the extent caused by the negligent acts or omissions of Customer or anyone for whom Customer is responsible.

7. LIMITED WARRANTY AND EXCLUSIVE REMEDIES.

A. Workmanship. For a period of one year from the date of substantial completion of Contractor's Work covered hereby, Contractor warrants that it will promptly repair or replace any improper or defective workmanship performed by Contractor under this contract; provided that Contractor has been paid for all work performed, and Contractor has received written notice from Customer of any such defective workmanship within 20 days after Customer first becomes aware thereof (provided such is within the aforesaid one-year period). Contractor will not pay for any inspections or repairs performed by others prior to receipt of notice and a reasonable opportunity to make repairs, if warranted.

B. Warranty on Materials. Contractor warrants that it will use only new materials unless specified otherwise in this Contract, and will deliver to Customer standard warranties as issued by the manufacturer of the materials, if available. Contractor shall have no obligation under any such manufacturer's warranty, and shall not be required to seek changes to terms of such standard warranties.

C. Disclaimer of Other Warranties. THE PROVISIONS IN PARAGRAPHS A AND B ARE THE EXCLUSIVE WARRANTIES PROVIDED TO CUSTOMER AND ARE EXPRESSLY IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

D. Mold Exclusion. Contractor specifically excludes from any and all warranties connected with this Work any warranty against the growth, infestation or spread of mold, mildew, or other fungal, bacterial or biological substance however caused.

8. OBLIGATIONS OF CUSTOMER AT SITE OF WORK

A. Site Conditions. For work performed by Contractor at the site, Customer shall provide without charge to Contractor (i) sufficient and proper space for handling and storing the materials and equipment of Contractor; (ii) sufficient power and water for the performance of the Work; (iii) removal of all obstructions to performing the Work as economically as possible.

B. Unanticipated Conditions. If Contractor encounters unanticipated conditions or structural features, not reasonably ascertainable upon such inspection or testing as was allowed by Customer, Contractor will so advise Customer, and the parties will work out a mutually acceptable adjustment to the Work, the Contract Price, and the time of completion prior to continuation of the work.

C. Asbestos, Lead, Mold and PCB. Contractor specifically excludes the abatement of any hazardous material, including but not limited to asbestos, lead, mold or polychlorinated biphenyl ("PCB"). Customer warrants that the Work will not expose Contractor's workers or any other persons to contact with or exposure to such substances. If Contractor encounters material reasonably believed to be asbestos, lead mold or PCB or other hazardous substance which has not been rendered harmless, Contractor shall immediately stop Work in the area affected and report the condition to the Customer. The Work in the affected area shall not thereafter be resumed except by written agreement of the Customer and Contractor. The Work in the affected area shall be resumed in the absence of such hazardous substance, or when it has been rendered harmless and so agreed in writing by the Customer and Contractor. All cost of testing for, removal of, or to render asbestos, lead, mold or PCB harmless, shall be born by Customer.

9. DEFAULT BY CUSTOMER. If Customer fails, or is unable for any reason, to make any payment when due, or prevents Contractor from completing its Work in a timely and uninterrupted manner, or fails to comply with any term, condition or provision of this Contract, Contractor may resort to any remedy available to it by this Contract, or by law.

10. REMEDIES OF CONTRACTOR. In case of any default by Customer, including but not limited to failure to make timely payment, Contractor may, after reasonable notice and opportunity to cure, which need not exceed seven (7) days: (a) suspend all work at the site (b) demand payment of the contract price, less a sum equal to Contractor's cost of any labor and materials not yet furnished or ordered, (c) remove its equipment and any unused material from the Premises, (d) terminate the contract and demand payments referred to in item (b) above and, (e) pursue such other or additional remedies as may be provided by law.

11. DISPUTE RESOLUTION. The parties shall attempt to resolve disputes between themselves, using more senior officials of their respective organizations if necessary, and prior to the institution of any legal action, they agree to meet with a mutually agreeable or, upon mutual application, court appointed mediator for a minimum of one five hour session. In any such dispute resolution, each party shall bear their own expenses. In the event of any legal action to enforce the terms of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees from the other.

12. HOURS OF WORK. Contractor is obligated to perform the Work only during its regular working hours and has no responsibility to work beyond such regular hours. All time beyond regular hours which is required by Customer shall be paid for by Customer in addition to the contract price, at applicable premium rates of pay.

13. ENTIRE AGREEMENT. This Contract constitutes the entire agreement between the parties. No representations, statements, correspondence or discussions between Contractor and Customer or Customer's Representative shall be a part of this Contract unless specifically referred to in this Contract.

14. MODIFICATION. No waiver, alteration or modification of the terms and conditions of this Contract shall be binding unless said waiver, alteration or modification be in writing and signed by a duly authorized representative of each party.

STANDARD INSURANCE ADDENDUM
Indicating Insurance Carried by
Western Waterproofing Company, Inc. ("Contractor")
and incorporated into its Proposal Submitted to
city of indianola ("Customer")
Project: *indianola aquatic center*

Contractor maintains, and shall maintain, insurance coverage substantially as outlined below, throughout the life of the project (shown above) which is the subject of the Proposal, Bid, Contract or Subcontract to which this Addendum is attached. Any contract or subcontract entered into is qualified to include this coverage, exclusive of any other insurance requirements.

Workers Compensation coverage is maintained in all states where Contractor operates, including the state in which the project which is the subject of this proposal or bid is located. Employer's Liability coverage is also included with limits up to \$1,000,000. Stop gap coverage is provided in monopolistic states: ND, OH, WA, WY.

Carrier: **Charter Oak Fire Insurance Company (MA, OR, WI)**

Carrier: **Travelers Property Casualty Company of America (All other states)**

General Liability coverage is written on the ISO COMMERCIAL GENERAL LIABILITY FORM CG 0001 10 01 which includes the following:

Carrier: **Travelers Property Casualty Company of America**

COVERAGES

- Bodily Injury
- Broad Form Property Damage
- Premises/Operations
- Products/Completed Operations
- Contractual Liability
- Medical Payments
- Fire Damage Legal Liability
- Personal and Advertising Injury
- Independent Contractor's Liability
- Coverage for Explosion, Collapse, and Underground
- Separation of Insureds/Severability of Interest

	<u>POLICY LIMITS</u>
General Aggregate ⊕	\$4,000,000
Products Completed Operations Aggregate	\$4,000,000
Personal and Adv. Injury	\$2,000,000
Each Occurrence	\$2,000,000
Fire Damage (Any one fire)	\$500,000
Medical Exp. (Any one person)	\$5,000

⊕ General Aggregate applies per project.

The General Liability Policy contains an exclusion for claims arising in whole or in part out of the presence of fungi or bacteria in a building or structure.

Automobile Liability coverage is carried in all states consistent with or greater than statutory requirements.

Carrier: **Travelers Property Casualty Company of America**

Combined Single Limit: \$2,000,000

A 30 day notice of cancellation provision is included under our policies.

Coverage and limits will be certified through a standard form Certificate of Insurance issued to Customer or through a Memorandum of Insurance upon Execution of Contract.
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Contractor's insurance program is written on a nationwide basis for all its locations, and not on an individual project basis. Any requests for deviations from standard coverage must be requested in writing, prior to Contract execution. Contractor reserves the right to increase its price to cover additional insurance requests.

