

Annual Comprehensive Financial Report

***City of Ames, Iowa
For the fiscal year ended
June 30, 2021***



The Importance of Parks!

Gardens, play areas, green space, trees, trails, and abundant opportunities for outdoor recreation top the list of why residents say they love their cities. Natural beauty and a connection to nature is important, and each plays a major role in why people feel good about where they live. The value of Ames' well-maintained and growing park system is endless, and continually cultivating outdoor space improves the quality of life for all residents.

The National Recreation and Park Association considers parks an essential public service on par with utilities and public safety. The group cites data showing that investing in outdoor space, natural areas, and playground equipment can increase property values, attract businesses, encourage economic development, improve the physical and mental health of residents, protect water and natural resources, and build community pride.

For more than 135 years, Ames residents have enjoyed an increasing number of public parks. Starting with Bandshell Park, gifted to the community in 1882, to Tahira and Labh Hira Park, formerly the site of Edwards Elementary School, the Ames park system now includes 38 parks and 1,215 acres of land. As Ames expands, so does its dedication to creating outdoor recreation opportunities. In the past year, Ames residents have enjoyed the addition of the Rotary Club of Ames Miracle Field and Barnes Family Inclusive Playground, Sunset Ridge Park, improvements to Franklin Park, a new fishing pier at Ada Hayden Heritage Park, and more. That's not all – additional parks, green space, and playground improvements are planned for the coming years.

People seek communities that preserve natural beauty and provide access for all ages and abilities to enjoy the outdoors. The Ames City Council and City of Ames staff have a long history of investing in Ames to develop a city where people can live, work, play, and have plenty of opportunities to be active in all seasons.

Annual Comprehensive Financial Report

***City of Ames, Iowa
For the fiscal year ended
June 30, 2021***



CITY OF AMES, IOWA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Prepared by:
Department of Finance
Accounting Division



Mission Statement

We are caring people, providing quality Programs with exceptional service to a community of progress

We Value...

- Continuous improvement in our organization and our services.
- Innovation in problem solving.
- Employee participation in decision making.
- Personal and professional development.
- Each other as we work together to serve the community.

We Are...

- Proud to provide superior services to our community.
- Professional and objective as we address public concerns and needs.
- Fair, flexible, and helpful in our actions.
- Efficient and fiscally responsible.
- Proactive in reviewing and evaluating the type and focus of our services.

Caring People, Quality Programs, Exceptional Service

**City of Ames
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June 30, 2021**

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Introductory Section



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September 2, 2022

To the Honorable Mayor, City Council Members, and Citizens of the City of Ames, Iowa:

The City of Ames, Iowa (City) is required by the Code of Iowa to publish a complete set of audited financial statements presented in conformity with generally accepted accounting principles. Pursuant to these requirements, the Annual Comprehensive Financial Report of the City for the fiscal year ended June 30, 2021, is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2021. The independent auditor’s report is presented as the first component of the financial section in this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and reads in conjunction with it.

Profile of the City of Ames

The City was incorporated in 1864 under the laws of the State of Iowa, later amended in July 1975 under the Home Rule City Act. The City is located in central Iowa, 30 miles north of Des Moines. Ames is the eighth largest city in Iowa and serves a population of 66,427, according to the 2020 census. The City is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under a mayor-council form of government with an appointed manager. Policy-making and legislative authority are vested in the governing council consisting of the mayor and six other council members. The council members serve four-year staggered terms with three council members elected every two years. The mayor is elected for a four-year term. Four of the council members are elected by district. The mayor and the two remaining council members are elected at large.

The City provides a full range of services, including police and fire protection; snow removal; construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; community development; electric, water, and sewer systems;

parking lot facilities; resource recovery; a municipal airport; transit services; and a municipal hospital. The City is also financially accountable for a legally separate hospital foundation reported separately within the City's financial statements. Additional information on the hospital foundation can be found in the notes to the financial statements (see note I(B)).

The annual budget serves as the foundation for the City's financial planning and control and is prepared by function. The City Manager is responsible for developing a budget proposal for presentation to the City Council in January and February of each year. The City Council is then required to hold public hearings on the proposed budget and adopt a final budget no later than March 31 for the fiscal year beginning the following July 1. Any amendments to the budget must be prepared and adopted in the same manner as the original budget.

Local economy

The City is supported by a diverse economy that includes both the private and public sectors. Ames is home to several large governmental agencies including Iowa State University (ISU), Iowa Department of Transportation, the U.S. Department of Agriculture National Animal Disease Center and National Veterinary Services Laboratories, and a U.S. Department of Energy research lab. ISU and other government employers add significant local economic stability that has resulted in an unemployment rate below the national and state averages for the past 30 years.

In December 2021, the U.S. Bureau of Labor Statistics reported that the Ames metropolitan statistical area (MSA) unemployment rate of 2.4% was one of the lowest in the nation, well below the national and Iowa rate which were both around 4.0%. The City has continued a general trend of steady employment growth since the onset of employment loss during the COVID pandemic and has nearly fully recovered to pre-pandemic levels. The City has also experienced steady growth in population, increasing from 58,965 in the 2010 census to 66,427 in 2020, a 12.65% increase over ten years.

Ames has continued steady, moderate, and sustainable growth in both population and property valuation. The assessed valuation for property in Ames grew by 3.3 % from January 2019 to January 2020. ISU student enrollment has fallen slightly from recent peaks with 30,708 students enrolled for the fall 2021 semester, a reduction of about 3.5% from the prior year. Students are back to in person learning and full attendance has been allowed at University events.

The commercial and industrial sectors were slowed with the COVID Pandemic, but several developments are currently in the early stages including a major downtown redevelopment in the Lincoln Way Corridor which includes City development of an indoor aquatics center as well as private commercial, retail and housing. This project awarded a \$10 million Iowa Reinvestment District Grant. The extension of utilities east of Interstate 35 to serve commercial and industrial expansion is currently underway to meet the demand for development ready property.

The retail, service, and housing sectors have also seen continued growth. Major redevelopment projects continue in the South Duff retail corridor, with the first phase of redevelopment completed at vacant big box retail site. The North Grand Mall site is also being redeveloped with two new retail sites completed and open for business. The housing sector has remained strong, but has shifted to single family and senior living as construction in the multifamily sector has slowed.

Long-term financial planning and major initiatives

Work has continued on improvements to major arterial transportation corridors, most notably the progression of the project to extend Grand Avenue with the new connection to the South Duff Corridor now complete. These and other street improvements have also included facilities to support bike and pedestrian modes of transportation. Though not a City of Ames project, there are significant transportation improvements underway affecting both the primary north/south and east/west connections to Ames. The US 30/I-35 interchange is open to traffic and improvement to the flyover ramp serving Ames are underway to better connect business districts to the major 4 lane highways. The addition to lanes on I-35 south of Ames is nearing completion.

Relevant financial policies

The City Council has adopted a comprehensive set of budget and fiscal policies, including financial management, general revenue management, user fee cost recovery goals, enterprise fund fees and rates, grant funding, revenue distribution, investments, fund balance designations and reserves, capital improvement management, and capital improvement financing and debt management.

The minimum fund balance requirement for the General Fund is 25% of operating expenditures less pass-through amounts. The City met this requirement and adhered to all other financial policies established by the City Council.

Awards and acknowledgements

The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2021. To qualify for this award, the City's budget document has to be judged proficient as a policy document, an operations guide, a financial plan, and a communication device. This was the 36th consecutive year the City has received this award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff in the Finance Department. We wish to thank all of the City departments for their assistance in providing data necessary for this report. Credit is also due the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

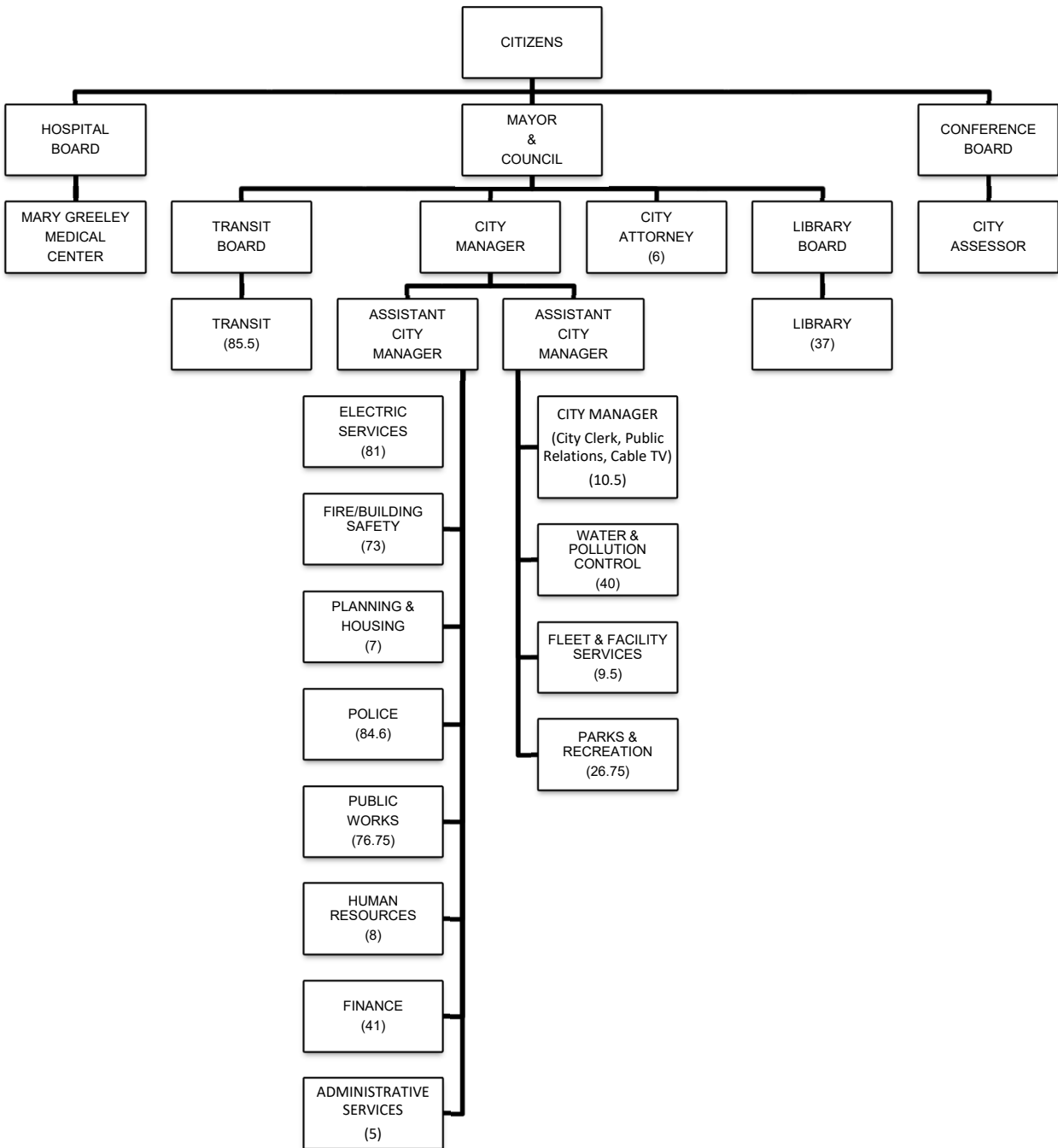
Steven L. Schainker
City Manager



Duane R. Pitcher, CPA, CPFO
Director of Finance



City of Ames Organizational Chart June 30, 2021



City of Ames
List of Elected and Appointed Officials
June 30, 2021

Elected Officials:

Mayor	John Haila
Council Member – Ward 1	Gloria Betcher
Council Member – Ward 2	Tim Gartin
Council Member – Ward 3	Anita Rollins
Council Member – Ward 4	Rachel Junck
Council Member – At Large	Bronwyn Beatty-Hansen
Council Member – At Large	Amber Corrieri

Council-Appointed Officials:

City Manager	Steven Schainker
City Attorney	Mark Lambert

City Manager-Appointed / Council-Approved Official:

City Clerk	Diane Voss
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City Manager-Appointed Officials:

Assistant City Manager	Debra Schildroth
Assistant City Manager	Brian Phillips
City Treasurer	Roger Wisecup II
Director of Electric Utility	Don Kom
Director of Finance	Duane Pitcher
Director of Fleet Services	Corey Mellies
Director of Human Resources	Bethany Jorgenson
Director of Parks and Recreation	Keith Abraham
Director of Planning and Housing	Kelly Diekmann
Director of Public Works	John Joiner
Director of Water and Pollution Control	John Dunn
Fire Chief	Rich Higgins
Police Chief	Geoff Huff

Other Officials:

Director of Transportation	Barbara Neal
Library Director	Sheila Schofer

Hospital Administration:

President / Chief Executive Officer	Brian Dieter
Vice President / Chief Financial Officer	Gary Botine

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Financial Section



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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mary Greeley Medical Center (presented as an enterprise fund), which is both a major fund and 62 percent, 59 percent, and 71 percent, respectively, of the assets, net position, and revenues of the business-type activities. We did not audit the financial statements of the component unit, which represents 100 percent of the assets, net position, and revenues of the component unit. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mary Greeley Medical Center and the component unit, is based solely on the reports of the other auditors. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component unit were not audited in accordance with *Government Auditing Standards*.

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 entity'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 entity'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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ames, Iowa's basic financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The combining nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 2, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
September 2, 2022

Management's Discussion and Analysis

As management of the City of Ames (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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 on pages 3-5 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,014,091,316 (*net position*). Of this amount, \$470,412,778 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$123,866,631, most of which was attributable to business-type activities, including Mary Greeley Medical Center.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$59,024,405, an increase of \$1,133,112 in comparison with the prior year. Approximately 14.0% of this amount (\$8,082,582) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (*the total of the committed, assigned, and unassigned components of fund balance*) for the General Fund was \$15,391,869, or approximately 47.4% of total General Fund expenditures.
- The City's total long-term outstanding debt decreased by \$14,141,420 during the current fiscal year.
- Within the City's business-type activities, revenues exceeded expenses by \$107,042,300. The City policy is to set rates that fund operational expenses of business-type activities and most capital improvements. The increase in net position represents funds accumulated for planned future capital expenses, including capital investment to stay current with technology at the hospital.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) the notes to financial statements. This report also includes other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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*). The governmental activities of the City include general government, public safety, public works, health and social services, culture and recreation, and community and economic development. The business-type activities of the City include the hospital, electric, sewer, water, transit, storm sewer, parking, resource recovery, an ice arena, and a golf course.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate medical center foundation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 24-26 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of

revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, capital projects fund, and debt service fund, all of which are major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general, capital projects, debt service, special revenue, and enterprise funds according to the Code of Iowa. A budgetary comparison schedule has been provided as required supplementary information to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its hospital, electric, sewer, water, parking, transit, storm sewer, ice arena, golf course, and resource recovery. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet services, information technology, risk management, and health insurance. Because these services benefit both the governmental and business-type functions, they have been apportioned accordingly in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the hospital, electric, sewer, and water, all of which are major funds of the City. Data from the other six enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements in the combining fund statements and schedules section of this report. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 31-35 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-91 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's net pension liability, obligation to provide other post-employment benefits to its employees, and budgetary comparisons. Required supplementary information can be found on pages 93-103 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 105-122 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position, may serve as a useful indicator of a government's financial position over time. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,014,091,316 at the close of the most recent fiscal year.

The following chart summarizes the government-wide assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City.

Net Position

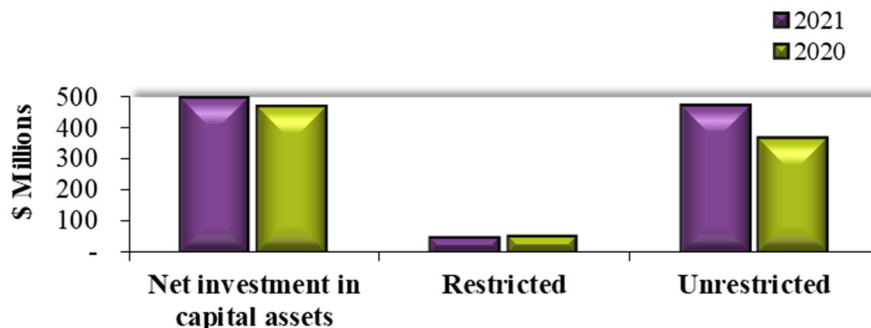
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 125,956,152	\$ 111,969,235	\$ 613,879,978	\$ 536,780,936	\$ 739,836,130	\$ 648,750,171
Net capital assets	207,644,403	191,177,604	476,323,861	470,389,288	683,968,264	661,566,892
Total assets	333,600,555	303,146,839	1,090,203,839	1,007,170,224	1,423,804,394	1,310,317,063
Deferred outflows of resources	9,983,026	7,988,660	25,399,353	22,611,037	35,382,379	30,599,697
Long-term liabilities outstanding	102,129,571	95,174,333	256,949,166	256,648,104	359,078,737	351,822,437
Other liabilities	16,148,448	6,613,106	33,799,325	47,783,234	49,947,773	54,396,340
Total liabilities	118,278,019	101,787,439	290,748,491	304,431,338	409,026,510	406,218,777
Deferred inflows of resources	33,180,508	34,047,337	2,888,439	10,425,961	36,068,947	44,473,298
Net position:						
Net investment in capital assets	163,993,058	148,292,299	331,818,082	320,199,338	495,811,140	468,491,637
Restricted	26,517,909	23,978,574	21,349,489	30,006,410	47,867,398	53,984,984
Unrestricted	1,614,087	3,029,850	468,798,691	364,718,214	470,412,778	367,748,064
Total net position	\$ 192,125,054	\$ 175,300,723	\$ 821,966,262	\$ 714,923,962	\$ 1,014,091,316	\$ 890,224,685

The largest portion of the City's net position (48.89%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and infrastructure) less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$47,867,398, or 4.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$470,412,778 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

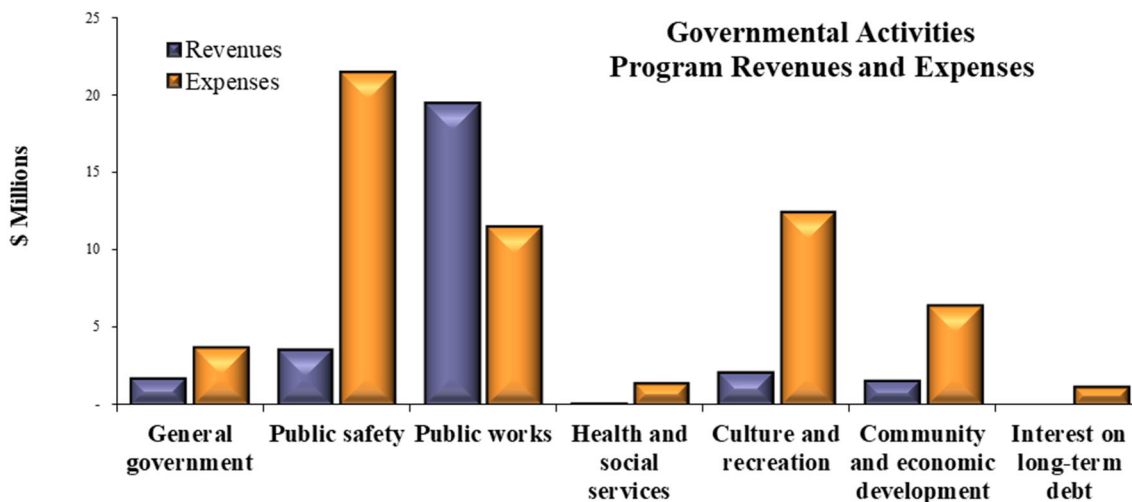
The following chart shows the components of net position for the years ended June 30, 2021 and 2020:



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$16,824,331 for an ending balance of \$192,125,054. Taxes are the largest source of governmental revenue with property taxes of \$34,742,024 and local option sales taxes of \$10,351,681 in 2021. The \$1,768,384 increase in property tax collections in 2021 over 2020 is due to an increase in taxable valuation. Charges for services decreased \$530,867 from 2020 revenues.

Governmental activity expenses decreased \$1,228,689 from 2020, or 2.07%, mainly due to capital projects and debt service.

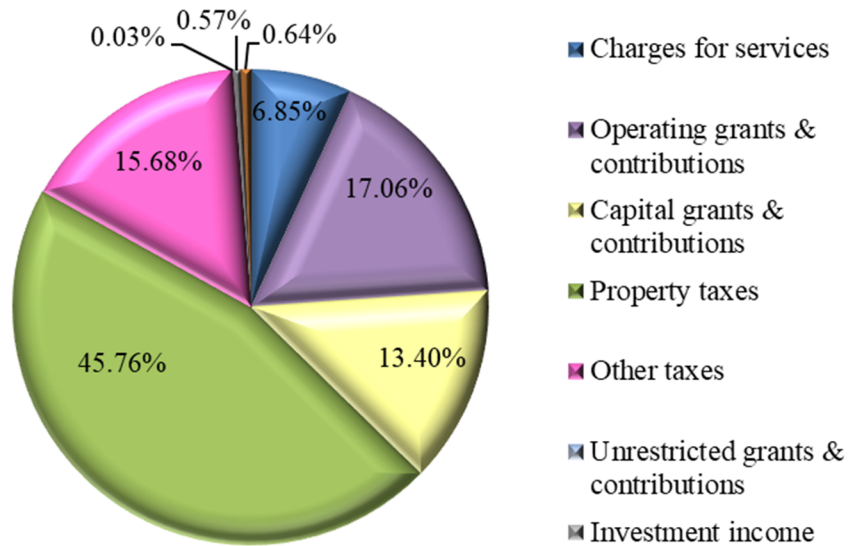
The following chart shows the expenses and related program revenues for the functions of governmental activities:



City of Ames
Changes in Net Position
June 30, 2021

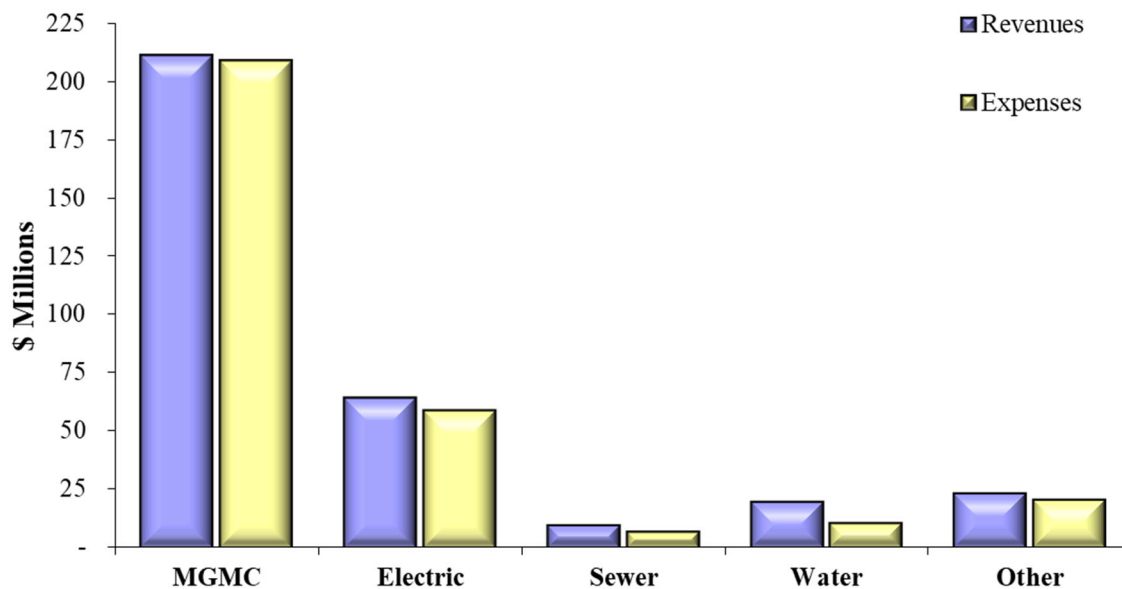
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 5,198,474	\$ 5,729,341	\$ 309,527,651	\$ 291,448,380	\$ 314,726,125	\$ 297,177,721
Operating grants & contributions	12,952,426	9,090,602	15,629,698	8,118,261	28,582,124	17,208,863
Capital grants & contributions	10,169,954	3,536,671	3,581,879	2,014,199	13,751,833	5,550,870
General revenues						
Property taxes	34,742,024	32,973,640	-	-	34,742,024	32,973,640
Other taxes	11,904,531	10,456,666	-	-	11,904,531	10,456,666
Unrestricted grants & contributions	21,126	54,366	-	-	21,126	54,366
Investment earnings	436,298	2,177,884	79,779,629	8,135,196	80,215,927	10,313,080
Other	489,323	602,881	3,501,603	647,271	3,990,926	1,250,152
Total revenues	75,914,156	64,622,051	412,020,460	310,363,307	487,934,616	374,985,358
Expenses:						
General government	3,722,100	3,304,608	-	-	3,722,100	3,304,608
Public safety	21,464,000	20,956,310	-	-	21,464,000	20,956,310
Public works	11,484,497	17,259,469	-	-	11,484,497	17,259,469
Health & social services	1,387,924	1,463,008	-	-	1,387,924	1,463,008
Culture & recreation	12,452,132	11,257,074	-	-	12,452,132	11,257,074
Community & economic development	6,381,948	3,463,620	-	-	6,381,948	3,463,620
Interest on long-term debt	1,161,207	1,578,408	-	-	1,161,207	1,578,408
Mary Greeley Medical Center	-	-	208,743,252	194,116,951	208,743,252	194,116,951
Electric	-	-	59,123,227	58,345,295	59,123,227	58,345,295
Sewer	-	-	6,933,018	7,020,822	6,933,018	7,020,822
Water	-	-	10,563,721	10,620,259	10,563,721	10,620,259
Parking	-	-	842,179	999,414	842,179	999,414
Transit	-	-	13,624,865	13,842,640	13,624,865	13,842,640
Stormwater	-	-	662,387	796,588	662,387	796,588
Ames/ISU Ice Arena	-	-	557,566	665,247	557,566	665,247
Homewood Golf Course	-	-	253,985	215,211	253,985	215,211
Resource Recovery	-	-	4,709,977	4,493,593	4,709,977	4,493,593
Total expenses	58,053,808	59,282,497	306,014,177	291,116,020	364,067,985	350,398,517
Increase in net position before transfers	17,860,348	5,339,554	106,006,283	19,247,287	123,866,631	24,586,841
Transfers	(1,036,017)	(376,965)	1,036,017	376,965	-	-
Increase in net position	16,824,331	4,962,589	107,042,300	19,624,252	123,866,631	24,586,841
Net position, beginning (as previously reported)	175,300,723	170,338,134	714,923,962	695,299,710	890,224,685	865,637,844
Net position restatement	-	-	-	-	-	-
Net position, beginning (as restated)	175,300,723	170,338,134	714,923,962	695,299,710	890,224,685	865,637,844
Net position, ending	\$ 192,125,054	\$ 175,300,723	\$ 821,966,262	\$ 714,923,962	\$ 1,014,091,316	\$ 890,224,685

The following chart shows revenues by source for governmental activities:



Business-Type Activities. The net position for business-type activities increased by \$107,042,300, accounting for 86.42% of the City's growth during the fiscal year. The majority of this increase is attributable to the hospital; operating margin was 4.9% compared to a budget of breakeven and investment income was \$79.3 million, and CARES Act Provider Relief Funds of \$3.3 million.

The following chart shows the expenses and related program revenues for the functions of business-type activities:



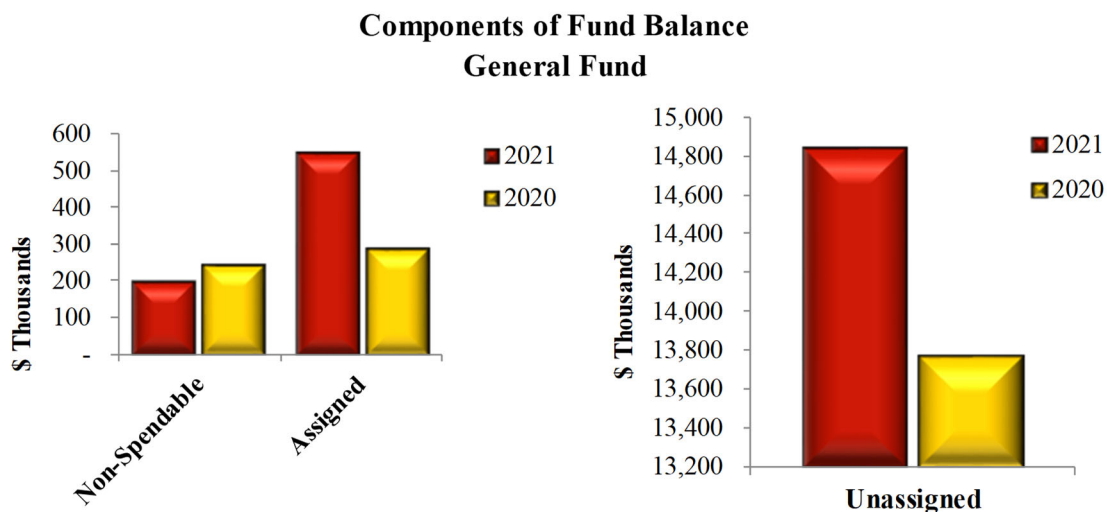
Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

The City's governmental funds reported combined fund balances of \$59,024,405 at June 30, 2021, an increase of \$1,133,112 from the prior year. Approximately 13.7% of this amount (\$8,082,582) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *non-spendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$273,148); 2) legally required to be maintained intact (\$2,038,641); 3) restricted for particular purposes (\$45,804,577); 4) committed for particular purposes (\$2,276,719); or 5) assigned for particular purposes (\$548,738).

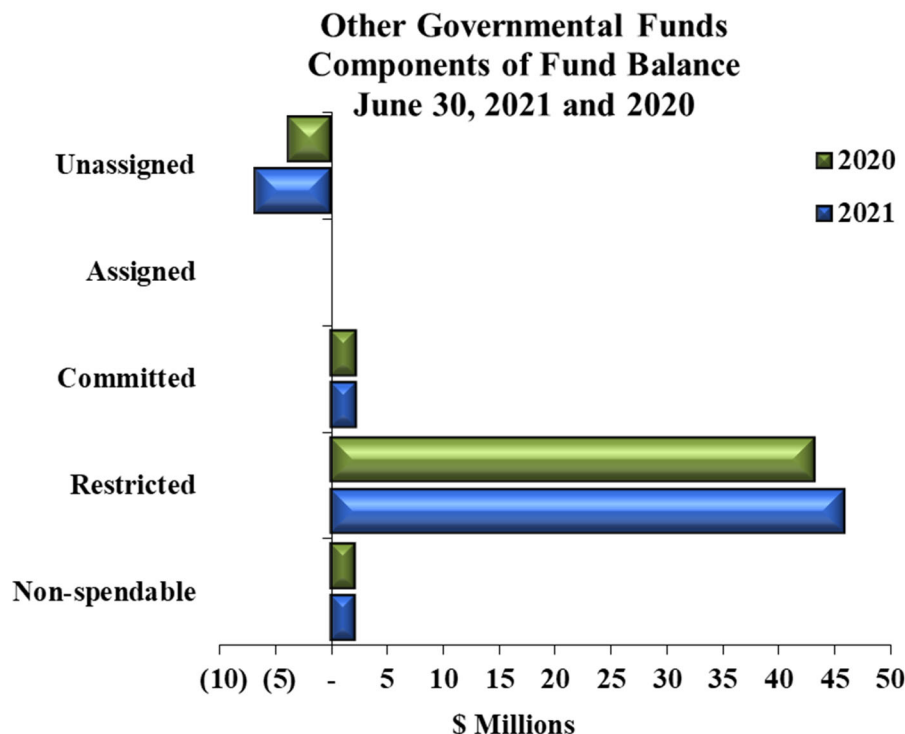
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,843,131, while total fund balance increased by \$1,289,899 to \$15,590,469. The ending fund balance is 48% of the fiscal year expenditures, exceeding the City's goal of 20% of expenditures.



The Capital Projects Fund had a decrease of \$610,337 in fund balance during the fiscal year, which put the overall fund balance at \$20,225,008. Some of the capital projects for the year included safety and access improvements, work on the extension of Grand Avenue and the expansion of Iowa State University Research Park Phase IV, updating the Long-Range Transportation Plan, as well as annual street maintenance and improvement.

The fund balance in the Debt Service Fund is just over \$1.2 million at the end of the fiscal year, an increase of \$2,440 from the prior year, with property taxes and transfers from other funds coming up just short of debt service payments.

The fund balances of other governmental funds increased by \$451,110 from the 2020 balances. A large part of this increase is in the Road Use Tax Fund, with an increase in revenue due to new Census numbers.



Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined net position of the enterprise funds at June 30, 2021, totaled \$809,946,156, of which 56.4% (\$456,778,585) is unrestricted. This is a \$106,349,586 or 15.11% increase in net position from last fiscal year. The net position of the internal service funds is \$33,451,424, a \$1,704,316 increase in net position. Unrestricted net position accounts for \$22,478,483 (67.20%) of the total internal service fund net position balance.

As in prior years, a majority of the increase in net position is attributable to the hospital (approximately \$85.0 million). The results of hospital operations were favorable with \$10.4 million in operating income. The next highest increase in net position is the Electric fund with an increase \$4.8 million, mainly due to natural gas sales.

Charges for services for the internal service funds increased 8% over the prior year.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget. There were three amendments to the City's 2021 budget. The first amendment was approved in September 2020, primarily to reflect carryovers of capital project expenditures from the prior year. The second and third amendments were approved in February and May of 2021 to reflect year-end expenditures and revenues more accurately.

The main source of variation in the General Fund budget is the carryover of funds from fiscal year 2020 for capital projects that were not completed.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$683,968,264 (net of accumulated depreciation), an increase of \$22,401,369 from prior year capital assets. The investment in capital assets includes land, buildings, infrastructure, plant and distribution systems, machinery, and equipment.

Some of the major capital asset additions include:

- \$1.5 million for substation improvements
- \$3.4 million for sanitary sewer improvements
- \$708,000 in traffic signal upgrades/replacements
- \$1.3 million Homewood Clubhouse construction
- \$1.5 million in shared path construction
- \$8.8 million Grand Ave extension construction

Additional information on the City's capital assets can be found in note IV (E) on pages 53-54 of this report. The following shows capital assets, net of accumulated depreciation.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,237,769	\$ 13,237,769	\$ 14,593,284	\$ 12,671,456	\$ 27,831,053	\$ 25,909,225
Other non-depreciable assets	1,995,944	1,982,444	-	-	1,995,944	1,982,444
Depreciable assets	162,733,825	164,391,262	428,284,006	435,167,057	591,017,831	599,558,319
Construction in progress	29,676,865	11,566,129	33,446,571	22,550,778	63,123,436	34,116,907
Total	\$ 207,644,403	\$ 191,177,604	\$ 476,323,861	\$ 470,389,291	\$ 683,968,264	\$ 661,566,895

Long-term Debt. At the end of the current fiscal year, the City had \$177,279,381 in outstanding bonded debt, as shown in the following chart. Of this amount, \$68,455,049 is debt backed by the full faith and credit of the government and \$108,824,332 is revenue bonds issued by proprietary funds.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds, net	\$ 64,930,438	\$ 64,024,953	\$ 3,524,611	\$ 4,219,035	\$ 68,455,049	\$ 68,243,988
Revenue bonds	-	-	108,824,332	115,821,050	108,824,332	115,821,050
Loans payable	-	-	57,826,281	65,182,044	57,826,281	65,182,044
Total	<u>\$ 64,930,438</u>	<u>\$ 64,024,953</u>	<u>\$ 170,175,224</u>	<u>\$ 185,222,129</u>	<u>\$ 235,105,662</u>	<u>\$ 249,247,082</u>

The City's total debt decreased by \$14,141,420 (-5.67%) during the current fiscal year. State Revolving Fund loans decreased dramatically due to a loan forgiveness on the water plant loan due to meeting the LEAD standards of building. Revenue bonds also decreased due to no new issuances resulting in the full principal and interest payments lowering the balance.

State statutes limit the amount of general obligation debt an Iowa city may issue to five percent (5%) of the actual assessed valuation at January 1, 2019, related to the 2020-2021 fiscal year. The current debt limitation for the City is \$251,136,517. A portion of the outstanding general obligation debt is abated by revenue sources other than the property tax levy. Additional information on the City's long-term debt can be found in note IV (K) on pages 76-84 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors were considered in developing the fiscal year 2022 budget:

- The City of Ames MSA employment remains strong and other economic indicators such as retail sales and new construction generally indicate a strong local economy and recovery from the COVID pandemic.
- A 6% increase in water utility rates to fund a portion of a capital improvement projects, and estimated operational expenses
- No rate increase in electric, sanitary sewer, or storm water utility rates
- No increase in Resource Recovery per capita subsidy rate or tipping fees, however the dollar amount of the per capita subsidy increased with population count of the 2020 census
- Decrease in property tax rate from \$10.15 to \$9.87 per \$1,000 of taxable valuation due to control of expenses, increase in taxable valuation, and improvement in other revenue
- No change in the City's support for transit to improve services due primarily to reduction in demand and increase in federal grant funding
- An increase in full-time equivalents by 1 position; with additions of a diversity, equity, and inclusion coordinator in the human resources department
- A 5.0% increase in health insurance costs due to increases in claim activity and cost for prescription drugs and stop loss coverage. The strong fund balance in the self-insured health insurance fund will help to absorb any fluctuations in claims
- Recovery of local option sales tax due to recovery in the retail sector and collection of sales tax for online retail

Requests for Information. This financial report is designed to provide a general overview of the City'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, 515 Clark Avenue, Ames, Iowa, 50010.

Basic Financial Statements

City of Ames
Statement of Net Position
June 30, 2021

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 31,676,809	\$ 54,308,906	\$ 85,985,715	\$ 2,040,255
Investments	59,301,000	63,771,342	123,072,342	-
Taxes receivable	163,499	-	163,499	-
Special assessments receivable	239,284	-	239,284	-
Accrued interest receivable	276,244	439,807	716,051	-
Accounts receivable, net	778,919	41,778,753	42,557,672	-
Pledges receivable, net	-	-	-	238,018
Intergovernmental receivable	8,431,712	3,079,480	11,511,192	-
Loans receivable	868	-	868	-
Internal balances	(9,819,954)	9,819,954	-	-
Inventories	212,960	9,131,634	9,344,594	-
Assets held for resale	854,428	-	854,428	-
Prepaid items	271,261	4,127,900	4,399,161	-
Restricted current assets:				
Cash and cash equivalents	-	1,386,922	1,386,922	-
Investments	-	19,962,567	19,962,567	-
Accrued interest receivable	-	7,718	7,718	-
Total current assets	92,387,030	207,814,983	300,202,013	2,278,273
Non-current assets:				
Investments	-	14,022,175	14,022,175	16,689,029
Succeeding year taxes receivable	32,343,273	-	32,343,273	-
Long-term loans receivable	3,022	-	3,022	-
Long-term special assessments receivable	1,222,827	-	1,222,827	-
Other assets	-	9,139,855	9,139,855	-
Non-depreciable assets	44,910,578	48,039,855	92,950,433	-
Depreciable assets, net of accumulated depreciation	162,733,825	428,284,006	591,017,831	-
Restricted non-current assets:				
Long-term investments	-	382,902,965	382,902,965	-
Total non-current assets	241,213,525	882,388,856	1,123,602,381	16,689,029
Total assets	333,600,555	1,090,203,839	1,423,804,394	18,967,302
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	5,867,805	5,867,805	-
Deferred outflows related to OPEB	387,329	1,121,405	1,508,734	-
Deferred outflows related to pensions	9,595,697	18,410,143	28,005,840	-
Total deferred outflows of resources	9,983,026	25,399,353	35,382,379	-

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Net Position (continued)
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	5,389,824	16,209,258	21,599,082	403,067
Accrued payroll	273,916	6,661,116	6,935,032	-
Accrued compensated absences	132,227	636,306	768,533	-
Accrued interest payable	169,587	302,955	472,542	-
Retainage payable	689,260	2,804,632	3,493,892	-
Customer deposits	613,266	907,319	1,520,585	-
Intergovernmental payable	965,448	209,627	1,175,075	-
Claims payable	918,335	1,826,136	2,744,471	-
Loans payable	-	3,284,099	3,284,099	-
Accrued Other	-	3,276,335	3,276,335	-
Bonds payable, net	8,390,826	7,783,529	16,174,355	-
Unearned revenue	7,128,812	1,601,947	8,730,759	-
Accrued landfill post-closure costs	-	16,150	16,150	-
Total current liabilities	24,671,501	45,519,409	70,190,910	403,067
Non-current liabilities:				
Accrued compensated absences	2,374,706	8,156,060	10,530,766	-
Accrued other post-employment benefits	1,431,936	5,591,405	7,023,341	-
Net pension liability	33,260,264	72,302,697	105,562,961	-
Annuities payable	-	-	-	200,620
Loans payable	-	54,542,182	54,542,182	-
Bonds payable, net	56,539,612	104,565,414	161,105,026	-
Accrued landfill post-closure costs	-	71,324	71,324	-
Total non-current liabilities	93,606,518	245,229,082	338,835,600	200,620
Total liabilities	118,278,019	290,748,491	409,026,510	603,687
DEFERRED INFLOWS OF RESOURCES				
Succeeding year property taxes	32,343,273	-	32,343,273	-
Deferred inflows related to OPEB	195,638	793,398	989,036	-
Deferred inflows related to pensions	641,597	2,095,041	2,736,638	-
Total deferred inflows of resources	33,180,508	2,888,439	36,068,947	-
NET POSITION				
Net investment in capital assets	163,993,058	331,818,082	495,811,140	-
Restricted:				
Expendable for:				
Debt service	1,817,958	21,349,489	23,167,447	-
Capital projects	11,685,701	-	11,685,701	-
Public safety	334,805	-	334,805	-
Employee benefits	255,273	-	255,273	-
Library services	480,209	-	480,209	-
Aquatic center	196,713	-	196,713	-
Community welfare	4,820	-	4,820	-
Housing services	813,052	-	813,052	-
Economic development	1,433,603	-	1,433,603	-
Community betterment	7,457,734	-	7,457,734	-
Mary Greeley Medical Center	-	-	-	10,772,807
Non-expendable for:				
Perpetual care	1,038,041	-	1,038,041	-
Aquatic center	1,000,000	-	1,000,000	-
Bliss Cancer Endowment Fund	-	-	-	253,390
Unrestricted	1,614,087	468,798,691	470,412,778	7,337,418
Total net position	\$ 192,125,054	\$ 821,966,262	\$ 1,014,091,316	\$ 18,363,615

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Activities
For the Year Ended June 30, 2021

Functions / Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,722,100	\$ 65,793	\$ 1,621,237	\$ -	\$ (2,035,070)	\$ -	\$ (2,035,070)	\$ -
Public safety	21,464,000	3,306,460	248,987	-	(17,908,553)	-	(17,908,553)	-
Public works	11,484,497	310,887	8,953,752	10,169,954	7,950,096	-	7,950,096	-
Health and social services	1,387,924	-	25,377	-	(1,362,547)	-	(1,362,547)	-
Culture and recreation	12,452,132	1,497,606	572,043	-	(10,382,483)	-	(10,382,483)	-
Community and economic development	6,381,948	17,728	1,531,030	-	(4,833,190)	-	(4,833,190)	-
Interest	1,161,207	-	-	-	(1,161,207)	-	(1,161,207)	-
Total governmental activities	58,053,808	5,198,474	12,952,426	10,169,954	(29,732,954)	-	(29,732,954)	-
Business-type activities:								
Mary Greeley Medical Center	208,743,252	210,825,315	-	312,302	-	2,394,365	2,394,365	-
Electric	59,123,227	64,127,039	296,179	-	-	5,299,991	5,299,991	-
Sewer	6,933,018	8,775,009	-	931,353	-	2,773,344	2,773,344	-
Water	10,563,721	12,824,209	6,671,629	411,589	-	9,343,706	9,343,706	-
Parking	842,179	677,293	-	-	-	(164,886)	(164,886)	-
Transit	13,624,865	6,552,915	7,692,286	1,906,635	-	2,526,971	2,526,971	-
Stormwater	662,387	1,484,479	650,105	-	-	1,472,197	1,472,197	-
Ice arena	557,566	382,917	7,000	20,000	-	(147,649)	(147,649)	-
Golf course	253,985	232,826	-	-	-	(21,159)	(21,159)	-
Resource recovery	4,709,977	3,645,649	312,499	-	-	(751,829)	(751,829)	-
Total business-type activities	306,014,177	309,527,651	15,629,698	3,581,879	-	22,725,051	22,725,051	-
Total primary government	\$ 364,067,985	\$ 314,726,125	\$ 28,582,124	\$ 13,751,833	(29,732,954)	22,725,051	(7,007,903)	-
Component unit:								
Mary Greeley Medical Center Foundation	\$ 1,978,334	\$ -	\$ 1,921,009	\$ -				(57,325)
General revenues:								
Property taxes					34,742,024	-	34,742,024	-
Sales taxes					10,351,681	-	10,351,681	-
Hotel/motel taxes					1,552,850	-	1,552,850	-
Unrestricted grants and contributions					21,126	-	21,126	-
Investment income					436,298	79,779,629	80,215,927	4,187,151
Other income					595,001	3,786,658	4,381,659	-
(Loss) on disposal of capital assets					(105,678)	(285,055)	(390,733)	-
Transfers					(1,036,017)	1,036,017	-	-
Total general revenues and transfers					46,557,285	84,317,249	130,874,534	4,187,151
Change in net position					16,824,331	107,042,300	123,866,631	4,129,826
Net position, beginning					175,300,723	714,923,962	890,224,685	14,233,789
Net position, ending					\$ 192,125,054	\$ 821,966,262	\$ 1,014,091,316	\$ 18,363,615

The notes to financial statements are an integral part of this statement.

**City of Ames
Balance Sheet
Governmental Funds
June 30, 2021**

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,926,319	\$ 3,768,138	\$ 441,819	\$ 12,560,514	\$ 22,696,790
Investments	\$ 7,593,945	20,513,840	569,164	18,290,860	46,967,809
Taxes receivable	101,270	-	50,663	11,566	163,499
Special assessments receivable	-	239,284	-	-	239,284
Accrued interest receivable	127,842	50,250	2,664	12,780	193,536
Accounts receivable, net	337,993	-	-	7,610	345,603
Intergovernmental receivable	662,524	5,661,255	33,011	2,011,812	8,368,602
Loans receivable	-	-	-	868	868
Due from other funds	4,179,856	123,762	548,778	1,927,067	6,779,463
Inventories	10,830	-	-	54,053	64,883
Property held for resale	-	-	-	854,428	854,428
Prepaid items	187,770	-	-	21,095	208,865
Succeeding year taxes receivable	20,024,911	-	9,984,746	2,333,616	32,343,273
Long-term loans receivable	-	-	-	3,022	3,022
Long-term special assessments receivable	-	1,222,827	-	-	1,222,827
Total assets	<u>\$ 39,153,260</u>	<u>\$ 31,579,356</u>	<u>\$ 11,630,845</u>	<u>\$ 38,089,291</u>	<u>\$ 120,452,752</u>
LIABILITIES					
Accounts payable	\$ 584,471	\$ 2,874,476	\$ -	\$ 1,615,900	\$ 5,074,847
Accrued payroll	139,112	16,578	-	99,582	255,272
Retainage payable	14,743	487,954	-	186,563	689,260
Customer deposits	34,686	-	-	578,580	613,266
Intergovernmental payable	436,970	414,394	-	22,917	874,281
Due to other funds	2,249,301	537,579	435,882	4,124,610	7,347,372
Unearned revenue	-	-	-	7,128,812	7,128,812
Total liabilities	<u>3,459,283</u>	<u>4,330,981</u>	<u>435,882</u>	<u>13,756,964</u>	<u>21,983,110</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	20,024,911	-	9,984,746	2,333,616	32,343,273
Special assessments	-	1,462,111	-	-	1,462,111
Charges for services	8,101	-	-	-	8,101
Licenses and permits	7,432	-	-	-	7,432
Grants	-	5,561,256	-	-	5,561,256
Refunds	63,064	-	-	-	63,064
Total deferred inflows of resources	<u>20,103,508</u>	<u>7,023,367</u>	<u>9,984,746</u>	<u>2,333,616</u>	<u>39,445,237</u>
FUND BALANCES					
Non-spendable	198,600	-	-	2,113,189	2,311,789
Restricted	-	24,471,703	1,210,217	20,122,657	45,804,577
Committed	-	1,049,547	-	1,227,172	2,276,719
Assigned	548,738	-	-	-	548,738
Unassigned	14,843,131	(5,296,242)	-	(1,464,307)	8,082,582
Total fund balances	<u>15,590,469</u>	<u>20,225,008</u>	<u>1,210,217</u>	<u>21,998,711</u>	<u>59,024,405</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,153,260</u>	<u>\$ 31,579,356</u>	<u>\$ 11,630,845</u>	<u>\$ 38,089,291</u>	<u>\$ 120,452,752</u>

The notes to financial statements are an integral part of this statement.

City of Ames
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position (page 25-26) are different because:

Fund balance - total governmental funds (page 27)	\$ 59,024,405
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	196,671,595
Revenues not collected within 60 days of the end of the fiscal year are not available to pay for current period expenditures and, therefore, are unavailable.	
Special assessments	1,462,111
Other revenues	5,639,853
Pension-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	9,327,691
Deferred inflows of resources	(616,944)
OPEB-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	354,661
Deferred inflows of resources	(179,123)
Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position.	21,436,944
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(59,990,697)
Interest payable on general obligation bonds	(169,587)
Unamortized premiums on the issuance of general obligation bonds	(4,939,741)
Accrued compensated absences	(2,374,275)
Total other post-employment benefits payable	(1,311,164)
Net pension liability	(32,210,675)
Net position of governmental activities	<u>\$ 192,125,054</u>

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Revenues, Expenditures, and Changes in Fund Balances
Government Funds
For the Year Ended June 30, 2021

	General	Capital Projects	Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 20,207,060	\$ -	\$ 10,365,892	\$ 16,191,950	\$ 46,764,902
Special assessments	-	244,640	-	-	244,640
Licenses and permits	1,146,818	-	-	-	1,146,818
Intergovernmental	2,071,839	6,606,427	37,801	10,846,798	19,562,865
Charges for services	4,043,819	-	-	20,048	4,063,867
Fines and forfeitures	29,083	-	-	-	29,083
Investment income	188,949	93,068	6,911	20,437	309,365
Miscellaneous	147,397	207,346	-	240,320	595,063
Total revenues	<u>27,834,965</u>	<u>7,151,481</u>	<u>10,410,604</u>	<u>27,319,553</u>	<u>72,716,603</u>
EXPENDITURES					
Current:					
General government	3,011,229	107,931	14,774	271,661	3,405,595
Public safety	19,315,092	-	-	198,144	19,513,236
Public works	1,129,956	-	-	5,898,134	7,028,090
Health and social services	1,500	-	-	1,386,567	1,388,067
Culture and recreation	8,056,407	-	-	2,214,821	10,271,228
Community and economic development	951,362	-	-	5,424,906	6,376,268
Debt service:					
Principal	-	-	17,879,527	-	17,879,527
Interest and fiscal charges	-	-	2,263,676	-	2,263,676
Capital outlay	-	19,729,760	-	2,232,184	21,961,944
Total expenditures	<u>32,465,546</u>	<u>19,837,691</u>	<u>20,157,977</u>	<u>17,626,417</u>	<u>90,087,631</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,630,581)</u>	<u>(12,686,210)</u>	<u>(9,747,373)</u>	<u>9,693,136</u>	<u>(17,371,028)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	10,862,976	1,772,085	959,413	95,592	13,690,066
Transfers out	(4,942,496)	(445,969)	-	(9,337,618)	(14,726,083)
General obligation bonds issued	-	9,500,000	-	-	9,500,000
Premium on general obligation bonds	-	1,249,757	-	-	1,249,757
Refunding bonds issued	-	-	7,929,118	-	7,929,118
Premium on refunding bonds	-	-	861,282	-	861,282
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>5,920,480</u>	<u>12,075,873</u>	<u>9,749,813</u>	<u>(9,242,026)</u>	<u>18,504,140</u>
Net change in fund balances	1,289,899	(610,337)	2,440	451,110	1,133,112
Fund balances, beginning	<u>14,300,570</u>	<u>20,835,345</u>	<u>1,207,777</u>	<u>21,547,601</u>	<u>57,891,293</u>
Fund balances, ending	<u>\$ 15,590,469</u>	<u>\$ 20,225,008</u>	<u>\$ 1,210,217</u>	<u>\$ 21,998,711</u>	<u>\$ 59,024,405</u>

The notes to financial statements are an integral part of this statement.

City of Ames
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net changes in fund balances - total governmental funds (page 29)	\$ 1,133,112
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Hotel/motel tax	(118,347)
Special assessments	(217,323)
Other revenues	2,786,403

Contributed capital assets do not provide current financial resources.	773,307
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	25,908,545
Disposals	(29,572)
Depreciation expense	(10,991,276)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Current year premium on issuance of bonds	(2,111,038)
Amortization of bond premiums	755,144
Amortization of deferred charges on refunding debt	17,287
Proceeds from issuance of bonds	(17,429,118)
Principal payments	17,879,527
Interest payments	(9,136)

The change in deferred outflows of resources and deferred inflows of resources is not recorded in the governmental funds.	3,337,969
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in accrued compensated absences	(151,309)
Increase in accrued other post-employment benefits	(25,265)
Increase in net pension liability	(5,696,181)

The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities.

1,011,602

Changes in net position of governmental activities	\$ <u>16,824,331</u>
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The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 27,927,260	\$ 4,231,801	\$ 5,010,117	\$ 7,720,256	\$ 8,173,397	\$ 53,062,831	\$ 10,225,814
Investments	-	32,972,251	6,888,005	10,958,073	11,249,153	62,067,482	14,037,050
Accrued interest receivable	-	235,102	45,458	72,266	74,615	427,441	95,074
Accounts receivable, net	31,685,515	7,199,842	878,002	1,393,029	608,423	41,764,811	447,257
Due from other funds	-	135,562	650,271	414,200	1,933,715	3,133,748	664,219
Intergovernmental receivable	-	568,797	4,942	2,967	2,502,774	3,079,480	63,110
Inventories	4,667,708	3,801,405	-	293,432	369,089	9,131,634	148,077
Prepaid items	3,420,513	75,474	5,297	11,520	28,557	3,541,361	648,935
Restricted current assets:						-	
Cash and cash equivalents	-	1,030,526	45,041	311,355	-	1,386,922	-
Investments	19,962,567	-	-	-	-	19,962,567	-
Interest receivable	7,718	-	-	-	-	7,718	-
Total current assets	87,671,281	50,250,760	13,527,133	21,177,098	24,939,723	197,565,995	26,329,536
Non-current assets:							
Investments	-	14,022,175	-	-	-	14,022,175	-
Other assets	9,134,511	-	-	-	-	9,134,511	-
Capital assets:						-	
Land	4,470,719	2,223,783	3,840,600	1,647,985	2,410,197	14,593,284	-
Land improvements	1,448,185	-	-	-	6,833,844	8,282,029	192,433
Plant and distribution systems	-	225,519,707	97,813,870	125,362,519	-	448,696,096	-
Buildings	249,568,135	-	-	-	39,825,341	289,393,476	884,494
Equipment	131,750,130	-	-	-	39,681,239	171,431,369	22,093,261
Construction in progress	12,683,302	9,055,416	3,350,182	2,402,893	1,424,133	28,915,926	-
Less accumulated depreciation	(215,416,515)	(135,345,653)	(57,996,610)	(25,676,283)	(50,553,258)	(484,988,319)	(12,197,247)
Restricted non-current assets:						-	
Investments	382,902,965	-	-	-	-	382,902,965	-
Total non-current assets	576,541,432	115,475,428	47,008,042	103,737,114	39,621,496	882,383,512	10,972,941
Total assets	664,212,713	165,726,188	60,535,175	124,914,212	64,561,219	1,079,949,507	37,302,477
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	5,867,805	-	-	-	-	5,867,805	-
Deferred outflows related to OPEB	818,825	129,462	35,385	40,505	96,594	1,120,771	33,302
Deferred outflows related to pensions	15,331,617	758,722	193,320	263,999	1,854,502	18,402,160	275,989
	22,018,247	888,184	228,705	304,504	1,951,096	25,390,736	309,291

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Net Position (continued)
Proprietary Funds
June 30, 2021

	Business-Type Activities					Governmental Activities	
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	8,702,988	5,926,858	450,474	695,518	364,014	16,139,852	384,383
Accrued payroll	6,296,121	128,319	10,420	26,649	199,607	6,661,116	18,644
Accrued compensated absences	547,697	36,678	7,308	11,450	32,809	635,942	7,482
Due to other funds	-	633,023	1,032,323	500,488	933,964	3,099,798	130,260
Claims payable	646,080	-	-	-	-	646,080	2,098,391
Retainage payable	1,498,712	960,532	238,597	52,603	54,188	2,804,632	-
Customer deposits	-	907,319	-	-	-	907,319	-
Accrued interest	136,904	41,048	26,837	96,792	1,374	302,955	-
Loans payable	114,099	-	434,000	2,736,000	-	3,284,099	-
Intergovernmental payable	-	85,809	6,678	33,463	83,137	209,087	91,707
Accrued landfill post-closure costs	-	-	-	-	16,150	16,150	-
Accrued Other	3,276,335	-	-	-	-	3,276,335	-
Bonds payable, net	6,307,621	876,998	337,433	110,622	150,855	7,783,529	-
Unearned revenue	-	-	1,438,165	155,161	8,621	1,601,947	-
Total current liabilities	<u>27,526,557</u>	<u>9,596,584</u>	<u>3,982,235</u>	<u>4,418,746</u>	<u>1,844,719</u>	<u>47,368,841</u>	<u>2,730,867</u>
Non-current liabilities:							
Accrued compensated absences	6,642,436	622,253	117,143	192,944	577,050	8,151,826	129,907
Accrued other post-employment benefits	4,472,772	478,616	130,820	149,743	357,107	5,589,058	123,119
Net pension liability	59,959,009	2,926,851	878,628	938,045	7,516,109	72,218,642	1,133,644
Loans payable	209,182	-	7,056,000	47,277,000	-	54,542,182	-
Accrued landfill post-closure costs	-	-	-	-	71,324	71,324	-
Bonds payable, net	96,852,519	4,946,890	1,810,660	503,556	451,789	104,565,414	-
Total non-current liabilities	<u>168,135,918</u>	<u>8,974,610</u>	<u>9,993,251</u>	<u>49,061,288</u>	<u>8,973,379</u>	<u>245,138,446</u>	<u>1,386,670</u>
Total liabilities	<u>195,662,475</u>	<u>18,571,194</u>	<u>13,975,486</u>	<u>53,480,034</u>	<u>10,818,098</u>	<u>292,507,287</u>	<u>4,117,537</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB	640,548	65,398	17,873	20,453	48,813	793,085	16,828
Deferred inflows related to pensions	1,777,332	77,213	22,417	26,830	189,923	2,093,715	25,979
	<u>2,417,880</u>	<u>142,611</u>	<u>40,290</u>	<u>47,283</u>	<u>238,736</u>	<u>2,886,800</u>	<u>42,807</u>
NET POSITION							
Net investment in capital assets	105,707,594	95,629,365	37,881,678	53,580,593	39,018,852	331,818,082	10,972,941
Restricted for debt service	19,962,567	1,030,526	45,041	311,355	-	21,349,489	-
Unrestricted	362,480,444	51,240,676	8,821,385	17,799,451	16,436,629	456,778,585	22,478,483
Total net position	<u>\$ 488,150,605</u>	<u>\$ 147,900,567</u>	<u>\$ 46,748,104</u>	<u>\$ 71,691,399</u>	<u>\$ 55,455,481</u>	<u>809,946,156</u>	<u>\$ 33,451,424</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						<u>12,020,106</u>	
Net position of business-type activities						<u>\$ 821,966,262</u>	

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
Operating revenues:							
Charges for services	\$ 210,825,315	\$ 64,127,039	\$ 8,775,009	\$ 12,824,209	\$ 12,976,079	\$ 309,527,651	\$ 21,393,059
Operating expenses:							
Cost of goods and services	145,049,054	52,778,967	4,839,831	6,574,647	15,127,250	224,369,749	18,151,948
Administration	38,808,063	1,283,744	376,395	428,375	2,221,840	43,118,417	-
Depreciation	16,585,885	5,253,849	1,625,114	2,477,126	3,489,750	29,431,724	1,558,050
Total operating expenses	200,443,002	59,316,560	6,841,340	9,480,148	20,838,840	296,919,890	19,709,998
Operating income (loss)	10,382,313	4,810,479	1,933,669	3,344,061	(7,862,761)	12,607,761	1,683,061
Non-operating revenues (expenses):							
Intergovernmental	-	88,808	-	6,637,911	8,323,036	15,049,755	-
Reimbursements	-	207,371	-	33,718	338,854	579,943	-
Investment income	79,292,697	203,702	66,750	103,933	112,547	79,779,629	126,933
Interest expense	(4,177,822)	(142,101)	(161,501)	(1,162,240)	(15,589)	(5,659,253)	-
Gain (loss) on disposal of capital assets	(4,122,428)	(5,320)	-	-	(285,055)	(4,412,803)	(105,678)
Miscellaneous	3,287,278	122,512	199,334	80,572	96,962	3,786,658	-
Total non-operating revenues (expenses)	74,279,725	474,972	104,583	5,693,894	8,570,755	89,123,929	21,255
Income (loss) before capital contributions and transfers	84,662,038	5,285,451	2,038,252	9,037,955	707,994	101,731,690	1,704,316
Capital contributions	312,302	-	931,353	411,589	1,926,635	3,581,879	-
Transfers in	-	-	-	-	3,598,041	3,598,041	-
Transfers out	-	(2,188,899)	(373,125)	-	-	(2,562,024)	-
Change in net position	84,974,340	3,096,552	2,596,480	9,449,544	6,232,670	106,349,586	1,704,316
Net position, beginning	403,176,265	144,804,015	44,151,624	62,241,855	49,222,811		31,747,108
Net position, ending	\$ 488,150,605	\$ 147,900,567	\$ 46,748,104	\$ 71,691,399	\$ 55,455,481		\$ 33,451,424
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						692,714	
Change in net position of business-type activities						\$ 107,042,300	

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 209,119,611	\$ 64,319,426	\$ 8,199,920	\$ 11,986,747	\$ 12,254,246	\$ 305,879,950	\$ 20,995,008
Payments to suppliers	(105,514,996)	(38,576,163)	(635,049)	(2,366,772)	(4,116,586)	(151,209,566)	(15,337,742)
Payments to employees	(95,035,440)	(10,470,660)	(2,011,184)	(3,350,339)	(10,842,596)	(121,710,219)	(2,351,857)
Payments to other funds for services provided	-	(2,434,355)	(1,550,003)	(795,545)	(1,298,102)	(6,078,005)	(2,014,750)
Net cash provided by (used for) operating activities	8,569,175	12,838,248	4,003,684	5,474,091	(4,003,038)	26,882,160	1,290,659
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES							
Operating grants	-	88,808	-	39,290	8,323,036	8,451,134	-
Reimbursements	-	207,371	-	33,718	338,854	579,943	-
Miscellaneous	-	122,512	199,334	80,572	96,962	499,380	-
Proceeds from sale of non-capital assets	3,287,278	-	-	-	-	3,287,278	-
Transfers in	-	-	-	-	3,598,041	3,598,041	-
Transfers out	-	(2,188,899)	(373,125)	-	-	(2,562,024)	-
Net cash provided by (used for) non-capital financing activities	3,287,278	(1,770,208)	(173,791)	153,580	12,356,893	13,853,752	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(19,034,800)	(10,565,073)	(5,317,078)	(1,443,206)	(3,032,146)	(39,392,303)	(2,443,424)
Proceeds from the sale of capital assets	101,685	-	-	-	7,975	109,660	-
Proceeds from the issuance of bonds	-	-	217,156	218,726	-	435,882	-
Principal paid on capital debt	(5,639,098)	(772,400)	(550,882)	(352,191)	(145,000)	(7,459,571)	-
Interest paid on capital debt	(3,494,356)	(214,917)	(82,058)	(26,683)	(16,488)	(3,834,502)	-
Principal paid on notes payable	-	-	-	-	-	-	-
Interest paid on notes payable	-	-	-	-	-	-	-
Proceeds from loans	-	-	2,360,899	93,602	-	2,454,501	-
Principal paid on loans	-	-	(410,827)	(2,686,718)	-	(3,097,545)	-
Interest paid on loans	-	-	(112,402)	(1,162,984)	-	(1,275,386)	-
Capital contributions	312,302	-	678,306	168,065	1,926,635	3,085,308	-
Net cash used for capital and related financing activities	(27,754,267)	(11,552,390)	(3,216,886)	(5,191,389)	(1,259,024)	(48,973,956)	(2,443,424)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(85,417,429)	(25,860,281)	(4,395,166)	(6,992,239)	(7,177,975)	(129,843,090)	(8,956,903)
Proceeds from sale of investments	52,856,587	26,457,295	2,791,097	4,693,381	1,689,295	88,487,655	6,832,181
Other assets	266,885	-	-	-	-	266,885	-
Interest on investments	16,959,939	990,546	56,755	89,770	76,640	18,173,650	110,466
Net cash provided by (used for) investing activities	(15,334,018)	1,587,560	(1,547,314)	(2,209,088)	(5,412,040)	(22,914,900)	(2,014,256)
Net increase (decrease) in cash and cash equivalents	(31,231,832)	1,103,210	(934,307)	(1,772,806)	1,682,791	(31,152,944)	(3,167,021)
Cash and cash equivalents, beginning	59,159,092	3,128,341	5,944,898	9,451,992	6,490,606	84,174,929	13,392,835
Cash and cash equivalents, ending	27,927,260	4,231,551	5,010,591	7,679,186	8,173,397	53,021,985	10,225,814
Plus: beginning amount reported in restricted assets	-	1,030,776	44,567	352,425	-	1,427,768	-
Less: ending amount reported in restricted assets	-	1,030,526	45,041	311,355	-	1,386,922	-
Cash and cash equivalents, ending - statement of net position	\$ 27,927,260	\$ 4,231,801	\$ 5,010,117	\$ 7,720,256	\$ 8,173,397	\$ 53,062,831	\$ 10,225,814

The notes to financial statements are an integral part of this statement.

City of Ames
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities						Governmental Activities
	Mary Greeley Medical Center	Electric	Sewer	Water	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ 10,382,313	\$ 4,810,479	\$ 1,933,669	\$ 3,344,061	\$ (7,862,761)	\$ 12,607,761	\$ 1,683,061
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation expense	16,585,885	5,253,849	1,625,114	2,477,126	3,489,750	29,431,724	1,558,050
(Increase) decrease in accounts receivable	(1,705,704)	402,498	67,265	82,727	2,481,622	1,328,408	(323,557)
(Increase) decrease in due from other funds	-	185,435	(533,804)	(270,770)	(1,788,458)	(2,407,597)	(47,279)
(Increase) decrease in intergovernmental receivable	-	(373,004)	(4,942)	(2,477)	(1,407,047)	(1,787,470)	(17,745)
(Increase) decrease in inventories	(563,557)	(909,319)	-	181,904	(18,748)	(1,309,720)	(71,995)
(Increase) decrease in prepaid items	340,869	(191)	(2,616)	(399)	2,032	339,695	(433,891)
(Increase) decrease in deferred outflows of resources	(3,324,231)	(59,928)	19,060	(50,220)	(77,043)	(3,492,362)	(5,280)
Increase (decrease) in accounts payable	554,881	2,773,313	234,294	132,156	88,205	3,782,849	113,403
Increase (decrease) in accrued payroll	498,693	(10,638)	5,500	(1,636)	10,655	502,574	4,484
Increase (decrease) in accrued compensated absences	752,869	(23,427)	9,763	(15,678)	26,714	750,241	19,616
Increase (decrease) in due to other funds	-	146,548	689,094	205,403	538,511	1,579,556	(1,198,025)
Increase (decrease) in claims payable	34,003	-	-	-	-	34,003	8,105
Increase (decrease) in retainage payable	506,065	416,059	38,155	(87,228)	34,475	907,526	-
Increase in customer deposits	-	(22,542)	-	-	-	(22,542)	-
Increase in accrued interest on customer deposits	-	-	-	-	-	-	-
Increase (decrease) in intergovernmental payable	(21,688,891)	(16,940)	1,172	3,829	21,564	(21,679,266)	(54,003)
Decrease in accrued landfill post-closure costs	-	-	-	-	(29)	(29)	-
Increase (decrease) in unearned revenue	-	-	(103,608)	(646,942)	25	(750,525)	(9,470)
Increase (decrease) in post-employment benefits	30,855	9,223	2,521	2,885	6,882	52,366	2,373
Increase (decrease) in pension liability	12,464,646	592,078	125,893	208,355	1,136,046	14,527,018	173,383
Increase in deferred inflows of resources	(6,299,520)	(335,245)	(102,846)	(89,005)	(685,433)	(7,512,049)	(110,572)
Total adjustments	(1,813,137)	8,027,769	2,070,015	2,130,030	3,859,723	14,274,400	(392,403)
Net cash provided by (used for) operating activities	\$ 8,569,175	\$ 12,838,248	\$ 4,003,684	\$ 5,474,091	\$ (4,003,038)	\$ 26,882,160	\$ 1,290,659
Schedule of non-cash capital and related financing activities:							
Capital asset contributions	\$ -	\$ -	\$ 253,047	\$ 243,524	\$ -	\$ 496,571	\$ -
Forgiveness of debt	\$ -	\$ -	\$ -	\$ 6,598,621	\$ -	\$ -	\$ -

The notes to financial statements are an integral part of this statement.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Ames, Iowa (City) was incorporated in 1864 under the laws of the State of Iowa, later amended in July 1975 under the Home Rule City Act. The City is a municipal corporation governed by an elected mayor and six-member governing council. The accompanying financial statements present the government and its component units, for which the City is considered financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit. The City is the sole owner of a non-profit, municipal hospital, Mary Greeley Medical Center (hospital). A separately elected board of trustees governs the hospital's daily operations. The powers of the trustees are established by City ordinance, which limits both the separate legal standing and fiscal independence of the hospital. The hospital is reported as a blended component unit (an enterprise fund) under Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units*. Financial statements for the hospital are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, Iowa, 50010.

Discretely presented component unit. The Mary Greeley Medical Center Foundation (foundation) is a legally separate component unit of the hospital. A majority of resources, and income thereon, which the foundation holds and invests, are restricted to the activities of the hospital by the donors. The foundation's financial statements are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, Iowa, 50010.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and certain internal service funds, while business-type activities incorporate data from the government's enterprise funds and the remaining portion of the internal service funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has one discretely presented component unit. While it is not considered a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the business-type functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund*, the City's primary operating fund, accounts for all financial resources of the general government, except those accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition and construction of the City's capital facilities, other than those financed by proprietary funds.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

D. Basis of presentation – fund financial statements (continued)

The City reports the following major enterprise funds:

The *Mary Greeley Medical Center Fund* accounts for the operation of a municipally owned, full-service medical care hospital.

The *Electric Fund* accounts for the operation of a municipally owned electric plant, which generates and distributes electrical power to residents of the City and some contiguous areas.

The *Sewer Fund* accounts for the activities related to the operation of a sanitary distribution system and the sewer treatment plant.

The *Water Fund* accounts for the operation of the City-owned water plant, which provides water services to residents of the City and some contiguous areas.

Additionally, the City reports the following fund types:

Internal service funds account for the fleet services, information services, risk management, and health insurance for City employees. These services are provided to other departments and agencies of the City on a cost-reimbursement basis.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and some internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds and some internal service funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as a transfer in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as a transfer in the business-type activities column.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable within the current fiscal period is considered revenue of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered measurable and available only when cash is received by the government.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

F. Budgetary information

1. Budgetary basis of accounting

State law mandates that annual budgets for funds other than internal service funds be certified to the County Auditor no later than March 31 preceding the fiscal year beginning July 1.

The review and adoption of an annual budget is handled in accordance with state laws, as there is no City ordinance governing the budget process. Preliminary review of all operating budget requests is conducted by the City Manager at a City government function level. A five-year capital improvements plan is prepared annually, and the first-year portion of the plan is considered as the capital improvements projects budget for the annual budget. The City Manager's budget, considered as a plan of financial operation along with proposed sources of revenues, is presented to the City Council at least six weeks prior to certification. The Council holds hearings with the City Manager, Budget Officer, department heads, and boards and commissions, as well as the public prior to adopting the budget.

Amendments to the budget are considered three times per year, only if revenue sources are available (i.e., unanticipated revenues or budget surpluses). There can be no additional levy of property taxes. The actual amendment process, as prescribed by state law, is identical to the procedures followed for the original budget, including certification. The budgeted amounts presented in the required supplementary information reflect the original and the revised budget.

Budgets are monitored throughout the fiscal year by function, especially by major classifications such as personnel, capital, contractual, and commodities expenditures. Special revenue funds are budgeted at the aggregate fund level. Monthly reports are prepared by function, and major deviations by classification within a function must be approved by the City Manager. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the function level for all budgeted funds in total. The budgetary comparison and related disclosures are reported as required supplementary information.

The City prepares its budget on a basis consistent with accounting principles generally accepted in the United States of America, except that the enterprise funds do not budget depreciation expense and do budget for debt service expenditures and capital outlay. Internal service funds are not budgeted.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

1. *Budgetary basis of accounting (continued)*

Appropriations in all budgeted funds lapse at the end of the fiscal year, even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances roll forward and become part of the subsequent year's budget.

2. *Excess of expenditures over appropriations*

At June 30, 2021, debt service expenditures exceeded appropriations by \$15,624 due to a large bond refunding, saving the City approximately \$600,000 in interest over the life, but increasing related issuance fees by approximately \$15,000 in the short term.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *Cash and cash equivalents*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. *Investments*

Investments of the City are reported at fair value (generally based on quoted market prices).

3. *Inventories and prepaid items*

Inventories are maintained on a perpetual basis. Materials, supplies, medical supplies, and drugs are priced at an average cost. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Real estate held for resale is priced at cost.

Certain payments to vendors reflect costs applicable to future accounting periods and show as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, traffic signals, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value, which is the price that would have been paid to acquire a capital asset with equivalent service potential.

Land, public art, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Class	Life in Years
Buildings	25-45
Improvements	20-40
Machinery and Equipment	3-50
General Infrastructure	15-50
Plant and Distribution System	25-50

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position applicable to a future period(s) and is *not* recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for unrecognized items not yet charged

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

5. *Deferred outflows/inflows of resources (continued)*

to pension and OPEB expense and pension contributions from the employer after the measurement date but before the end of the employer's reporting period. The City also reports deferred charges on refunding in this category, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position applicable to a future period(s) and is recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from six sources: property taxes, special assessments, hotel/motel taxes, charges for services, grants, and refunds. The government-wide statement of net position reports unavailable revenues from property taxes, changes resulting from assumptions made in the actuarial valuations for pensions and OPEB. These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. *Pensions*

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

7. *Total other post-employment benefits (OPEB) liability*

For purposes of measuring total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuarial reports. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows or resources, and net position/fund balance (continued)

8. *Net position flow assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

9. *Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. *Fund balance policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the Finance Director to assign fund balance through the approval of the annual budget. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's

City of Ames
Notes to the Financial Statements
June 30, 2021

I. Summary of significant accounting policies (continued)

G. Assets, liabilities, deferred outflows/inflows or resources, and net position/fund balance (continued)

10. Fund balance policies (continued)

appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than program revenues.

2. Property taxes

Property taxes are attached as an enforceable lien on real property and are levied on July 1 prior to the fiscal year for which they are to be collected. The tax levy is divided into two billings with one-half due September 30 and the other half due March 31.

3. Net patient service revenue

Net patient service revenue of the hospital is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Retroactive adjustments under reimbursement agreements with third-party payers are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue is reported net of provision for bad debts, which the hospital also refers to as uncompensated care.

4. Compensated absences

The City's policy permits employees to accumulate earned but unused vacation and compensatory time benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations or

City of Ames
Notes to the Financial Statements
June 30, 2021

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (continued)

retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick leave. Accumulated sick leave in excess of 720 hours may be paid out at 25% of the accumulated hours upon retirement only.

5. *Proprietary funds operating and non-operating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that, "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this \$196,671,595 are as follows:

Land	\$ 13,237,769
Land improvements	1,384,118
Public art collection	611,826
Construction in progress	29,676,865
Buildings	37,930,407
Less: accumulated depreciation	(11,912,636)
Equipment	9,826,275
Less: accumulated depreciation	(6,700,324)
Infrastructure	278,223,543
Less: accumulated depreciation	(155,606,248)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position in governmental activities</i>	<u>\$ 196,671,595</u>

City of Ames
Notes to the Financial Statements
June 30, 2021

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (continued)

Another element of that reconciliation explains, "Internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The assets and liabilities of internal service funds are split between the governmental and business-type activities in the statement of net position." The details of this \$21,436,944 are as follows:

Net position of the internal service funds	\$33,451,424
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(11,321,766)
Less: Internal payable representing charges in excess of cost to business-type activities - current year	(692,714)
	<u>\$21,436,944</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that, "The internal service funds are used by management to charge the costs of fleet management, information services, risk management, and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with both governmental and business-type activities." The details of this \$1,011,602 are as follows:

Change in net position of the internal service funds	\$ 1,704,316
Less: gain from charges to business-type activities	(692,714)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,011,602</u>

III. Stewardship, compliance, and accountability

A. Violations of legal or contractual provisions

At June 30, 2021, debt service expenditures exceeded appropriations by \$15,624 due to a large bond refunding, saving the City approximately \$600,000 in interest over the life, but increasing related issuance fees by approximately \$15,000 in the short term.

City of Ames
Notes to the Financial Statements
June 30, 2021

III. Stewardship, compliance, and accountability (continued)

At June 30, 2021, debt service expenditures exceeded appropriations by \$15,624 due to a large bond refunding, saving the City approximately \$600,000 in interest over the term, but increasing related issuance fees by approximately \$15,000

B. Deficit fund equity

At June 30, 2021, the Printing Services fund, a non-major internal service fund, had a deficit fund balance of \$2,724.

At June 30, 2021, the Federal Relief Funds fund, a non-major special revenue fund, had a deficit fund balance of \$1,464,307. Over \$1.4 million dollars has been spent in relation to the August 2020 derecho. These expenditures are eligible for FEMA reimbursement, but revenue cannot be recorded until the project worksheets are approved by FEMA.

IV. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2021, the City's deposits were entirely covered by federal depository insurance or collateralized in accordance with Chapter 12c of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The amount of pledged collateral is based on an approved method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using this method report the adequacy of their pooled collateral covering uninsured deposits to the State Treasurer, who does not confirm the information with the City. Because of the inability to measure the exact amounts of collateral pledged for the City under this method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits.

B. Investments

The following table identifies the investment types that are authorized for the City by its investment policy. The hospital is guided in the selection of security investments by Chapters 12b and 12c of the Code of Iowa and policy, as approved by the board of trustees. The City's investment policy classifies certificates of deposit (CDs) as investments and all CDs purchased by the City are non-negotiable. However, under generally accepted accounting principles (GAAP), non-negotiable CDs are cash deposits instead of investments. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

Authorized Investment Type	Maximum Maturity for Operating Funds (Days)	Maximum Maturity for Non-Operating Funds (Years)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Agency securities	397	7	n/a	n/a
Certificates of deposit	397	7	n/a	n/a
Prime banker's acceptances	270	270 days	10%	5%
Commercial paper	270	270 days	10%	5%
Repurchase agreements	397	7	n/a	n/a
Joint investment trusts	397	7	n/a	n/a
Warrants of improvement certificates of a levee or drainage district	397	7	n/a	n/a
U.S. Treasury obligations	17 years	n/a	n/a	n/a
/ Corporate debt securities	n/a	30	n/a	5%

Investment Type	Fair Value	Maturity
U.S. Agency coupon securities	\$ 55,233,827	08/17/21-06/12/26
U.S. Treasury obligations	72,690,810	07/15/21-09/30/24
Commercial paper	9,494,664	07/01/21-12/15/21
Municipal bonds	62,479	01/01/24-02/15/24
Mutual funds	401,730,335	n/a
Corporate debt	747,934	12/01/21-10/15/30
	<u>\$ 539,960,049</u>	

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

All of the City's investments are valued using level 1 inputs, except for U.S. Agencies and U.S. Treasuries, which are valued by the custodians of the securities using pricing models based on

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

credit quality, time to maturity, stated interest rates, and market-rate assumptions (level 2 inputs). There have been no changes in valuation methodologies at June 30, 2021 compared to June 30, 2020.

Interest rate risk. One of the ways that the City manages exposure to interest rate risk is by purchasing a combination of short- and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity, evenly over time as necessary to provide the cash flow and liquidity needed for operations. Investments are purchased with the intent to hold until maturity.

The following provides information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations:

Investment Type	Fair Value	Remaining Maturity			
		12 Months or Less	13 - 24 Months	25-60 Months	More Than 60 Months
U.S. Agency coupon securities	\$ 55,233,827	\$ 33,475,920	\$ 3,042,623	\$ 17,732,082	\$ 983,202
U.S. Treasury obligations	72,690,810	27,228,363	20,975,003	24,487,444	-
Commercial paper	9,494,664	9,494,664	-	-	-
Municipal bonds	62,479	-	62,479	-	-
Mutual funds	401,730,335	401,730,335	-	-	-
Corporate debt	747,934	122,834	129,897	178,968	316,235
	<u>\$539,960,049</u>	<u>\$472,052,116</u>	<u>\$ 24,210,002</u>	<u>\$ 42,398,494</u>	<u>\$ 1,299,437</u>

Credit risk. The City will minimize credit risk by using the following measures:

1. Limiting investments to those authorized by the investment policy,
2. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with whom the City will do business,
3. Diversifying the investment portfolio by agency and issuer so that potential losses on individual securities can be minimized, and
4. Holding a minimum of 5% of the total portfolio in highly marketable, short-term treasuries, checking accounts with interest, government pooled accounts, or a combination of all three.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

The following shows the actual ratings as of June 30, 2021, for each investment type:

Investment Type	Fair Value	Rating
U.S. Agency coupon securities	\$ 55,233,827	AAA
U.S. Treasury obligations	72,690,810	not rated
Commercial paper	9,494,664	A1/P1
Municipal bonds	62,479	AAA-AA1
Mutual funds	401,730,335	not rated
Corporate debt	747,934	AA1-BAA
	<u>\$539,960,049</u>	

Concentration of credit risk. The City's investment policy provides limitations on the amount that can be invested in any one issuer, which is approved by City Council. Investments in any one issuer that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Amount	Percent of Portfolio
Federal Home Loan Bank	U.S. agency securities	30,535,153	5.66%
United States Treasury	U.S. treasuries	72,690,810	13.46%

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The following outlines the requirements in the City's investment policy to limit the exposure to custodial credit risk for deposits or investments:

1. All trades, where applicable, will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts,
2. City investment officials shall be bonded to protect loss of public funds against possible embezzlement and/or malfeasance, and
3. The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal controls shall address the following points:

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

B. Investments (continued)

- a. Control of collusion,
- b. Separation of transaction authority from accounting and record keeping,
- c. Custodial safekeeping,
- d. Delivery versus payment,
- e. Clear delegation of authority, and
- f. Confirmation of transactions for investments and wire transfers.

As of June 30, 2021, the City's investments in the following were held by the same third-party custodian that was used by the City to buy the securities and evidenced by safekeeping receipts:

Issuer	Investment Type	Amount
Federal National Mortgage Association	U.S. agency securities	\$ 3,007,568
Federal Home Loan Mortgage Co.	U.S. agency securities	7,035,985
Federal Home Loan Bank	U.S. agency securities	30,535,153
Federal Farm Credit	U.S. agency securities	13,666,087
United States Treasury	U.S. treasuries	72,690,810

Foreign currency risk. As of June 30, 2021, the City had no exposure to foreign currency rate risk.

The City has a written investment policy, approved by the City Council, which addresses the different areas of risk. The policy is available for review in the offices of the City Clerk and the City Treasurer, and on the City's website.

C. Foundation investments

The foundation follows Financial Accounting Standards Board (FASB) standards. As such, adoption of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, was not required by the foundation and, accordingly, no such disclosures are presented here.

All of the foundation's investments are valued using level 1 inputs.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

C. Foundation investments (continued)

The following is a detail of the foundation's investments at June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	\$ 13,287,718
Bond mutual funds	2,815,697
Hedge funds	585,614
	<u>\$ 16,689,029</u>

D. Receivables

All utility and hospital accounts receivable are shown net of an allowance for uncollectible accounts. Property tax receivable is shown at a gross amount since they are assessed to the property and collectible upon sale of the property.

E. Capital assets

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
<i>Governmental activities:</i>				
Non-depreciable capital assets:				
Land	\$ 13,237,769	\$ -	\$ -	\$ 13,237,769
Land improvements	1,384,118	-	-	1,384,118
Public art collection	598,326	13,500	-	611,826
Construction in progress	11,566,129	20,785,023	(2,674,287)	29,676,865
Total non-depreciable capital assets	<u>26,786,342</u>	<u>20,798,523</u>	<u>(2,674,287)</u>	<u>44,910,578</u>
Depreciable capital assets:				
Buildings	38,013,677	842,727	(41,637)	38,814,767
Equipment	30,199,423	2,917,692	(1,197,579)	31,919,536
Infrastructure	271,131,755	7,284,221	-	278,415,976
	<u>339,344,855</u>	<u>11,044,640</u>	<u>(1,239,216)</u>	<u>349,150,279</u>
Less accumulated depreciation:				
Buildings	11,665,275	975,250	(12,065)	12,628,460
Equipment	16,712,306	2,351,406	(1,074,399)	17,989,313
Infrastructure	146,576,012	9,222,669	-	155,798,681
	<u>174,953,593</u>	<u>12,549,325</u>	<u>(1,086,464)</u>	<u>186,416,454</u>
Total depreciable capital assets	<u>164,391,262</u>	<u>(1,504,685)</u>	<u>(152,752)</u>	<u>162,733,825</u>
Total capital assets	<u>\$ 191,177,604</u>	<u>\$ 19,293,838</u>	<u>\$ (2,827,039)</u>	<u>\$ 207,644,403</u>

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

E. Capital assets (continued)

Depreciation expense was charged to functions of the governmental activities of the primary government as follows:

General government	\$ 482,524
Public safety	449,022
Public works	9,133,358
Culture and recreation	2,439,895
Community and economic development	44,526
Total depreciation expense - governmental activities	<u>\$ 12,549,325</u>

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
<i>Business-type activities:</i>				
Non-depreciable capital assets:				
Land	\$ 12,671,456	\$ 1,921,828	\$ -	\$ 14,593,284
Construction in progress	22,550,778	34,284,543	(23,388,750)	33,446,571
Total non-depreciable capital assets	<u>35,222,234</u>	<u>36,206,371</u>	<u>(23,388,750)</u>	<u>48,039,855</u>
Depreciable capital assets:				
Plant and distribution systems	429,527,793	13,861,094	(31,324)	443,357,563
Buildings	292,405,887	4,828,693	(7,841,104)	289,393,476
Equipment	169,904,913	6,864,097	(5,231,506)	171,537,504
Improvements	7,127,677	1,972,885	(116,780)	8,983,782
	<u>898,966,270</u>	<u>27,526,769</u>	<u>(13,220,714)</u>	<u>913,272,325</u>
Less accumulated depreciation:				
Plant and distribution systems	209,688,461	9,356,089	(7,495)	219,037,055
Buildings	120,148,153	11,250,199	(3,796,014)	127,602,338
Equipment	131,694,569	9,067,974	(4,875,773)	135,886,770
Improvements	2,268,030	263,644	(69,518)	2,462,156
	<u>463,799,213</u>	<u>29,937,906</u>	<u>(8,748,800)</u>	<u>484,988,319</u>
Total depreciable capital assets	<u>435,167,057</u>	<u>(2,411,137)</u>	<u>(4,471,914)</u>	<u>428,284,006</u>
Total capital assets	<u>\$ 470,389,291</u>	<u>\$ 33,795,234</u>	<u>\$ (27,860,664)</u>	<u>\$ 476,323,861</u>

F. Pension obligations

The City participates in two public pension systems, Iowa Public Employees Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The following sections outline the pension-related disclosures for each plan. The aggregate amount of recognized expense for the period associated with the net pension liability for both plans is

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

\$17,546,955. Other aggregate amounts related to pension are separately displayed in the financial statements.

Iowa Public Employees Retirement System (IPERS)

Plan description. The City participates in IPERS, a cost sharing, multiple-employer, defined benefit pension plan administered by the State of Iowa. IPERS provides retirement, disability, and death benefits to eligible members and beneficiaries. State statutes authorize the State to establish and amend all plan provisions. The State issues a publicly available financial report, which includes financial statements and required supplementary information. This may be obtained either at www.ipers.org or by written request to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

Funding policy. Iowa state law requires participating employers and members to contribute to IPERS. The Iowa Legislature and the Governor determine the positions of employment in each membership class and the benefits provided. Most members (95%) are regular members. The other 5% are special service members who work in public safety jobs.

IPERS sets the regular member contribution rates using an annual actuarial valuation, which is a snapshot of IPERS's finances; however, the combined employer and member rate may not change by more than 1.0 percentage point each year. Rates for special service members are actuarially determined each year.

During the fiscal year ended June 30, 2021, regular members contributed 6.29% and the City contributed 9.44% of covered wages. Rates for the fiscal year beginning July 1, 2021, are the same. Emergency responder members contributed 6.41%, and the hospital contributed 9.61% of covered wages for the fiscal year ended June 30, 2021. As of July 1, 2021, the rates for emergency responders are 6.21% for members and 9.31% for the City. The City's total contributions to IPERS for the years ended June 30, 2021, 2020, and 2019 were \$9,131,127, \$9,139,672, and \$8,567,465, respectively, and were equal to 100% of the required contributions for each year.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At June 30, 2021, the City reported a liability of \$84,204,424 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all employers participating in IPERS, actuarially determined. At June 30, 2020, the City's proportion was 1.1987%, which is an increase of 0.0296% from its proportion measured as of June 30, 2019.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

For the year ended June 30, 2021, the City recognized pension expense of \$13,588,325. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 113,184	\$ 1,995,205
Changes in assumptions	4,376,397	2,989
Net difference between projected and actual earnings on pension plan investments	4,828,806	-
Changes in proportion and differences between City contributions and proportionate share of contributions	2,879,775	397,536
City contributions subsequent to the measurement date	9,131,127	-
	<u>\$21,329,289</u>	<u>\$ 2,395,730</u>

\$9,131,127 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ 1,667,251
2023	2,374,965
2024	2,268,057
2025	3,291,769
2026	200,391
	<u>\$ 9,802,433</u>

There were no non-employer contributing entities at IPERS.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.60% per annum
Payroll increase assumption	3.25%
Projected salary increases	3.25%-16.25%, depending upon years of service
Assumed investment return	7.00%, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2020 valuation are based on the results of the most recent actuarial experience studies. An experience study of IPERS's demographic assumptions was presented to the investment board in June 2018. This study included information on mortality, retirement, disability, and termination rates, as well as salary trends, for the period of July 1, 2013 through June 30, 2017. At the investment board's direction, the experience study of IPERS's economic assumptions, including the long-term rate of return, was accelerated a year resulting in a full review of the economic assumptions in early 2017. The findings of the experience study on economic assumptions, along with the resulting recommendations, are included in the report dated March 24, 2017.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables, with MP-2017 generational adjustments.

Several factors are considered in evaluating the actuarial assumed investment return, including long-term historical data, estimates inherent in current market data, along with estimates of variability and correlations for each asset class, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed by the investment consultant. These ranges were combined to develop the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The actuarial assumed investment return reflects the anticipated returns on current and future plan assets, and provides a discount rate to determine the present value of future benefit payments.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core-plus fixed income	28.0%	-0.29%
Domestic equity	22.0%	4.43%
International equity	17.5%	5.15%
Global smart beta equity	6.0%	4.87%
Private equity	11.0%	6.54%
Private real assets	7.5%	4.48%
Public credit	4.0%	2.29%
Private credit	3.0%	3.11%
Cash	1.0%	-0.78%
	100.0%	

Discount rate. The discount rate used to calculate the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employees and employers will be made at the contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$ 141,331,951	\$ 84,204,424	\$ 36,305,072

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

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

Payables to the pension plan. At June 30, 2021, the City reported a payable to the defined benefit pension plan of \$1,827,084 for legally required employer contributions and employee contributions that were withheld from employee wages but not yet remitted to IPERS.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan description. The City also participates in the MFPRSI, which provides retirement, disability, and death benefits for firefighters and police officers. MFPRSI was created under Chapter 411 of the Code of Iowa, effective January 1, 1992, to replace the fire and police retirement systems in 49 cities in Iowa. It is a cost-sharing, multiple-employer defined benefit pension plan. A board of nine voting and four non-voting members is the policy-making body for the system. MFPRSI issues publicly available financial reports, which include financial statements and required supplementary information for the plan. The reports may be obtained by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA, 50266.

Funding policy. The contribution rate structure is established by Chapter 411 of the Code of Iowa. The member contribution rate, currently at 9.40%, is set by state statute. The rate for the City is established each year by the board of trustees following the completion of an annual actuarial valuation. The City's rate for the fiscal year ended June 30, 2021, was 25.31%. As of July 1, 2021, the rate is 26.18%. The City's total contributions to MFPRSI for the years ended June 30, 2021, 2020, and 2019 were \$2,200,185, \$2,076,217, and \$2,097,820, respectively, and were equal to 100 percent of the required contributions for each year.

If approved by the state legislature, state appropriation may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered a non-employer contributing entity in accordance with the provisions of GASB Statement No. 67 - Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2021.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At June 30, 2021, the City reported a liability of \$21,356,506 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

contributions of all MFPRSI participating employers. At June 30, 2020, the City's proportion was 2.68%, which is an increase of 0.0141 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$3,958,630. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 587,188	\$ 116,019
Changes in assumptions	529,025	25,481
Net difference between projected and actual earnings on pension plan investments	3,141,793	-
Changes in proportion and differences between City contributions and proportionate share of contributions	218,360	199,408
City contributions subsequent to the measurement date	2,200,185	-
	<u>\$ 6,676,551</u>	<u>\$ 340,908</u>

\$2,200,185 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$915,946
2023	\$1,289,060
2024	\$1,128,197
2025	\$783,097
2026	\$19,170
	<u>\$4,135,470</u>

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00% per annum
Rate of salary increases	3.75 to 15.11%, including inflation
Investment rate of return	7.50%, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00% per annum based on 3.00% inflation and 1.00% real wage inflation

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2007 to June 30, 2017. There were no significant changes of benefit terms.

Mortality rates were based on RP 2014 Blue Collar Healthy Annuitant table with males set forward zero years, females set forward two years, and disabled persons set forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

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

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

Asset Class	Long-Term Expected Real Rate of Return
Large cap	7.49%
Small cap	8.10%
International large cap	7.20%
Emerging markets	7.90%
Global infrastructure	7.50%
Private non-core real estate	11.50%
Private credit	6.40%
Private equity	10.80%
Core plus fixed income	4.00%
Private core real estate	7.20%

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 32,756,724	\$ 21,356,506	\$ 11,913,502

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

F. Pension obligations (continued)

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

Payables to the pension plan. At June 30, 2021, the City did not have a payable to the defined benefit pension plan.

Ames Municipal Utility Retirement Plan

Plan description. The Ames Municipal Retirement Plan (utility plan) was created by resolution of the City Council and is administered by the City. It is a single-employer, defined contribution plan for employees who regularly receive more than 10% of their compensation from a utility fund of the City. The City Council has authorization to amend plan provisions and contribution rates. An eleven-member board monitors, reviews, and evaluates on a continuing basis, the performance of the utility plan. The board submits a written report of its findings and recommendations at least once each fiscal year. These reports may be obtained at the City's offices.

Summary of significant accounting policies - basis of accounting and valuation of investments. The utility plan uses the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market value are reported at estimated fair value.

Funding policy. Participants contribute 5.40%, and the City contributes 7.93% of eligible compensation. Participants may also make voluntary, unmatched contributions up to 25% of the participant's annual compensation. Participant contributions were \$389,247, and City contributions were \$517,341 for the fiscal year ended June 30, 2021.

G. Other post-employment benefit (OPEB) obligations

The City participates in two OPEB plans, the City's OPEB plan and the hospital's OPEB plan. The following sections outline the OPEB-related disclosures for each plan. The aggregate amount of recognized OPEB expense for the period associated with the total OPEB liability for both plans is \$22,703. Other aggregate amounts related to OPEB are separately displayed in the financial statements.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB Plan

General Information about the OPEB Plan

Plan description. The City provides health and dental care benefits for retired employees and their beneficiaries through a single-employer, defined benefit plan. The City has the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Participants must be at least 55 years old, have been employed by the City for the preceding four years, and be enrolled in a sponsored insurance plan at the time of retirement. Benefits terminate upon attaining Medicare eligibility. Retirees under age 65 pay the same premium for the medical, prescription drug, and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

The contribution requirements of the City are established and may be amended by the City. Plan members are currently not required to contribute. The City funds on a pay-as-you-go basis.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the City's benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Active employees	580
	<hr/> 608 <hr/>

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB plan (continued)

Total OPEB Liability

The City's total OPEB liability of \$2,550,569 was measured as of June 30, 2021 and was determined by an actuarial valuation as June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% per annum
Salary increases	3.25% per annum
Discount rate	2.16% per annum
Retiree share of benefit-related premiums	100% of projected health insurance

The following annual health care cost trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

Expense Type	Select	Ultimate
Medical and Rx benefits	6.0%	4.5%
Stop loss fees	6.0%	4.5%
Administrative fees	4.5%	4.5%

The discount rate was based on the Bond Buyer 20-Year Bond GO index.

Mortality rates were based on the RP-2014 generational table scaled using MP-2017 and Pub-2010 mortality table with generational scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2020.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB plan (continued)

Changes in the Total OPEB Liability

Balance, beginning of year	<u>\$2,501,421</u>
Changes for year year:	
Service cost	177,816
Interest	57,031
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	11,592
Benefit payments	<u>(197,291)</u>
Net changes	<u>49,148</u>
Balance, end of year	<u><u>\$2,550,569</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16 percent) or one percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$2,787,000	\$2,550,569	\$2,340,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability to the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

1. City's OPEB plan (continued)

	1% Decrease (5.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (6.0% Decreasing to 4.5%)	1% Increase (7.0% Decreasing to 5.5%)
Total OPEB liability	\$2,245,000	\$2,550,569	\$2,924,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$267,481. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 313,722
Changes of assumptions or other inputs	689,909	34,767
	<u>\$ 689,909</u>	<u>\$ 348,489</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 32,634
2023	32,634
2024	32,634
2025	32,634
2026	32,634
Thereafter	178,250
	<u>\$ 341,420</u>

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan

General Information about the OPEB Plan

Plan description. The hospital sponsors a single-employer health care plan that provides self-insured medical and prescription drugs to all active and retired employees and their eligible dependents. The hospital also provides a flat \$2,500 life insurance benefit to retired employees. Employees must be a minimum of 55 years old, have been employed at the hospital for the preceding four years, and currently have hospital health insurance at the time of retirement. Benefits terminate upon attaining Medicare eligibility. Eligible retirees receive health care coverage through one medical plan. This is the same plan that is available for active employees.

Contributions are required for both retiree and dependent coverage. The retiree contributions are based on the historical full cost of active members. Retiree expenses are then offset by monthly contributions.

Funding policy. The hospital, with assistance from the third-party administrator, establishes and amends contribution requirements for both active and retiree members on an annual basis. The current funding policy of the hospital is to pay health claims as they occur. This arrangement does not qualify as OPEB plan assets under GASB for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For the fiscal year ended June 30, 2021, the hospital contributed approximately \$654,000. Retirees receiving benefits contributed approximately \$419,000 through their required contributions. Inactive members receiving benefits contributed through their required monthly contributions of:

Employee	\$ 696
Employee + spouse	1,390
Employee + children	1,277
Family	2,117

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

Employees covered by benefit terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	422
Active employees	1,275
	<hr/> 1,697 <hr/>

Total OPEB Liability

The hospital's total OPEB liability of \$4,472,772 was measured as of January 1, 2021 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per annum
Salary increases	4.80% for less than 1 year of service, 3.80% for 5 years of service, 3.00% for 10 years of service, 2.50% for 15 years of service, and 2.00% for over 20 years of service
Discount rate	2.12%
Health care cost trend rates	7.50% for medical and prescription benefits for 2021, decreasing 0.50% per year to an ultimate rate of 4.5% for 2028 and later years

The discount rate was based on the 20-year Bond Buyer GO index.

Mortality rates were based on the Pub-2010 Headcount-weighted Total Dataset Mortality Table fully generational using Scale MP-2019 for general employees and Pub-1010 Headcount-weighted Contingent Survivor Mortality Table fully generational using Scale MO-2019 for surviving spouses. It is assumed that 45% of active employees with current coverage are assumed to continue coverage at retirement and no active employees without coverage are assumed to elect coverage at retirement.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

The actuarial assumptions used in the January 1, 2021 and January 1, 2020 valuation were based on the results of an actuarial experience study for the period June 2012 through June 2018.

Changes in the Total OPEB Liability

Balance, beginning of year	<u>\$4,441,917</u>
Service cost	201,432
Interest	147,571
Differences between expected and actual experience	(432,129)
Changes in assumptions or other inputs	349,124
Benefit payments	<u>(235,143)</u>
Net changes	<u>30,855</u>
Balance, end of year	<u>\$4,472,772</u>

Effect of assumptions changes and inputs for the year ended June 30, 2021 reflect a change in the mortality table from RPH-2017 Total Dataset Mortality Table generational scale using MP-2017 to Pub-2010 Headcount-weighted Total Dataset Mortality Table fully generational using Scale MP-2019 for general employees and Pub-2010 Headcount-weighted Contingent Survivor Mortality Table fully general using Scale MP-2019 for surviving spouses, a change in the inflation rate from 3.00% to 2.00% and a change in the discount rate from 3.26% to 2.12%.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the hospital, as well as what the hospital's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.12 percent) or one percentage point higher (3.12 percent) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$4,821,193	\$4,472,772	\$4,164,028

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability to the hospital, as well as what the hospital's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

percentage point lower (6.5 percent decreasing to 3.5 percent) or one percentage point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$4,098,390	\$4,472,772	\$4,899,248

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the hospital recognized OPEB expense of \$244,778. At June 30, 2021, the hospital reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 388,874	\$ 448,190
Changes of assumptions or other inputs	303,333	192,358
Contributions made subsequent to measurement date	126,618	-
Total	\$ 818,825	\$ 640,548

\$126,618 reported as deferred outflows of resources resulting from hospital contributions subsequent to the measurement date will be recognized in the net OPEB liability in the year ending June 30, 2022.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

G. Other post-employment benefit (OPEB) obligations (continued)

2. Hospital's OPEB plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (51,684)
2023	37,838
2024	65,505
2025	-
2026	-
Thereafter	-
	<u>\$ 51,659</u>

H. Construction and other significant commitments

Construction commitments. As of June 30, 2021, the City's commitments with contractors were as follows:

Project	Spent to Date	Remaining Commitment
Streets & bridges	\$13,213,805	\$ 6,134,325
Shared use paths	231,823	142,601
Fire	97,756	45,700
Parks	1,602,357	73,032
Electric	9,197,329	1,484,547
Water	967,037	1,259,236
Sewer	4,283,200	1,597,326
Stormwater	540,769	383,895
Transit	637,085	40,340
Airport	430,465	16,591
Traffic Signal	539,852	651,493
Facilities	95,036	119,913
Housing	889,898	178,311
	<u>\$32,726,412</u>	<u>\$12,127,310</u>

All of the remaining commitment amounts above were encumbered at year-end. As discussed earlier in note I(F)(1), budgetary information - budgetary basis of accounting, the encumbrances and related appropriations lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

H. Construction and other significant commitments (continued)

Encumbrances. As discussed in note I(F)(1), budgetary information - budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control.

At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year was as follows:

General fund	\$ 977,804
Capital projects fund	9,453,140
Non-major governmental funds	1,794,314
Electric	4,375,664
Water	1,933,979
Sewer	2,225,978
Non-major business-type funds	4,988,675
	<u>\$25,749,554</u>

I. Risk management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City uses the risk management internal service fund to account for and finance risks for workers' compensation, general liability, and property damage. The risk management fund provides workers' compensation coverage for all City employees and funds the deductible for general liability insurance. Commercial insurance is purchased for all other risks of loss.

Risk management fund. All funds of the City participate in the workers' compensation insurance program and make payments to the risk management fund based on a charge against employee payroll. The charge is calculated based on past claims experience of City departments. The risk management fund pays all workers' compensation claims, claim reserves, the deductible for general liability insurance, and administrative costs from its revenues, and holds excess revenues for reserve against future claims.

The City is a member of the Iowa Communities Assurance Pool (ICAP), as allowed by the Code of Iowa. ICAP is a local government, risk-sharing pool whose members include various governmental entities throughout the state of Iowa. It was formed for the purpose of managing and funding third-party liability claims against its members. It 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.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

I. Risk management (continued)

ICAP's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2021, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

The City also carries commercial insurance purchased from other insurers for property (buildings and content) and boiler and machinery coverage. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Changes in the balance of claims liabilities during the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Liability, July 1	\$ 1,221,951	\$ 702,201
Claims incurred & claims adjustments	428,086	1,078,673
Claim payments	<u>(469,981)</u>	<u>(558,923)</u>
Liability, June 30	<u>\$ 1,180,056</u>	<u>\$ 1,221,951</u>

Health insurance fund. The City maintains a separate internal service fund to account for health benefits. The City carries excess health insurance of \$125,000 through the risk pool of Blue Cross/Blue Shield of Iowa for specific claims each year and 125% of aggregate claims. The estimated liability for probable losses as recorded in the health benefits fund was:

	<u>2021</u>	<u>2020</u>
Liability, July 1	\$ 853,621	\$ 720,000
Claims incurred & claims adjustments	10,085,324	9,637,135
Claim payments	<u>(10,020,610)</u>	<u>(9,503,514)</u>
Liability, June 30	<u>\$ 918,335</u>	<u>\$ 853,621</u>

The hospital carries professional liability insurance on a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The hospital has accrued \$178,519 as an estimate for professional liability claims that were incurred but not reported as of June 30, 2021.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

I. Risk management (continued)

The hospital is self-insured for health care coverage of employees and covered dependents and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$175,000 per individual claim and 120% aggregate of expected paid claims. Accrued costs related to health care coverage amounted to \$1,244,958 at June 30, 2021.

The hospital is self-insured for workers' compensation coverage of employees, and carries stop-loss insurance coverage, which assumes liability for claims in excess of \$500,000 per occurrence. Accrued costs related to workers' compensation coverage were \$443,518 at June 30, 2021.

Changes in the balance of the hospital's accrued claims for professional liabilities, health care, and workers' compensation coverage for the years ended June 30, 2021 and 2020 were as follows:

	Professional Liability		Health Insurance	
	2021	2020	2021	2020
Liability, July 1	\$ 173,672	\$ 169,315	\$ 1,294,269	\$ 1,565,306
Claims incurred & claims adjustments	6,847	11,708	10,485,195	10,239,563
Claim payments	(2,000)	(7,351)	(10,534,506)	(10,510,600)
Liability, June 30	<u>\$ 178,519</u>	<u>\$ 173,672</u>	<u>\$ 1,244,958</u>	<u>\$ 1,294,269</u>
	Workers' Compensation			
	2021	2020		
Liability, July 1	\$ 245,314	\$ 496,237		
Claims incurred & claims adjustments	666,628	166,367		
Claim payments	(468,424)	(417,290)		
Liability, June 30	<u>\$ 443,518</u>	<u>\$ 245,314</u>		

J. Lease obligations

Operating leases. The City leases a parking lot in Campustown for public parking on a year-to-year basis. Rent expense for this lease during the fiscal year ended June 30, 2021, was \$14,575. The hospital leases various equipment for use in the medical center. Rent expense for these leases was approximately \$625,000 for the fiscal year ended June 30, 2021.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

J. Lease obligations (continued)

The future minimum lease payments for the City and hospital are as follows:

Year Ending June 30,	Total Rent
2022	\$ 226,495
2023	-
2024	-
2025	-
2026	-
	\$ 226,495

K. Long-term obligations

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued with maturities ranging from 10 to 20 years. Debt service on general obligation bonds is paid from the debt service fund. General obligation bonds outstanding at June 30, 2021 are as follows:

Governmental Activities					Outstanding
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	June 30, 2021
Corporate purpose/refunding	2013	\$ 21,220,000	2.00-3.125	2032	\$ 10,575,000
Corporate purpose	2014	\$ 9,395,000	2.00-2.500	2026	\$ 3,890,000
Corporate purpose/refunding	2015	\$ 16,585,000	3.00-5.000	2035	\$ 6,605,000
Corporate purpose	2016	\$ 9,020,605	2.00-5.000	2028	\$ 4,409,622
Corporate purpose/refunding	2017	\$ 10,975,000	2.00-5.000	2029	\$ 4,935,000
Corporate purpose	2018	\$ 7,490,000	3.00-5.000	2030	\$ 5,905,000
Corporate purpose/TIF	2019	\$ 290,000	1.50-5.000	2031	\$ 270,000
Corporate purpose	2019	\$ 10,230,000	1.50-5.000	2031	\$ 8,635,000
Corporate purpose	2020	\$ 9,500,000	1.00-5.000	2032	\$ 8,715,000
Corporate purpose/refunding	2020	\$ 7,929,118	1.00-5.000	2032	\$ 6,051,075
		\$102,634,723			\$ 59,990,697

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Business-Type Activities					
General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2021
Corporate purpose	2013	1,320,000	2.00-3.00	2025	480,000
Corporate purpose	2014	300,000	2.00-2.50	2024	100,000
Corporate purpose/refunding	2015	2,061,714	3.00-5.00	2027	1,060,000
Corporate purpose/refunding	2016	2,629,395	2.00-5.00	2028	1,040,378
Corporate purpose	2019	255,000	1.50-5.00	2031	235,000
Corporate purpose/refunding	2020	435,882	5.00	2024	328,925
		<u>\$ 7,001,991</u>			<u>\$ 3,244,303</u>

On September 17, 2020, the City issued \$9,500,000 of general obligation, corporate purpose bonds for improvements to street, bridges, and fire vehicles. Maturity dates on the bonds range from June 1, 2021 to June 1, 2032. Debt Service payments are scheduled to be paid semi-annually in amounts that range from \$931,000 to \$1,034,061. Bonds due after June 1, 2028 may be subject to call prior to maturity at the option of the City.

On September 17, 2020, the City also issued \$8,365,000 of general obligation, refunding bonds. The proceeds from the current refunding were used to refund \$1,300,000, \$1,830,000, and \$6,045,000 of the 2010A, 2011B, and 2012A bonds, respectively, which had interest rates ranging from 2.375% to 2.500%, 2.200% to 2.400%, and 3.00%, respectively. The refunding was undertaken to reduce total future debt service payments by \$635,177 over 12 years and to obtain economic gain of \$613,737.

Revenue bonds

The City also issues revenue bonds, where the City pledges income derived from certain assets or programs to pay the debt service. Revenue bonds outstanding as of June 30, 2021 are as follows:

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding June 30, 2021
Hospital improvement and refunding	2012	\$ 26,000,000	2.070 %	2027	\$ 5,015,000
Electric	2015	9,500,000	2.125-5.000	2027	5,255,000
Hospital refunding	2016	64,790,000	3.000-5.000	2036	61,145,000
Hospital expansion/remodel	2019	35,000,000	1.99	2034	31,520,000
		<u>\$135,290,000</u>			<u>\$102,935,000</u>

On November 19, 2019, the hospital issued \$35,000,000 in revenue bonds to provide additional financing for the expansion and remodeling of certain portions of the medical center facilities. The 2019 series bonds are payable through June 15, 2034 and carry interest due at 1.99% (plus an adjustment to the medical centers credit rating on June 30, 2021).

The hospital has pledged future net revenue to repay the 2012 and 2016 revenue bonds with original borrowings of \$26,000,000 and \$64,790,000, respectively. Net revenue is defined in the supplemental master trust indenture of trust dated November 1, 2012, and in the supplemental trust indenture dated June 1, 2016, as operating revenue, less operating expenses plus depreciation. The purpose of the 2012 and 2016 bonds is to refund the 2003 and 2011 bonds, respectively, and to finance the expansion and renovation of the medical facility. The bonds are payable solely from net revenues and payable through 2027 and 2036, respectively.

Total principal and interest remaining to be paid on hospital bonds as of June 30, 2021 is \$125,207,572. Principal and interest paid during the fiscal year was \$9,019,356 and net revenue for the same period, as defined above, was \$26,968,198.

The City has pledged future net revenue to repay the 2015 electric revenue bonds. Net revenue is defined as operating revenue less operating expenses, excluding depreciation. The total principal and interest remaining to be paid on the bonds as of June 30, 2021, is \$5,798,156. Principal and interest paid during the fiscal year ended June 30, 2021, was \$969,306 and net revenue for the same period, as defined above, was \$10,064,328.

Landfill post-closure costs

The City stopped accepting solid waste at its landfill effective June 30, 1992 and has since been closed. One hundred percent of the capacity of the landfill has been used.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Federal and state laws and regulations establish landfill closure and post-closure care requirements. The state specifies financial assurance requirements in the Code of Iowa enumerating various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with the rating on its most recent bond issues.

The liability for post-closure care costs is based on the landfill capacity used to date with no remaining life. The estimated liability for post-closure care costs is \$87,474 at June 30, 2021, with a current portion of \$16,150.

The City's written landfill post-closure plan includes estimates of costs of all equipment and services required to monitor and maintain the closed landfill. There is a potential for changes in estimates because of inflation or deflation, changes in technology, or changes in applicable laws or regulations. Unanticipated future inflation costs and costs that might arise from changes in post-closure requirements may require adjustment of the liability in future years.

Revenue capital loan notes

The City has a revenue capital loan note agreement with the Iowa Finance Authority (IFA) in an amount not to exceed \$76,325,000. Proceeds from the loan were used for paying the cost of planning, designing, and constructing improvements and extensions to the water utility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$100,000 was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan came from the water fund. The City borrowed \$93,602 during the fiscal year 2021 and had \$6,598,621 of the loan forgiven by IFA. The amount of principal outstanding is \$50,013,000.

The capital loan note agreement requires the water utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2021, net revenues were \$5,925,120 and principal and interest due of \$3,849,703. No amounts were borrowed during the fiscal year. Water utility rates were increased as budgeted by 6% as of July 1, 2021 to satisfy the covenant in the next fiscal year.

The City has a second revenue capital loan note agreement with the IFA in an amount not to exceed \$3,121,000. The funds were used to pay for a new ultraviolet light disinfection system for the Water Pollution Control Plant, which is required under the terms of the discharge permit for the facility. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$15,605 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The City

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

received its final disbursement for the loan during fiscal year 2015, with total proceeds, including the loan initiation fee, totaling \$2,474,250. No amounts were borrowed during the fiscal year. The balance of the loan was \$1,486,000 as of June 30, 2021.

The City has a third capital loan note agreement with the IFA in an amount not to exceed \$5,700,000. The funds were used for planning, designing, and construction improvements and extensions to the sanitary sewer system. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$28,500 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. \$2,360,899 was borrowed during the fiscal year. The amount of principal outstanding as of June 30, 2021 is \$4,866,000.

The City has a fourth revenue capital loan note agreement with the IFA in an amount not to exceed \$797,000. The funds were used for improvements to two wastewater lift stations that were nearing the end of their useful lives. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$3,985 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. The amount of principal outstanding as of June 30, 2021 is \$486,000. No amounts were borrowed during the fiscal year.

The City has a fifth revenue capital loan note agreement with the IFA in an amount not to exceed \$1,001,000. The funds were used for a new mechanically cleaned bar screening system at the Water Pollution Control Plant. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan initiation fee of \$5,005 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the sewer fund. No amounts were borrowed during the fiscal year. The amount of principal outstanding as of June 30, 2021 is \$652,000.

The capital loan note agreements above require the sewer utility to produce revenues to meet the operation and maintenance expenses of the facility and to maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue bond and any other obligations secured by a pledge of the net revenues falling due in the same year. In the fiscal year ended June 30, 2021, the sewer fund had net revenues of \$3,558,783, and the amount of principal and interest due was \$523,228.

Legal debt margin. State statutes limit the amount of general obligation debt an Iowa city may issue to 5% of the actual assessed valuation at January 1, 2019, related to the 2020-2021 fiscal year. At June 30, 2021, the outstanding debt of \$63,235,000 is below the limit of \$251,136,157, leaving a debt margin of over \$187 million.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Changes in long-term liabilities. Changes in the City's long-term liabilities for the fiscal year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$ 60,441,106	\$ 17,429,118	\$ (17,879,527)	\$ 59,990,697	\$ 7,970,844
Premium	3,583,847	2,111,038	(755,144)	4,939,741	419,982
Total bonds payable	64,024,953	19,540,156	(18,634,671)	64,930,438	8,390,826
Compensated absences	2,338,629	3,555,757	(3,387,453)	\$ 2,506,933	132,227
Governmental activities long-term debt	\$ 66,363,582	\$ 23,095,913	\$ (22,022,124)	\$ 67,437,371	\$ 8,523,053

Historically, liabilities for compensated absences and other post-employment benefits are generally liquidated by the General Fund, Local Option Sales Tax Fund, Road Use Tax Fund, Public Housing Fund, Internal Service Funds, and the Community Development Block Grant.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
<i>Business-type activities:</i>					
Bonds payable:					
Revenue bonds	\$ 109,220,000	\$ -	\$ (6,285,000)	\$ 102,935,000	\$ 6,460,000
Premiums	6,601,050	-	(711,718)	5,889,332	710,820
Total revenue bonds	115,821,050	-	(6,996,718)	108,824,332	7,170,820
General obligation bonds	3,863,894	435,882	(1,055,473)	3,244,303	569,156
Premiums	355,141	-	(74,833)	280,308	43,553
Total general obligation bonds	4,219,035	435,882	(1,130,306)	3,524,611	612,709
Total bonds payable	120,040,085	435,882	(8,127,024)	112,348,943	7,783,529
Compensated absences	8,039,506	9,513,187	(8,760,327)	8,792,366	636,306
Loans payable	437,380	-	(114,099)	323,281	114,099
Capital loan notes payable	64,744,664	2,454,502	(9,696,166)	57,503,000	3,170,000
Business-type activities long-term debt	\$ 193,261,635	\$ 12,403,571	\$ (26,697,616)	\$ 178,967,590	\$ 11,703,934

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

The debt service requirements for the City's bonds are as follows:

Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2022	\$ 7,970,844	\$ 2,015,535
2023	7,617,187	1,686,245
2024	7,247,686	1,410,388
2025	6,731,466	1,138,494
2026	6,348,849	881,344
2027-2031	21,769,665	1,815,169
2032-2036	2,305,000	70,419
2037-2041	-	-
Total	<u>\$ 59,990,697</u>	<u>\$ 9,017,594</u>

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Year Ending June 30,	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 569,156	\$ 132,009	\$ 6,460,000	\$ 3,529,246
2023	597,813	105,999	6,635,000	3,348,753
2024	612,314	82,030	6,885,000	3,096,107
2025	478,534	58,350	7,130,000	2,857,764
2026	361,151	39,550	7,380,000	2,608,276
2027-2031	625,335	35,150	34,715,000	9,337,051
2032-2036	-	-	33,730,000	3,293,532
2037-2041	-	-	-	-
Total	<u>\$ 3,244,303</u>	<u>\$ 453,088</u>	<u>\$ 102,935,000</u>	<u>\$ 28,070,729</u>

Year Ending June 30,	Capital Loan Notes		Loans	
	Principal	Interest	Principal	Interest
2022	\$ 3,170,000	\$ 1,106,753	\$ 114,099	\$ -
2023	3,224,000	1,045,684	114,099	-
2024	3,277,000	983,563	95,083	-
2025	3,335,000	920,399	-	-
2026	3,391,000	856,102	-	-
2027-2031	14,158,000	2,759,026	-	-
2032-2036	18,819,000	1,865,543	-	-
2037-2041	8,129,000	238,295	-	-
Total	<u>\$ 57,503,000</u>	<u>\$ 9,775,365</u>	<u>\$ 323,281</u>	<u>\$ -</u>

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

K. Long-term obligations (continued)

Year Ending June 30,	Total Business - Type Activities		Total Primary Government Debt	
	Principal	Interest	Principal	Interest
2022	\$ 10,313,255	\$ 4,768,008	\$ 18,284,099	\$ 6,783,543
2023	10,570,912	4,500,436	18,188,099	6,186,681
2024	10,869,397	4,161,700	18,117,083	5,572,088
2025	10,943,534	3,836,513	17,675,000	4,975,007
2026	11,132,151	3,503,928	17,481,000	4,385,272
2027-2031	49,498,335	12,131,227	71,268,000	13,946,396
2032-2036	52,549,000	5,159,075	54,854,000	5,229,494
2037-2041	8,129,000	238,295	8,129,000	238,295
Total	<u>\$164,005,584</u>	<u>\$ 38,299,182</u>	<u>\$223,996,281</u>	<u>\$ 47,316,776</u>

L. Fund balance

Minimum fund balance policy. The City establishes and maintains fund balance levels based on evaluation of each individual fund. The minimum fund balance is set at a level that is considered necessary to maintain the City's credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy,
2. Contingencies for unseen operating or capital needs, and
3. Cash flow requirements.

In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years that are carried forward into the new year; debt service reserve requirements; reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

The minimum fund balance level for the General Fund is 20% of operating expenditures.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

L. Fund balance (continued)

The details for the City's fund balances are as follows:

	General	Capital Projects	Debt Service	Special Revenues	Permanent Funds	Total
Nonspendable:						
Inventory	\$ 10,830	\$ -	\$ -	\$ 54,053	\$ -	\$ 64,883
Prepaid items	187,770	-	-	21,095	-	208,865
Perpetual care principal	-	-	-	-	1,038,041	1,038,041
Aquatic center endowment	-	-	-	-	1,000,000	1,000,000
Total nonspendable fund balance	198,600	-	-	75,148	2,038,041	2,311,789
Restricted:						
Debt service	-	-	1,210,217	607,741	-	1,817,958
Airport construction	-	160,712	-	-	-	160,712
Aquatic center	-	-	-	-	196,713	196,713
Street construction	-	-	-	8,538,707	-	8,538,707
Environment and economic betterment	-	1,007,982	-	8,663,687	-	9,671,669
General obligation bond projects	-	21,324,709	-	-	-	21,324,709
Housing assistance	-	-	-	813,052	-	813,052
Public safety	-	-	-	334,805	-	334,805
Public safety pension	-	-	-	255,273	-	255,273
Library	-	-	-	480,209	-	480,209
Parks and recreation	-	1,978,300	-	-	-	1,978,300
Project Share	-	-	-	4,820	-	4,820
Developers' projects	-	-	-	227,650	-	227,650
Total restricted fund balance	-	24,471,703	1,210,217	19,925,944	196,713	45,804,577
Committed:						
Bike trails	-	-	-	10,026	-	10,026
Parks and recreation	-	1,049,547	-	214,243	-	1,263,790
Housing assistance	-	-	-	445,702	-	445,702
Green energy projects	-	-	-	10,035	-	10,035
Environment and economic betterment	-	-	-	547,166	-	547,166
FEMA	-	-	-	-	-	-
Total committed fund balance	-	1,049,547	-	1,227,172	-	2,276,719
Assigned:						
Administration	254,438	-	-	-	-	254,438
City Hall maintenance	136,267	-	-	-	-	136,267
Police operations	3,955	-	-	-	-	3,955
Cemetery	17,500	-	-	-	-	17,500
Library maintenance	42,601	-	-	-	-	42,601
Parks and recreation	20,547	-	-	-	-	20,547
Parks and recreation maintenance	12,186	-	-	-	-	12,186
Public relations	5,500	-	-	-	-	5,500
PW/Airport	8,517	-	-	-	-	8,517
Fire	47,227	-	-	-	-	47,227
Total assigned fund balance	548,738	-	-	-	-	548,738
Unassigned	14,843,131	(5,296,242)	-	(1,464,307)	-	8,082,582
Total fund balance	\$15,590,469	\$20,225,008	\$ 1,210,217	\$19,763,957	\$ 2,234,754	\$59,024,405

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

M. Inter-fund receivables and payables

The composition of inter-fund balances as of June 30, 2021, is as follows:

Receivable Fund	Payable Fund					
	General Fund	Capital Projects	Debt Service	Electric	Sewer	Water
Major Funds:						
General Fund	\$ -	\$ 623	\$ -	\$ 114,870	\$ 33,952	\$ 40,023
Capital Projects	79,253	-	-	-	11,596	10,258
Debt Service	-	53,778	-	-	246,609	248,391
Electric	74,888	-	-	-	28,852	30,508
Sewer	778	-	217,156	35,237	-	20,528
Water	598	329	218,726	51,503	139,889	-
Non-Major Funds:						
Permanent	11,002	-	-	-	-	-
Special Revenue	702,518	461,946	-	7,478	157,584	104,225
Enterprise	1,185,910	18,597	-	330,205	377,691	-
Internal Service	194,354	2,306	-	93,730	36,150	46,555
Total	<u>\$ 2,249,301</u>	<u>\$ 537,579</u>	<u>\$ 435,882</u>	<u>\$ 633,023</u>	<u>\$ 1,032,323</u>	<u>\$ 500,488</u>

Receivable Fund	Payable Fund				
	Non-Major				Total
	Non-Major Permanent Funds	Special Revenue Funds	Non-Major Enterprise Funds	Internal Service Funds	
Major Funds:					
General Fund	\$ -	\$ 3,474,888	\$ 412,308	\$ 103,192	\$ 4,179,856
Capital Projects	-	2,992	19,663	-	123,762
Debt Service	-	-	-	-	548,778
Electric	-	1,314	-	-	135,562
Sewer	-	2,858	373,418	296	650,271
Water	-	2,859	-	296	414,200
Non-Major Funds:					
Permanent	-	-	-	-	11,002
Special Revenue	-	426,495	50,313	5,506	1,916,065
Enterprise	-	11,445	9,458	409	1,933,715
Internal Service	-	201,759	68,804	20,561	664,219
Total	\$ -	\$ 4,124,610	\$ 933,964	\$ 130,260	\$ 10,577,430

The outstanding balances between funds result mainly from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

N. Inter-fund transfers

The composition of inter-fund transfers for the year ended June 30, 2021, is as follows:

Transfers In	Transfers Out					Total
	General Fund	Capital Projects	Electric	Sewer	Non-Major Special Revenue Funds	
Major Funds:						
General Fund	\$ -	\$ -	\$ 2,188,899	\$ -	\$ 8,674,077	\$ 10,862,976
Capital Projects	1,672,085	-	-	-	100,000	1,772,085
Debt Service	70,976	445,969	-	-	442,468	959,413
Non-Major Funds:						
Special Revenue	-	-	-	-	95,592	95,592
Enterprise	3,199,435	-	-	373,125	25,481	3,598,041
Internal Service	-	-	-	-	-	-
Total	<u>\$ 4,942,496</u>	<u>\$ 445,969</u>	<u>\$ 2,188,899</u>	<u>\$ 373,125</u>	<u>\$ 9,337,618</u>	<u>\$ 17,288,107</u>

Inter-fund transfers are authorized in the City budget and usually involve transfers from the fund receiving the revenue to the fund through which the authorized expenditure is to be made. For example, the road use tax funds are received into the special revenue fund and are transferred to the capital projects fund where the funds will be spent.

O. Donor-restricted endowment

Earnings from the investment of the Furman Aquatic Center endowment of \$196,713 at June 30, 2021, are shown as restricted net position. These funds can be used at the aquatic center to minimize the City's ongoing operational costs, to fund future repairs and enhancements, and to replace equipment. Chapter 540A of the Code of Iowa permits the City to appropriate an amount of net appreciation as the City determines, in good faith, while considering the duration and preservation of the endowment fund, the purposes of the City and the fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the City, and the investment policy of the City.

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

P. Urban renewal development agreements

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure, improvements, rehabilitation, and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$2,064,530. Certain agreements include provisions for the payment of interest.

During the fiscal year ended June 30, 2021, the City rebated \$702,771 of incremental property tax to developers, which was all for principal. The total cumulative principal amount rebated on the agreements is \$1,745,213. The outstanding balance on the agreements at June 30, 2021 was \$319,317.

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation. The entire outstanding principal balance of agreements, not including an annual appropriation clause, is subject to the constitutional debt limitation.

Q. Tax abatements

GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers, which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, pay the developers an economic development grant, or pay the developers a pre-determined dollar amount. No other commitments were made by the City as part of these agreements.

For the fiscal year ended June 30, 2021, the City abated \$702,771 of property tax under urban renewal and economic development projects. The City's property tax revenue was not reduced

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

Q. Tax abatements (continued)

by any amount under agreements entered into by any other entities for the year ended June 30, 2021.

R. Contingencies

The City's Legal Department reported to management that, as of June 30, 2021, claims and lawsuits were on file against the City. The Legal Department estimates that the portion of these potential claims and lawsuits not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes outside the regular limit to cover cases resulting in an uninsured judgment.

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act, as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the City, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the City's operations and finances.

Hospital contingencies

Net patient service revenue. As a provider of health care services, the hospital has agreements with third-party payers that provide for payment of services at amounts different from established rates. The basis for payment varies by payer and includes prospectively determined rates per discharge, discounts from established charges, and retroactively determined, cost-based rates. Approximately 98% of gross patient charges determined at established rates resulted from patients covered by these third-party reimbursement programs for the fiscal year ended June 30, 2021. Changes have been and may be made in certain programs, which could have a material adverse impact on the financial condition of the hospital in future years.

Laws and regulations. The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown and

City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

R. Contingencies (continued)

unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While the hospital is subject to similar regulatory reviews, management believes that the outcome of any such regulatory review will not have a material adverse effect on the hospital's financial position.

Current economic conditions. The current economic environment has also made it difficult for certain patients to pay for services rendered. As employers adjust to health insurance plans, services provided to uninsured and underinsured patients may significantly impact net patient service revenue, which could have an adverse impact on the hospital's future operating results. Further, the effect of economic conditions on the State of Iowa may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and the allowances for accounts and contributions receivable. This could negatively affect the hospital's ability to meet debt covenants or maintain sufficient liquidity.

S. Joint venture

The hospital has a joint venture with McFarland Clinic, P.C. to form Health Ventures of Central Iowa, LLC (Health Ventures), of which it owns 50%. A joint venture also exists with Garner Dialysis, LLC, which is owned 40% by the hospital, and Health Enterprises Cooperative, of which the hospital owns 18.7%. The hospital uses the equity method of accounting for joint ventures in which it has the ability to exercise significant influence over operating and financial policies of the investee. Financial statements of the joint ventures are available at Mary Greeley Medical Center, 1111 Duff Avenue, Ames, IA 50010.

T. Related party transactions

The hospital's board of trustees approved the guarantee of certain debt on behalf of the Health Ventures joint venture mentioned above. During the fiscal year ended June 30, 2021, the acquisition of computer hardware, carrying no interest and requires monthly payments of \$9,508 and matures in fiscal year 2024.

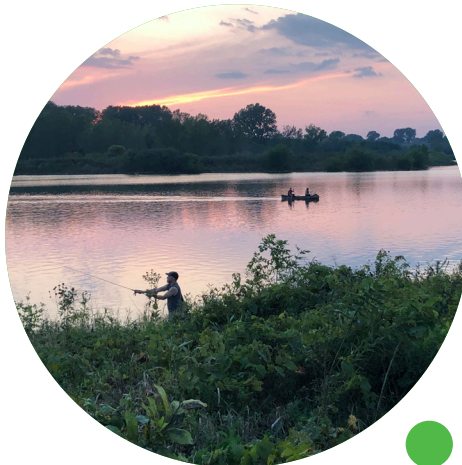
City of Ames
Notes to the Financial Statements
June 30, 2021

IV. Detailed notes on all activities and funds (continued)

U. Subsequent Events

On September 9, 2021, the City issued \$19,640,000 of general obligation, corporate purpose bonds for paying the cost of constructing improvements to streets and installing traffic control improvements. The bonds were also issued to current refund \$11,055,000 of the outstanding general corporate purpose bonds, Series 2013, originally dated May 30, 2013. The interest rates on the bonds range from 1.375-5.00% with final maturity on June 1, 2033.

On August 9, 2022, the City entered into a revenue capital loan note agreement with the IFA in an amount not to exceed \$3,500,000. The funds will be used for demolition of the old water plant at the end of its useful life. The loan bears interest at 1.75% per annum plus a servicing fee of 0.25% per annum. A loan Initiation fee of \$17,500 (0.50%) was withheld from the proceeds and added to the amount owed by the City. Repayment of the loan will come from the water fund.



Required Supplementary Information



City of Ames
Schedule of the City's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Last Seven Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.1986846%	1.1690479%	1.1516658%	1.1292958%	1.1552370%	1.1616104%	1.2008652%
City's proportionate share of the net pension liability	\$84,204,424	\$67,695,565	\$72,880,234	\$75,225,392	\$72,702,712	\$57,389,174	\$ 47,625,187
City's covered payroll*	\$96,755,907	\$90,665,386	\$87,947,886	\$85,610,198	\$84,237,577	\$81,269,880	\$ 80,486,286
City's proportionate share of the net pension liability as a percentage of its covered payroll	87.03%	74.67%	82.87%	87.87%	86.31%	70.62%	59.17%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

*Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*.

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

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of City Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 9,131,127	\$ 9,131,127	-	96,853,385	9.43%
2020	9,139,672	9,139,672	-	96,755,907	9.45%
2019	8,567,465	8,567,465	-	90,665,386	9.45%
2018	7,862,807	7,862,807	-	87,947,886	8.94%
2017	7,654,501	7,654,501	-	85,610,198	8.94%
2016	7,543,219	7,543,219	-	84,237,577	8.95%
2015	7,272,880	7,272,880	-	81,269,880	8.95%
2014	7,202,625	7,202,625	-	80,486,286	8.95%
2013	6,861,788	6,861,788	-	78,907,943	8.70%
2012	6,180,045	6,180,045	-	76,283,278	8.10%

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Fire and Police Retirement System of Iowa
Last Seven Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	2.677595%	2.663532%	2.719769%	2.651310%	2.649945%	2.696727%	2.684406%
City's proportionate share of the net pension liability	\$21,356,506	\$17,470,814	\$16,193,599	\$15,549,272	\$16,569,071	\$12,669,610	\$ 9,730,925
City's covered payroll*	\$ 8,435,313	\$ 8,064,312	\$ 7,866,170	\$ 7,506,515	\$ 7,180,220	\$ 7,004,314	\$ 6,855,169
City's proportionate share of the net pension liability as a percentage of its covered payroll	253.18%	216.64%	205.86%	207.14%	230.76%	180.88%	141.95%
Plan fiduciary net position as a percentage of the total pension liability	76.47%	79.94%	81.07%	80.60%	78.20%	83.04%	86.27%

*Prior year amounts of covered payroll were changed to comply with GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*.

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

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of City Contributions
Municipal Fire and Police Retirement System of Iowa
Last Ten Fiscal Years

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 2,200,185	\$ 2,200,185	-	\$ 8,643,628	25.45%
2020	2,076,217	2,076,217	-	\$ 8,435,313	24.61%
2019	2,097,820	2,097,820	-	8,064,312	26.01%
2018	2,030,080	2,030,080	-	7,866,170	25.81%
2017	1,946,357	1,946,357	-	7,506,515	25.93%
2016	1,994,209	1,994,209	-	7,180,220	27.77%
2015	2,150,611	2,150,611	-	7,004,314	30.70%
2014	2,064,780	2,064,780	-	6,855,169	30.12%
2013	1,758,163	1,758,163	-	6,653,706	26.42%
2012	1,630,807	1,630,807	-	6,586,460	24.76%

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Four Years

City:	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 177,816	\$ 140,814	\$ 128,949	\$ 124,144
Interest	57,031	74,532	76,772	75,321
Differences between expected and actual experience	-	(374,352)	-	-
Changes in assumptions or other inputs	11,592	746,954	70,173	(51,203)
Benefit payments	(197,291)	(150,412)	(133,691)	(97,725)
Net change in total OPEB liability	<u>49,148</u>	<u>437,536</u>	<u>142,203</u>	<u>50,537</u>
 Total OPEB liability, beginning	<u>2,501,421</u>	<u>2,063,885</u>	<u>1,921,682</u>	<u>1,871,145</u>
Total OPEB liability, ending	<u>\$ 2,550,569</u>	<u>\$ 2,501,421</u>	<u>\$ 2,063,885</u>	<u>\$ 1,921,682</u>
 Covered-employee payroll	<u>\$ 40,817,000</u>	<u>\$ 39,532,365</u>	<u>\$ 37,519,077</u>	<u>\$ 38,084,243</u>
 Total OPEB liability as a percentage of covered-employee payroll	<u>6.25%</u>	<u>6.33%</u>	<u>5.50%</u>	<u>5.05%</u>

Notes to schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

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

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%

GASB No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Four Years

Hospital:	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 201,432	\$ 171,392	\$ 183,570	\$ 230,410
Interest	147,571	188,216	171,689	155,873
Differences between expected and actual experience	(432,129)	(480,311)	(518,903)	907,372
Changes in assumptions or other inputs	349,124	211,750	(208,768)	(448,839)
Benefit payments	(235,143)	(113,258)	57,836	(10,501)
Net change in total OPEB liability	30,855	(22,211)	(314,576)	834,315
Total OPEB liability, beginning	4,441,917	4,464,128	4,778,704	3,944,389
Total OPEB liability, ending	<u>\$ 4,472,772</u>	<u>\$ 4,441,917</u>	<u>\$ 4,464,128</u>	<u>\$ 4,778,704</u>
Covered-employee payroll	<u>\$ 62,532,773</u>	<u>\$ 62,732,418</u>	<u>\$ 61,873,578</u>	<u>\$ 61,873,578</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>7.15%</u>	<u>7.08%</u>	<u>7.21%</u>	<u>7.72%</u>

Notes to schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

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

2017	3.81%
2018	3.44%
2019	4.11%
2020	3.26%
2021	2.12%

GASB No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for those years for which information is available.

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Budgetary Comparison Schedule
Governmental and Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance - Actual to Final
Revenues and other financing sources:						
Taxes levied on property	\$ 31,602,434	\$ -	\$ 31,602,434	\$ 31,743,937	\$ 31,743,937	\$ (141,503)
Delinquent property taxes	145,332	-	145,332	-	-	145,332
TIF revenues	1,924,393	-	1,924,393	1,713,308	1,713,308	211,085
Other taxes	12,201,473	-	12,201,473	11,205,339	11,856,251	345,222
Licenses and permits	1,128,682	26,050	1,154,732	1,646,077	1,583,715	(428,983)
Use of money and property	672,976	80,599,224	81,272,200	14,377,142	10,439,323	70,832,877
Intergovernmental	21,998,967	18,653,486	40,652,453	35,097,915	62,178,472	(21,526,019)
Charges for services	1,670,687	305,735,378	307,406,065	304,687,658	282,654,489	24,751,576
Special assessments	244,634	-	244,634	-	315,559	(70,925)
Miscellaneous	1,236,074	1,229,346	2,465,420	593,193	1,111,687	1,353,733
Other financing sources	19,976,039	-	19,976,039	25,638,650	46,372,341	(26,396,302)
Transfers in	18,010,398	3,224,916	21,235,314	17,104,285	21,062,860	172,454
Total revenues and other financing sources	110,812,089	409,468,400	520,280,489	443,807,504	471,031,942	49,248,547
Expenditures and other financing uses:						
General government	2,828,614	-	2,828,614	2,982,823	3,159,103	330,489
Public safety	19,518,722	-	19,518,722	21,515,574	20,257,723	739,001
Public works	7,022,604	-	7,022,604	6,597,535	7,422,847	400,243
Health and social services	1,365,247	-	1,365,247	1,551,213	1,601,744	236,497
Culture and recreation	8,176,885	-	8,176,885	9,704,493	9,131,752	954,867
Community and economic development	6,476,621	-	6,476,621	4,891,512	9,051,261	2,574,640
Debt service	21,348,189	-	21,348,189	12,519,230	21,332,565	(15,624)
Capital outlay	24,278,721	-	24,278,721	23,841,259	62,409,334	38,130,613
Total governmental expenditures	91,015,603	-	91,015,603	83,603,639	134,366,329	43,350,726
Business-type expenditures	-	295,366,838	295,366,838	318,972,254	350,332,817	54,965,979
Total expenditures and other financing uses	91,015,603	295,366,838	386,382,441	402,575,893	484,699,146	98,316,705
Other financing uses	18,359,914	2,875,400	21,235,314	17,104,285	21,062,860	(172,454)
Total expenditures, other financing uses, and transfers out	109,375,517	298,242,238	407,617,755	419,680,178	505,762,006	98,144,251
Excess revenues and other financing sources over (under) expenditures, other financing uses, and transfers out	1,436,572	111,226,162	112,662,734	24,127,326	(34,730,064)	147,392,798
Fund balances, beginning	61,971,532	748,120,825	810,092,357	718,914,728	743,776,262	66,316,095
Fund balances, ending	\$ 63,408,104	\$859,346,987	\$922,755,091	\$743,042,054	\$709,046,198	\$213,708,893

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
For the Fiscal Year Ended June 30, 2021

	Governmental Funds			Proprietary Funds		
	Budget Basis	Adjustments	Modified Accrual Basis	Budget Basis	Adjustments	Accrual Basis
Revenues and other financing sources	\$ 110,812,089	\$ (2,770,788)	\$ 108,041,301	\$ 409,468,400	\$ 6,150,101	\$ 415,618,501
Expenditures and other financing uses	109,375,517	(2,467,328)	106,908,189	298,242,238	11,026,677	309,268,915
Excess revenues and other financing sources over expenditures and other financing uses	1,436,572	(303,460)	1,133,112	111,226,162	(4,876,576)	106,349,586
Fund balances, beginning	61,971,532	(4,080,239)	57,891,293	748,120,825	(44,524,255)	703,596,570
Fund balances, ending	<u>\$ 63,408,104</u>	<u>\$ (4,383,699)</u>	<u>\$ 59,024,405</u>	<u>\$ 859,346,987</u>	<u>\$ (49,400,831)</u>	<u>\$ 809,946,156</u>

The notes to the required supplementary information are an integral part of this schedule.

City of Ames
Notes to the Required Supplementary Information
June 30, 2021

I. Pension Liability

IPERS:

Changes in benefits and terms. There were no significant changes in benefit terms.

Changes in assumptions.

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

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

The 2017 valuation implemented the following refinements because of a quadrennial experience study:

- Decreased the inflation assumption from 3.00% to 2.60%
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year
- Decreased the long-term rate of return assumption from 7.50% to 7.00% per year.
- Decreased the wage growth and payroll growth assumption from 4.00% to 3.25% per year.
- Decreased the salary increase assumption by 0.75%.

The 2014 valuation implemented the following refinements because of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year
- Adjusted male mortality rates for retirees in the regular membership group
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64
- Moved from an open, 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed, 20-year period.

City of Ames
Notes to the Required Supplementary Information (continued)
June 30, 2021

MFPRSI:

Changes in benefit terms. There were no significant changes of benefit terms.

Changes in assumptions. The 2018 valuation mortality rates were based on RP 2014 Blue Collar Healthy Annuitant table with males set forward zero years, females set forward two years, and disabled set forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed post-retirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set back two years, females set forward one year, and disabled individuals set forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for post-retirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for post-retirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

II. Budgetary Information

The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board (GASB) Statement 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 modified accrual basis of accounting and follows the public notice and hearing requirements. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the budget basis and appropriations lapse at the end of the fiscal year.

Formal and legal budgetary control is based upon nine major classes of expenditures, referred to as functions, not by fund or fund type. The nine functions are general government, public safety, public works, health and social services, culture and recreation, community and economic development, debt service, capital projects, and business-type activities. Expenditures of functions required to be budgeted include expenditures for the General Fund, special revenue funds, the Debt Service Fund, the Capital Projects Fund, and the enterprise

City of Ames
Notes to the Required Supplementary Information (continued)
June 30, 2021

funds. Although the budget document presents function expenditures by fund, the legal level of control is at the aggregated function level, not by fund.

Three budget amendments during the fiscal year increased budgeted expenditures by \$86,081,828. These amendments are reflected in the final budget amounts.



Supplementary Information



CITY OF
Ames™

City of Ames
Non-Major Governmental Funds
Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Metro Coalition Fund – to account for the funds related to a group of cities in Iowa who have pooled financial resources to fund legislative lobbying and monitoring services.

Local Option Tax Fund - to account for the funds generated by the voter-approved 1% local option sales tax. Sixty percent is used for property tax relief and forty percent is for community betterment.

Hotel/Motel Tax Fund - to account for funds generated through the imposition of a hotel/motel tax. Proceeds are used for community betterment and economic development.

Road Use Tax Fund - to account for the City's share of state gasoline taxes received on a per capita basis. Funds must be used for a purpose related to the construction or maintenance of public streets.

Bike Licenses Fund - to account for funds generated by the sale of bike licenses to be used for bike trails and maps.

Police Forfeiture and Grants Fund - to account for funds generated from the forfeiture of property because of criminal activities and for government grants received for law enforcement costs.

Housing Assistance Fund - to account for grant-funded housing assistance programs.

TIF Fund - to account for tax-increment financing revenues on abated debt.

Employee Benefit Property Tax Fund - to account for tax revenues used to pay the City's share of selected employee benefits.

Police and Fire 411 Fund - to account for the funds remaining from the transition to Municipal Fire and Police Retirement System of Iowa (MFPRSI). Funds may only be used to offset City contributions to MFPRSI.

Parks and Recreation Programs Fund - to account for revenues used for specific park and recreation programs and improvements.

Library Donations, Project Share, Police and Fire Donations, and Animal Shelter Donations Funds- to account for donations to be used for specific purposes and activities.

City of Ames
Non-Major Governmental Funds
Special Revenue Funds

Community Development Block Grant (CDBG) Fund - to account for funds received from the U.S. Department of Housing and Urban Development to be used according to the CDBG program.

Developers' Projects Fund - to account for funds received from developers to be used for City infrastructure.

Economic Development and Loans Fund - to account for funds from block grants and funds to be loaned to businesses to increase development in the City.

Federal Relief Funds – to account for funds received from emergency related grants to cover expenses associated to natural disasters.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Perpetual Care Fund - to account for principal amounts received for perpetual care. The investment earnings are recorded in the General Fund and are used to maintain the cemetery.

Furman Aquatic Center Endowment Fund - to account for a donation to cover future operating expenditures, fund future repairs and enhancements, and to replace equipment at the aquatic center.

City of Ames
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	<u>Permanent Funds</u>			
	Non-Major Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,042,748	\$ 15,663	\$ 502,103	\$ 12,560,514
Investments	16,590,199	1,010,627	690,034	18,290,860
Taxes receivable	11,566	-	-	11,566
Accrued interest receivable	8,204	-	4,576	12,780
Accounts receivable, net	6,861	749	-	7,610
Intergovernmental receivable	2,011,812	-	-	2,011,812
Loans receivable	868	-	-	868
Due from other funds	1,916,065	11,002	-	1,927,067
Inventories	54,053	-	-	54,053
Property held for resale	854,428	-	-	854,428
Prepaid items	21,095	-	-	21,095
Succeeding year taxes receivable	2,333,616	-	-	2,333,616
Long-term loans receivable	3,022	-	-	3,022
Total assets	<u>\$ 35,854,537</u>	<u>\$ 1,038,041</u>	<u>\$ 1,196,713</u>	<u>\$ 38,089,291</u>
LIABILITIES				
Accounts payable	\$ 1,615,900	\$ -	\$ -	\$ 1,615,900
Accrued payroll	99,582	-	-	99,582
Retainage payable	186,563	-	-	186,563
Customer deposits	578,580	-	-	578,580
Intergovernmental payable	22,917	-	-	22,917
Due to other funds	4,124,610	-	-	4,124,610
Unearned revenue	7,128,812	-	-	7,128,812
Total liabilities	<u>13,756,964</u>	<u>-</u>	<u>-</u>	<u>13,756,964</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Property taxes	2,333,616	-	-	2,333,616
Total deferred inflows of resources	<u>2,333,616</u>	<u>-</u>	<u>-</u>	<u>2,333,616</u>
FUND BALANCES (DEFICITS)				
Nonspendable	75,148	1,038,041	1,000,000	2,113,189
Restricted	19,925,944	-	196,713	20,122,657
Committed	1,227,172	-	-	1,227,172
Unassigned	(1,464,307)	-	-	(1,464,307)
Total fund balances	<u>19,763,957</u>	<u>1,038,041</u>	<u>1,196,713</u>	<u>21,998,711</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,854,537</u>	<u>\$ 1,038,041</u>	<u>\$ 1,196,713</u>	<u>\$ 38,089,291</u>

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2021

	<u>Permanent Funds</u>			
	Non-Major Special Revenue Funds	Perpetual Care	Furman Aquatic Center Endowment	Total Non-Major Governmental Funds
REVENUES				
Taxes	\$ 16,191,950	\$ -	\$ -	\$ 16,191,950
Intergovernmental	10,846,798	-	-	10,846,798
Charges for services	-	20,048	-	20,048
Investment income	14,052	-	6,385	20,437
Miscellaneous	240,320	-	-	240,320
Total revenues	<u>27,293,120</u>	<u>20,048</u>	<u>6,385</u>	<u>27,319,553</u>
EXPENDITURES				
Current:				
General government	271,661	-	-	271,661
Public safety	198,144	-	-	198,144
Public works	5,898,134	-	-	5,898,134
Health and social services	1,386,567	-	-	1,386,567
Culture and recreation	2,214,821	-	-	2,214,821
Community and economic development	5,424,906	-	-	5,424,906
Capital outlay	2,232,184	-	-	2,232,184
Total expenditures	<u>17,626,417</u>	<u>-</u>	<u>-</u>	<u>17,626,417</u>
Excess of revenues over expenditures	<u>9,666,703</u>	<u>20,048</u>	<u>6,385</u>	<u>9,693,136</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	95,592	-	-	95,592
Transfers out	(9,337,618)	-	-	(9,337,618)
Total other financing sources (uses)	<u>(9,242,026)</u>	<u>-</u>	<u>-</u>	<u>(9,242,026)</u>
Net change in fund balance	424,677	20,048	6,385	451,110
Fund balances, beginning	<u>19,339,280</u>	<u>1,017,993</u>	<u>1,190,328</u>	<u>21,547,601</u>
Fund balances, ending	<u>\$ 19,763,957</u>	<u>\$ 1,038,041</u>	<u>\$ 1,196,713</u>	<u>\$ 21,998,711</u>

City of Ames
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	Metro Coalition	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Housing Assistance	TIF	Employee Benefit Property Tax	Police & Fire
ASSETS										
Cash and cash equivalents	\$ 34,705	\$ 3,483,482	\$ 517,087	\$ 3,344,550	\$ 4,181	\$ 48,342	\$ 95,286	\$ 442,026	\$ -	\$ 105,663
Investments	47,809	4,798,013	712,275	4,606,613	5,845	66,557	131,172	614,302	-	148,624
Taxes receivable	-	-	-	-	-	-	-	327	11,239	-
Accrued interest receivable	-	-	-	-	-	-	-	3,456	-	986
Accounts receivable, net	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	762,081	-	922,379	-	5,745	840	-	-	-
Due from other funds	-	41,649	473,120	819,453	-	1,495	221,035	160,865	-	-
Inventories	-	-	-	54,053	-	-	-	-	-	-
Prepaid items	-	-	-	13,875	-	-	-	-	-	-
Succeeding year taxes receivable	-	-	-	-	-	-	-	-	2,333,616	-
Total assets	<u>\$ 82,514</u>	<u>\$ 9,085,225</u>	<u>\$ 1,702,482</u>	<u>\$ 9,760,923</u>	<u>\$ 10,026</u>	<u>\$ 122,139</u>	<u>\$ 448,333</u>	<u>\$ 1,220,976</u>	<u>\$ 2,344,855</u>	<u>\$ 255,273</u>
LIABILITIES										
Accounts payable	45,000	181,280	428,874	752,216	-	1,264	-	-	-	-
Accrued payroll	-	271	-	98,019	-	-	662	-	-	-
Retainage payable	-	89,029	-	46,008	-	-	-	-	-	-
Intergovernmental payable	-	-	-	2,749	-	1,784	-	327	-	-
Due to other funds	-	1,394,425	67,655	255,296	-	-	1,969	612,908	11,239	-
Total liabilities	<u>45,000</u>	<u>1,665,005</u>	<u>496,529</u>	<u>1,154,288</u>	<u>-</u>	<u>3,048</u>	<u>2,631</u>	<u>613,235</u>	<u>11,239</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue:										
Property taxes	-	-	-	-	-	-	-	-	2,333,616	-
Total deferred inflows of resource	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,333,616</u>	<u>-</u>
FUND BALANCES (DEFICITS)										
Nonspendable	-	-	-	67,928	-	-	-	-	-	-
Restricted	37,514	7,420,220	1,205,953	8,538,707	-	119,091	-	607,741	-	255,273
Committed	-	-	-	-	10,026	-	445,702	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>37,514</u>	<u>7,420,220</u>	<u>1,205,953</u>	<u>8,606,635</u>	<u>10,026</u>	<u>119,091</u>	<u>445,702</u>	<u>607,741</u>	<u>-</u>	<u>255,273</u>
Total liabilities, deferred outflows of resources, and fund balances (deficits)	<u>\$ 82,514</u>	<u>\$ 9,085,225</u>	<u>\$ 1,702,482</u>	<u>\$ 9,760,923</u>	<u>\$ 10,026</u>	<u>\$ 122,139</u>	<u>\$ 448,333</u>	<u>\$ 1,220,976</u>	<u>\$ 2,344,855</u>	<u>\$ 255,273</u>

City of Ames
Combining Balance Sheet (continued)
Non-Major Special Revenue Funds
June 30, 2021

	Parks & Recreation Programs	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Developers' Projects	Economic Development & Loans	Federal Relief Funds	Total Non-Major Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ 88,746	\$ 209,854	\$ 5,946	\$ 1,625	\$ -	\$ 92,042	\$ 340,346	\$ 230,194	\$ 2,998,673	\$ 12,042,748
Investments	119,078	288,401	8,280	2,273	-	125,652	468,194	316,972	4,130,139	16,590,199
Taxes receivable	-	-	-	-	-	-	-	-	-	11,566
Accrued interest receivable	861	1,882	-	-	-	829	190	-	-	8,204
Accounts receivable, net	6,062	-	629	-	-	170	-	-	-	6,861
Intergovernmental receivable	-	-	-	-	320,767	-	-	-	-	2,011,812
Loans receivable	-	-	-	-	868	-	-	-	-	868
Due from other funds	-	-	-	172	198,000	-	-	-	276	1,916,065
Inventories	-	-	-	-	-	-	-	-	-	54,053
Property held for resale	-	-	-	-	854,428	-	-	-	-	854,428
Prepaid items	-	7,220	-	-	-	-	-	-	-	21,095
Succeeding year taxes receivable	-	-	-	-	-	-	-	-	-	2,333,616
Long-term loans receivable	-	-	-	-	3,022	-	-	-	-	3,022
Total assets	<u>\$ 214,747</u>	<u>\$ 507,357</u>	<u>\$ 14,855</u>	<u>\$ 4,070</u>	<u>\$ 1,377,085</u>	<u>\$ 218,693</u>	<u>\$ 808,730</u>	<u>\$ 547,166</u>	<u>\$ 7,129,088</u>	<u>35,854,537</u>
LIABILITIES										
Accounts payable	504	3,558	-	-	194,389	4,703	2,500	-	1,612	\$ 1,615,900
Accrued payroll	-	630	-	-	-	-	-	-	-	99,582
Retainage payable	-	-	-	-	51,526	-	-	-	-	186,563
Customer deposits	-	-	-	-	-	-	578,580	-	-	578,580
Intergovernmental payable	-	15,737	-	-	-	2,320	-	-	-	22,917
Due to other funds	-	3	-	26	318,118	-	-	-	1,462,971	4,124,610
Unearned revenue	-	-	-	-	-	-	-	-	7,128,812	7,128,812
Total liabilities	<u>504</u>	<u>19,928</u>	<u>-</u>	<u>26</u>	<u>564,033</u>	<u>7,023</u>	<u>581,080</u>	<u>-</u>	<u>8,593,395</u>	<u>13,756,964</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue:										
Property taxes	-	-	-	-	-	-	-	-	-	2,333,616
Total deferred inflows of resource	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,333,616</u>
FUND BALANCES (DEFICITS)										
Nonspendable	-	7,220	-	-	-	-	-	-	-	75,148
Restricted	-	480,209	4,820	4,044	813,052	211,670	227,650	-	-	19,925,944
Committed	214,243	-	10,035	-	-	-	-	547,166	-	1,227,172
Unassigned	-	-	-	-	-	-	-	-	(1,464,307)	(1,464,307)
Total fund balances (deficits)	<u>214,243</u>	<u>487,429</u>	<u>14,855</u>	<u>4,044</u>	<u>813,052</u>	<u>211,670</u>	<u>227,650</u>	<u>547,166</u>	<u>(1,464,307)</u>	<u>19,763,957</u>
Total liabilities, deferred outflows of resources, and fund balances (deficits)	<u>\$ 214,747</u>	<u>\$ 507,357</u>	<u>\$ 14,855</u>	<u>\$ 4,070</u>	<u>\$ 1,377,085</u>	<u>\$ 218,693</u>	<u>\$ 808,730</u>	<u>\$ 547,166</u>	<u>\$ 7,129,088</u>	<u>\$ 35,854,537</u>

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2021

	Metro Coalition	Local Option Tax	Hotel/ Motel Tax	Road Use Tax	Bike Licenses	Police Forfeiture & Grants	Housing Assistance	TIF	Employee Benefit Property Tax	Police & Fire
REVENUES										
Taxes	\$ -	\$ 10,351,681	\$ 1,671,197	\$ -	\$ -	\$ -	\$ -	\$ 1,924,393	\$ 2,244,679	\$ -
Intergovernmental	82,514	-	-	8,755,843	-	105,985	33,797	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	7,853	-	1,183
Miscellaneous	-	-	-	-	-	3,244	-	-	-	-
Total revenues	82,514	10,351,681	1,671,197	8,755,843	-	109,229	33,797	1,932,246	2,244,679	1,183
EXPENDITURES										
Current:										
General government	45,000	7,117	-	151,402	-	-	68,142	-	-	-
Public safety	-	-	-	-	-	77,586	-	-	-	-
Public works	-	-	-	5,892,648	-	-	-	-	-	-
Health and social services	-	1,363,747	-	-	-	-	-	-	-	-
Culture and recreation	-	1,906,371	41,671	-	-	-	-	-	-	-
Community and economic development	-	-	1,390,429	-	-	-	-	702,771	-	-
Capital outlay	-	555,162	-	1,636,771	-	-	-	-	-	-
Total expenditures	45,000	3,832,397	1,432,100	7,680,821	-	77,586	68,142	702,771	-	-
Excess (deficiency) of revenues over (under) expenditures	37,514	6,519,284	239,097	1,075,022	-	31,643	(34,345)	1,229,475	2,244,679	1,183
OTHER FINANCING SOURCES (USES)										
Transfers in	-	95,592	-	-	-	-	-	-	-	-
Transfers out	-	(6,336,490)	(238,981)	-	-	-	-	(442,468)	(2,244,679)	(75,000)
Total other financing sources (uses)	-	(6,240,898)	(238,981)	-	-	-	-	(442,468)	(2,244,679)	(75,000)
Net change in fund balances	37,514	278,386	116	1,075,022	-	31,643	(34,345)	787,007	-	(73,817)
Fund balances, beginning	-	7,141,834	1,205,837	7,531,613	10,026	87,448	480,047	(179,266)	-	329,090
Fund balances, ending	\$ 37,514	\$ 7,420,220	\$ 1,205,953	\$ 8,606,635	\$ 10,026	\$ 119,091	\$ 445,702	\$ 607,741	\$ -	\$ 255,273

City of Ames
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
Non-Major Special Revenue Funds
For the Year Ended June 30, 2021

	Parks & Recreation Programs	Library Donations	Project Share	Police & Fire Donations	CDBG	Animal Shelter Donations	Developers' Projects	Economic Development & Loans	Federal Relief Funds	Total Non-Major Special Revenue Funds
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,191,950
Intergovernmental	86,988	286,709	25,377	2,030	1,378,434	52,828	-	-	36,293	10,846,798
Charges for services	-	-	-	-	-	-	-	-	-	-
Investment income	1,284	2,592	-	-	-	875	265	-	-	14,052
Miscellaneous	3,050	-	-	-	234,026	-	-	-	-	240,320
Total revenues	91,322	289,301	25,377	2,030	1,612,460	53,703	265	-	36,293	27,293,120
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	271,661
Public safety	-	-	-	-	-	120,558	-	-	-	198,144
Public works	-	-	-	5,486	-	-	-	-	-	5,898,134
Health and social services	-	-	22,820	-	-	-	-	-	-	1,386,567
Culture and recreation	39,453	227,326	-	-	-	-	-	-	-	2,214,821
Community and economic development	-	-	-	-	1,930,338	-	-	-	1,401,368	5,424,906
Capital outlay	40,251	-	-	-	-	-	-	-	-	2,232,184
Total expenditures	79,704	227,326	22,820	5,486	1,930,338	120,558	-	-	1,401,368	17,626,417
Excess (deficiency) of revenues over (under) expenditures	11,618	61,975	2,557	(3,456)	(317,878)	(66,855)	265	-	(1,365,075)	9,666,703
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	-	95,592
Transfers out	-	-	-	-	-	-	-	-	-	(9,337,618)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(9,242,026)
Net change in fund balances	11,618	61,975	2,557	(3,456)	(317,878)	(66,855)	265	-	(1,365,075)	424,677
Fund balances, beginning	202,625	425,454	12,298	7,500	1,130,930	278,525	227,385	547,166	(99,232)	19,339,280
Fund balances, ending	\$ 214,243	\$ 487,429	\$ 14,855	\$ 4,044	\$ 813,052	\$ 211,670	\$ 227,650	\$ 547,166	\$ (1,464,307)	\$ 19,763,957

City of Ames
Non-Major Enterprise Funds

Enterprise funds are used to report activities for which a fee is charged to external users for goods or services.

Parking Lot Fund - to account for the operation of parking meters on streets and in designated parking lots.

Transit Fund - to account for operations of transit services.

Storm Water Utility Fund - to account for the fees paid by residents for the maintenance of the City's storm sewer system.

Ames/Iowa State University (ISU) Ice Arena Fund - to account for the operations of a recreational ice facility, which is jointly operated by the City and ISU.

Homewood Golf Course Fund - to account for the operations of a nine-hole golf course.

Resource Recovery Fund - to account for the operation of the City-owned resource recovery plant.

City of Ames
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2021

	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 52,082	\$ 5,326,546	\$ 2,586,534	\$ 98,612	\$ 109,531	\$ 92	\$ 8,173,397
Investments	67,614	7,356,196	3,544,572	131,416	149,355	-	11,249,153
Accrued interest receivable	509	48,799	23,471	840	996	-	74,615
Accounts receivable, net	11,281	47,736	199,070	29,936	1,108	319,292	608,423
Due from other funds	609,013	33,589	410,021	-	290	880,802	1,933,715
Intergovernmental receivable	1,450	1,736,907	276,980	44,588	-	442,849	2,502,774
Inventories	9,505	355,815	-	2,014	1,755	-	369,089
Prepaid items	-	28,557	-	-	-	-	28,557
Total current assets	751,454	14,934,145	7,040,648	307,406	263,035	1,643,035	24,939,723
Noncurrent assets:							
Capital assets:							
Land	910,547	41,500	733,383	-	193,250	531,517	2,410,197
Land improvements	623,538	1,281,823	4,557,293	71,230	127,581	172,379	6,833,844
Buildings	-	26,525,600	-	1,870,329	87,003	11,342,409	39,825,341
Equipment	56,130	31,316,023	8,390	316,275	5,700	7,978,721	39,681,239
Construction in progress	-	834,809	589,324	-	-	-	1,424,133
Less accumulated depreciation	(640,131)	(32,490,725)	(509,627)	(1,497,292)	(200,427)	(15,215,056)	(50,553,258)
Total noncurrent assets	950,084	27,509,030	5,378,763	760,542	213,107	4,809,970	39,621,496
Total assets	1,701,538	42,443,175	12,419,411	1,067,948	476,142	6,453,005	64,561,219
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to OPEB	7,009	59,505	4,913	1,504	1,200	22,463	96,594
Deferred outflows related to pensions	90,233	1,447,378	37,090	36,577	17,618	225,606	1,854,502
Total deferred outflows of resources	97,242	1,506,883	42,003	38,081	18,818	248,069	1,951,096
LIABILITIES							
Current liabilities:							
Accounts payable	1,693	81,196	159,192	21,092	4,540	96,301	364,014
Accrued payroll	7,133	179,899	3,467	1,534	4,642	2,932	199,607
Accrued compensated absences	2,195	24,211	1,828	265	344	3,966	32,809
Due to other funds	14,040	27,593	440,558	2,718	3,917	445,138	933,964
Retainage payable	-	33,531	20,657	-	-	-	54,188
Accrued interest	-	-	-	-	-	1,374	1,374
Intergovernmental payable	667	4,075	985	2,814	1,052	73,544	83,137
Accrued landfill post-closure costs	-	-	-	-	-	16,150	16,150
Bonds payable, net	-	-	-	-	-	150,855	150,855
Unearned revenue	8,621	-	-	-	-	-	8,621
Total current liabilities	34,349	350,505	626,687	28,423	14,495	790,260	1,844,719
Noncurrent liabilities:							
Accrued compensated absences	41,679	442,278	26,035	4,708	4,026	58,324	577,050
Accrued other post-employment benefits	25,914	219,988	18,161	5,560	4,438	83,046	357,107
Net pension liability	391,718	5,733,517	183,166	157,281	75,433	974,994	7,516,109
Accrued landfill post-closure costs	-	-	-	-	-	71,324	71,324
Bonds payable, net	-	-	-	-	-	451,789	451,789
Total noncurrent liabilities	459,311	6,395,783	227,362	167,549	83,897	1,639,477	8,973,379
Total liabilities	493,660	6,746,288	854,049	195,972	98,392	2,429,737	10,818,098
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to OPEB	3,553	30,069	2,474	767	593	11,357	48,813
Deferred inflows related to pensions	10,262	145,912	4,999	4,183	1,444	23,123	189,923
	13,815	175,981	7,473	4,950	2,037	34,480	238,736
NET POSITION							
Net investment in capital assets	950,084	27,509,030	5,378,763	760,542	213,107	4,207,326	39,018,852
Unrestricted	341,221	9,518,759	6,221,129	144,565	181,424	29,531	16,436,629
Total net position	\$ 1,291,305	\$ 37,027,789	\$ 11,599,892	\$ 905,107	\$ 394,531	\$ 4,236,857	\$ 55,455,481

City of Ames
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
Operating revenues:							
Charges for services	\$ 677,293	\$ 6,552,915	\$ 1,484,479	\$ 382,917	\$ 232,826	\$ 3,645,649	\$ 12,976,079
Operating expenses:							
Cost of goods and services	785,757	9,001,430	619,432	553,571	265,725	3,901,335	15,127,250
Administration	69,459	1,899,993	10,049	-	-	242,339	2,221,840
Depreciation	6,408	2,734,792	84,520	103,908	5,591	554,531	3,489,750
Total operating expenses	861,624	13,636,215	714,001	657,479	271,316	4,698,205	20,838,840
Operating income (loss)	(184,331)	(7,083,300)	770,478	(274,562)	(38,490)	(1,052,556)	(7,862,761)
Non-operating revenues (expenses):							
Intergovernmental	-	7,665,931	650,105	7,000	-	-	8,323,036
Reimbursements	-	26,355	-	-	-	312,499	338,854
Investment income	329	77,872	35,046	548	1,555	(2,803)	112,547
Interest expense	-	-	-	-	-	(15,589)	(15,589)
Gain (loss) on disposal of capital assets	-	(281,193)	-	-	-	(3,862)	(285,055)
Miscellaneous	-	12,759	5,000	20,790	57,175	1,238	96,962
Total non-operating revenues	329	7,501,724	690,151	28,338	58,730	291,483	8,570,755
Income (loss) before capital contributions and transfers	(184,002)	418,424	1,460,629	(246,224)	20,240	(761,073)	707,994
Capital contributions	-	1,906,635	-	20,000	-	-	1,926,635
Transfers in	606,023	2,041,384	373,125	20,000	-	557,509	3,598,041
Change in net position	422,021	4,366,443	1,833,754	(206,224)	20,240	(203,564)	6,232,670
Net position, beginning	869,284	32,661,346	9,766,138	1,111,331	374,291	4,440,421	49,222,811
Net position, ending	\$ 1,291,305	\$ 37,027,789	\$ 11,599,892	\$ 905,107	\$ 394,531	\$ 4,236,857	\$ 55,455,481

City of Ames
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year Ended June 30, 2021

	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 62,675	\$ 8,035,825	\$ 1,229,425	\$ 348,972	\$ 233,690	\$ 2,747,359	\$ 12,657,946
Payments to suppliers	(120,655)	(1,967,880)	(227,792)	(195,571)	(68,428)	(1,939,960)	(4,520,286)
Payments to employees	(559,626)	(8,031,467)	(410,157)	(204,600)	(142,077)	(1,494,669)	(10,842,596)
Payments to other funds for services provided	(162,847)	(821,903)	166,726	(137,081)	(40,101)	(302,896)	(1,298,102)
Net cash provided by (used for) operating activities	(780,453)	(2,785,425)	758,202	(188,280)	(16,916)	(990,166)	(4,003,038)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES							
Operating grants	-	7,665,931	650,105	7,000	-	-	8,323,036
Reimbursements	-	26,355	-	-	-	312,499	338,854
Miscellaneous income	-	12,759	5,000	20,790	57,175	1,238	96,962
Transfers in	606,023	2,041,384	373,125	20,000	-	557,509	3,598,041
Net cash provided by non-capital financing activities	606,023	9,746,429	1,028,230	47,790	57,175	871,246	12,356,893
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	-	(2,220,362)	(811,784)	-	-	-	(3,032,146)
Proceeds from the sale of capital assets	-	7,975	-	-	-	-	7,975
Proceeds from the issuance of bonds	-	-	-	-	-	-	-
Principal paid on capital debt	-	-	-	-	-	(145,000)	(145,000)
Interest paid on capital debt	-	-	-	-	-	(16,488)	(16,488)
Principal paid on loans	-	-	-	-	-	-	-
Interest paid on loans	-	-	-	-	-	-	-
Capital contributions	-	1,906,635	-	20,000	-	-	1,926,635
Net cash provided by (used for) capital and related financing activities	-	(305,752)	(811,784)	20,000	-	(161,488)	(1,259,024)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investments	(43,145)	(4,693,916)	(2,261,756)	(83,855)	(95,302)	-	(7,177,974)
Proceeds from sale of investments	112,687	150,160	1,126,373	115,927	47,888	136,260	1,689,295
Interest on investments	727	48,323	27,678	876	1,202	(2,166)	76,640
Net cash provided by (used for) investing activities	70,269	(4,495,433)	(1,107,705)	32,948	(46,212)	134,094	(5,412,039)
Net increase (decrease) in cash and cash equivalents	(104,161)	2,159,819	(133,057)	(87,542)	(5,953)	(146,314)	1,682,792
Cash and cash equivalents, beginning	156,243	3,166,727	2,719,591	186,154	115,484	146,406	6,490,605
Cash and cash equivalents, ending	\$ 52,082	\$ 5,326,546	\$ 2,586,534	\$ 98,612	\$ 109,531	\$ 92	\$ 8,173,397

City of Ames
Combining Statement of Cash Flows (continued)
Non-Major Enterprise Funds
For the Year Ended June 30, 2021

	Parking	Transit	Storm Water Utility	Ames / ISU Ice Arena	Homewood Golf Course	Resource Recovery	Total Non-Major Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ (184,331)	\$ (7,083,300)	\$ 770,478	\$ (274,562)	\$ (38,490)	\$ (1,052,556)	\$ (7,862,761)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:							
Depreciation expense	6,408	2,734,792	84,520	103,908	5,591	554,531	3,489,750
(Increase) decrease in accounts receivable	(5,596)	2,508,563	21,926	7,984	(650)	(50,605)	2,481,622
(Increase) decrease in due from other funds	(607,914)	28,850	-	2,659	1,514	(809,867)	(1,384,758)
(Increase) decrease in intergovernmental receivable	(1,133)	(1,046,528)	(276,980)	(44,588)	-	(37,818)	(1,407,047)
(Increase) decrease in inventories	9,415	(29,299)	-	1,428	(292)	-	(18,748)
(Increase) decrease in prepaid items	-	(5,233)	-	-	6,320	945	2,032
(Increase) decrease in deferred outflows of resources	(4,619)	(79,314)	(290)	3,159	(1,173)	5,194	(77,043)
Increase (decrease) in accounts payable	(9,893)	(32,204)	154,520	9,744	1,387	(35,349)	88,205
Increase (decrease) in accrued payroll	(3,789)	15,584	(3,992)	634	2,226	(8)	10,655
Increase (decrease) in accrued compensated absences	(4,376)	25,399	2,544	320	1,771	1,056	26,714
Increase (decrease) in due to other funds	(717)	(223,987)	391,586	(1,349)	(404)	373,382	538,511
Increase (decrease) in retainage payable	-	33,531	3,995	(3,051)	-	-	34,475
Increase (decrease) in intergovernmental payable	767	2,648	(403,703)	2,376	(16)	15,792	(382,136)
Decrease in accrued landfill post-closure costs	-	-	-	-	-	(29)	(29)
Increase (decrease) in unearned revenue	25	-	-	-	-	-	25
Increase in post-employment benefits	499	4,240	350	107	86	1,600	6,882
Increase (decrease) in pension liability	60,080	858,242	39,330	18,583	12,329	147,482	1,136,046
Increase (decrease) in deferred inflows of resources	(35,279)	(497,409)	(26,082)	(15,632)	(7,115)	(103,916)	(685,433)
Total adjustments	(596,122)	4,297,875	(12,276)	86,282	21,574	62,390	3,859,723
Net cash provided by (used for) operating activities	\$ (780,453)	\$ (2,785,425)	\$ 758,202	\$ (188,280)	\$ (16,916)	\$ (990,166)	\$ (4,003,038)

City of Ames
Internal Service Funds

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Fleet Services Fund - to account for capital equipment other than those accounted for in other funds. A central garage is used and appropriate charges are made to other City departments for maintenance and replacement.

Information Technology Fund - to account for all information technology services provided to City departments.

Printing Services – This fund is used to account for the revenues and expenses of the City's Printing Services activity.

Risk Management Fund - to account for the self-insured workers' compensation insurance and all other insurance premiums and claims payments, other than for health insurance.

Health Insurance Fund - to account for self-insured health insurance claims payments and stop-loss premiums.

City of Ames
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 4,571,844	\$ 1,319,694	\$ -	\$ 1,245,795	\$ 3,088,481	\$ 10,225,814
Investments	6,265,096	1,823,505	-	1,703,859	4,244,590	14,037,050
Accrued interest receivable	41,626	12,371	-	12,366	28,711	95,074
Accounts receivable, net	51,533	-	-	13,941	381,783	447,257
Due from other funds	558,155	52,040	54,024	-	-	664,219
Intergovernmental receivable	17,616	39,287	338	-	5,869	63,110
Inventories	113,138	12,357	22,582	-	-	148,077
Prepaid items	340	62,056	-	586,539	-	648,935
Total current assets	11,619,348	3,321,310	76,944	3,562,500	7,749,434	26,329,536
Noncurrent assets:						
Capital assets:						
Land improvements	-	192,433	-	-	-	192,433
Buildings	884,494	-	-	-	-	884,494
Equipment	19,175,017	2,918,244	-	-	-	22,093,261
Construction in progress	-	-	-	-	-	-
Less accumulated depreciation	(9,852,025)	(2,345,222)	-	-	-	(12,197,247)
Total noncurrent assets	10,207,486	765,455	-	-	-	10,972,941
Total assets	21,826,834	4,086,765	76,944	3,562,500	7,749,434	37,302,477
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to OPEB	16,758	14,344	-	634	1,566	33,302
Deferred outflows related to pensions	146,500	92,840	5,631	7,983	23,035	275,989
Total deferred outflows of resources	163,258	107,184	5,631	8,617	24,601	309,291
LIABILITIES						
Current liabilities:						
Accounts payable	155,249	78,363	1,334	69,406	80,031	384,383
Accrued payroll	16,517	1,408	-	-	719	18,644
Accrued compensated absences	2,968	4,150	-	364	-	7,482
Due to other funds	20,050	24,961	75,610	653	8,986	130,260
Claims payable	-	-	-	1,180,056	918,335	2,098,391
Intergovernmental payable	87,932	410	-	540	2,825	91,707
Unearned revenue	-	-	-	-	-	-
Total current liabilities	282,716	109,292	76,944	1,251,019	1,010,896	2,730,867
Noncurrent liabilities:						
Accrued compensated absences	42,315	75,412	-	4,234	7,946	129,907
Accrued other post-employment benefits	61,954	53,027	-	2,347	5,791	123,119
Net pension liability	582,950	359,008	8,355	84,055	99,276	1,133,644
Total noncurrent liabilities	687,219	487,447	8,355	90,636	113,013	1,386,670
Total liabilities	969,935	596,739	85,299	1,341,655	1,123,909	4,117,537
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	8,467	7,247	-	313	801	16,828
Deferred inflows related to pensions	14,171	7,782	-	1,326	2,700	25,979
Total deferred inflows of resources	22,638	15,029	-	1,639	3,501	42,807
NET POSITION						
Net investment in capital assets	10,207,486	765,455	-	-	-	10,972,941
Unrestricted	10,790,033	2,816,726	(2,724)	2,227,823	6,646,625	22,478,483
Total net position	\$ 20,997,519	\$ 3,582,181	\$ (2,724)	\$ 2,227,823	\$ 6,646,625	\$ 33,451,424

City of Ames
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
Operating revenues:						
Charges for services	\$ 4,309,627	\$ 2,983,299	\$ 203,541	\$ 2,682,646	\$ 11,213,946	\$ 21,393,059
Operating expenses:						
Cost of goods and services	2,215,199	2,649,004	206,265	2,278,672	10,802,808	18,151,948
Depreciation	1,296,610	261,440	-	-	-	1,558,050
Total operating expenses	3,511,809	2,910,444	206,265	2,278,672	10,802,808	19,709,998
Operating income (loss)	797,818	72,855	(2,724)	403,974	411,138	1,683,061
Non-operating revenues:						
Investment income	59,779	15,873	-	9,277	42,004	126,933
Loss on disposal of capital assets	(105,678)	-	-	-	-	(105,678)
Total non-operating revenues	(45,899)	15,873	-	9,277	42,004	21,255
Change in net position	751,919	88,728	(2,724)	413,251	453,142	1,704,316
Net position, beginning	20,245,600	3,493,453	-	1,814,572	6,193,483	31,747,108
Net position, ending	\$ 20,997,519	\$ 3,582,181	\$ (2,724)	\$ 2,227,823	\$ 6,646,625	\$ 33,451,424

City of Ames
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,261,677	\$ 2,979,525	\$ 149,179	\$ 2,689,558	\$ 10,915,069	\$ 20,995,008
Payments to suppliers	(986,772)	(1,011,425)	(50,558)	(2,739,403)	(10,549,584)	(15,337,742)
Payments to employees	(893,834)	(983,041)	(161,896)	(140,316)	(172,770)	(2,351,857)
Payments/receipts to other funds for services provided	(289,613)	(483,570)	63,275	(1,282,188)	(22,654)	(2,014,750)
Net cash provided by (used for) operating activities	2,091,458	501,489	-	(1,472,349)	170,061	1,290,659
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(2,367,071)	(76,353)		-	-	(2,443,424)
Net cash used for capital and related financing activities	(2,367,071)	(76,353)	-	-	-	(2,443,424)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(3,997,694)	(1,163,561)	-	(1,087,217)	(2,708,431)	(8,956,903)
Proceeds from sale of investments	2,933,944	618,463	-	1,464,325	1,815,449	6,832,181
Interest on investments	52,511	12,074	-	10,727	35,154	110,466
Net cash provided by (used for) investing activities	(1,011,239)	(533,024)	-	387,835	(857,828)	(2,014,256)
Net (decrease) in cash and cash equivalents	(1,286,852)	(107,888)	-	(1,084,514)	(687,767)	(3,167,021)
Cash and cash equivalents, beginning	5,858,696	1,427,582	-	2,330,309	3,776,248	13,392,835
Cash and cash equivalents, ending	\$ 4,571,844	\$ 1,319,694	\$ -	\$ 1,245,795	\$ 3,088,481	\$ 10,225,814

City of Ames
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2021

	Fleet Services	Information Technology	Printing Services	Risk Management	Health Insurance	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 797,818	\$ 72,855	\$ (2,724)	\$ 403,974	\$ 411,138	\$ 1,683,061
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation expense	1,296,610	261,440	-	-	-	1,558,050
(Increase) decrease in accounts receivable	(30,411)	3,368	-	1,400	(297,914)	(323,557)
(Increase) decrease in due from other funds	(11,926)	8,318	(54,024)	5,512	4,841	(47,279)
(Increase) decrease in intergovernmental receivable	(5,613)	(15,460)	(338)	-	3,666	(17,745)
Decrease in inventories	(37,056)	(12,357)	(22,582)	-	-	(71,995)
(Increase) decrease in prepaid items	(24)	150,760	-	(585,701)	1,074	(433,891)
(Increase) decrease in deferred outflows of resources	(9,593)	(6,670)	(5,631)	14,896	1,718	(5,280)
Increase (decrease) in accounts payable	94,419	(8,641)	1,334	13,296	12,995	113,403
Increase (decrease) in accrued payroll	3,724	41	-	-	719	4,484
Increase (decrease) in accrued compensated absences	9,539	4,958	-	2,620	2,499	19,616
Increase (decrease) in due to other funds	(4,743)	21,425	75,610	(1,274,233)	(16,084)	(1,198,025)
Increase (decrease) in claims payable	-	-	-	(41,895)	50,000	8,105
Increase (decrease) in intergovernmental payable	(51,640)	-	-	(2,497)	134	(54,003)
Decrease in unearned revenue	-	-	-	-	(9,470)	(9,470)
Increase in post-employment benefits	1,194	1,021	-	45	113	2,373
Increase (decrease) in pension liability	89,154	40,861	8,355	15,707	19,306	173,383
Increase in deferred inflows of resources	(49,994)	(20,430)	-	(25,473)	(14,675)	(110,572)
Total adjustments	1,293,640	428,634	2,724	(1,876,323)	(241,078)	(392,403)
Net cash provided by (used for) operating activities	\$ 2,091,458	\$ 501,489	\$ -	\$ (1,472,349)	\$ 170,061	\$ 1,290,658



Statistical Section



STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	125
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	130
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	134
<i>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	140
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	143
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

City of Ames
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 111,810,541	\$ 112,305,532	\$ 116,792,110	\$ 120,231,602	\$ 129,469,743	\$ 137,632,652	\$ 141,703,409	\$ 144,730,839	\$ 148,292,299	\$ 163,993,058
Restricted	20,794,194	12,081,140	18,009,657	19,525,973	19,116,323	20,842,946	21,714,454	22,260,410	23,978,574	26,517,909
Unrestricted	12,237,776	21,194,735	15,726,615	(2,573,072)	871,100	783,394	1,139,151	3,346,885	3,029,850	1,614,087
Total governmental activities	144,842,511	145,581,407	150,528,382	137,184,503	149,457,166	159,258,992	164,557,014	170,338,134	175,300,723	192,125,054
Business-type activities										
Net investment in capital assets	251,498,597	272,253,133	277,649,147	303,949,791	317,734,901	320,823,796	308,134,898	311,786,131	320,199,338	331,818,082
Restricted	2,814,032	1,001,294	1,015,822	1,027,652	2,262,200	2,425,524	2,458,169	2,554,924	30,006,410	21,349,489
Unrestricted	249,745,121	268,805,782	310,375,526	261,830,409	258,217,652	304,183,289	353,749,237	382,923,270	364,718,214	468,798,691
Total business-type activities	504,057,750	542,060,209	589,040,495	566,807,852	578,214,753	627,432,609	664,342,304	697,264,325	714,923,962	821,966,262
Primary government										
Net investment in capital assets	363,309,138	384,558,665	394,441,257	424,181,393	447,204,644	458,456,448	449,838,307	456,516,970	468,491,637	495,811,140
Restricted	23,608,226	13,082,434	19,025,479	20,553,625	21,378,523	23,268,470	24,172,623	24,815,334	53,984,984	47,867,398
Unrestricted	261,982,897	290,000,517	326,102,141	259,257,337	259,088,752	304,966,683	354,888,388	386,270,155	367,748,064	470,412,778
Total primary government	\$ 648,900,261	\$ 687,641,616	\$ 739,568,877	\$ 703,992,355	\$ 727,671,919	\$ 786,691,601	\$ 828,899,318	\$ 867,602,459	\$ 890,224,685	\$ 1,014,091,316

City of Ames
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 2,559,365	\$ 2,755,166	\$ 2,915,560	\$ 4,165,152	\$ 2,686,082	\$ 3,136,291	\$ 4,044,800	\$ 3,141,379	\$ 3,304,608	\$ 3,722,100
Public safety	15,144,853	15,589,369	15,943,465	12,730,107	15,524,747	17,292,304	18,202,532	18,951,047	20,956,310	21,464,000
Public works	14,938,688	15,352,458	12,721,868	12,482,265	13,650,452	13,698,162	15,667,469	16,929,643	17,259,469	11,484,497
Health and social services	1,159,849	1,005,458	1,078,118	1,161,242	1,180,361	1,342,880	1,293,038	1,499,781	1,463,008	1,387,924
Culture and recreation	8,818,851	9,082,953	8,536,548	9,857,775	9,770,521	9,872,288	10,989,672	11,059,949	11,257,074	12,452,132
Community and economic developmer	2,875,118	2,366,904	2,477,986	2,972,753	2,898,115	3,461,393	3,257,359	4,025,768	3,463,620	6,381,948
Interest	1,298,010	1,369,323	2,174,303	1,577,883	1,635,789	1,592,039	1,532,790	1,534,075	1,578,408	1,161,207
Total governmental activities	46,794,734	47,521,631	45,847,848	44,947,177	47,346,067	50,395,357	54,987,660	57,141,642	59,282,497	58,053,808
Business-type activities:										
Mary Greeley Medical Center	155,374,830	160,369,431	161,792,473	168,891,942	176,918,607	182,728,675	185,267,383	186,917,186	194,116,951	208,743,252
Electric	50,159,375	52,411,173	54,791,141	53,024,205	54,906,155	58,618,483	60,617,830	62,322,757	58,345,295	59,123,227
Sewer	7,956,963	9,122,173	7,848,323	7,435,226	7,229,003	7,574,949	8,558,520	8,826,479	7,020,822	6,933,018
Water	6,630,919	6,856,515	6,894,305	6,866,001	7,383,824	8,122,396	11,766,957	9,841,869	10,620,259	10,563,721
Parking	767,154	846,825	876,916	888,452	900,939	887,679	891,229	975,126	999,414	842,179
Transit	10,002,499	10,629,183	11,391,087	11,859,395	12,216,003	13,208,178	13,794,474	14,004,166	13,842,640	13,624,865
Stormwater	918,495	655,522	467,378	644,411	557,890	1,231,885	420,171	270,883	796,588	662,387
Ice arena	521,670	606,215	578,163	584,702	605,291	602,774	651,714	650,947	665,247	557,566
Golf course	232,689	211,279	206,620	253,997	243,309	258,459	227,798	254,380	215,211	253,985
Resource recovery	4,184,929	4,375,362	4,670,459	4,577,441	4,320,344	4,619,859	4,485,732	4,478,297	4,493,593	4,709,977
Total business-type activities	236,749,523	246,083,678	249,516,865	255,025,772	265,281,365	277,853,337	286,681,808	288,542,090	291,116,020	306,014,177
Total expenses	283,544,257	293,605,309	295,364,713	299,972,949	312,627,432	328,248,694	341,669,468	345,683,732	350,398,517	364,067,985
Program Revenues										
Governmental activities:										
Charges for services:										
General government	118,459	130,627	163,655	134,239	172,126	203,609	158,792	123,407	116,999	65,793
Public safety	2,864,844	3,194,059	3,433,170	3,652,787	3,345,400	3,768,480	3,421,439	3,476,553	3,865,956	3,306,460
Public works	6,601,518	6,026,315	295,874	715,898	277,437	268,565	2,737,534	310,035	314,576	310,887
Culture and recreation	2,031,204	1,980,793	1,974,037	2,029,655	1,939,498	2,135,274	2,131,253	2,158,429	1,414,160	1,497,606
Other activities	7,630	11,140	15,925	23,015	24,615	25,660	21,132	15,082	17,650	17,728
Operating grants and contributions	1,091,752	1,192,687	6,940,124	7,173,301	8,521,814	8,681,507	8,546,037	8,950,597	9,090,602	12,952,426
Capital grants and contributions	4,985,082	3,211,001	3,516,122	1,632,753	6,822,367	6,664,323	3,285,174	3,426,018	3,536,671	10,169,954
Total governmental activities	17,700,489	15,746,622	16,338,907	15,361,646	21,103,257	21,747,418	20,301,361	18,460,121	18,356,614	28,320,854

City of Ames
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Mary Greeley Medical Center	171,389,850	175,011,409	174,265,003	184,201,460	181,534,863	189,944,553	194,988,247	192,530,036	194,363,177	210,825,315
Electric	57,195,559	57,353,200	60,016,205	56,636,062	58,511,422	64,339,637	68,660,541	68,342,980	64,882,140	64,127,039
Sewer	6,188,602	6,648,263	7,491,746	8,267,051	8,370,811	8,856,136	9,175,876	9,172,812	7,754,405	8,775,009
Water	8,824,494	9,125,922	9,647,203	9,584,813	9,987,307	10,502,276	10,620,863	10,414,170	11,448,309	12,824,209
Parking	779,976	883,899	870,246	891,983	925,177	899,705	829,993	1,011,601	797,454	677,293
Transit	4,828,097	5,108,154	5,463,677	5,814,552	6,337,415	6,576,578	6,746,369	6,803,540	6,735,543	6,552,915
Stormwater	1,155,583	1,136,621	1,179,495	1,215,233	1,241,840	1,700,529	1,817,030	1,842,228	1,852,740	1,484,479
Ice arena	475,743	471,760	507,203	532,001	544,300	481,831	504,884	475,197	444,262	382,917
Golf course	235,824	220,643	256,221	248,853	268,440	191,186	184,601	179,367	150,549	232,826
Resource recovery	3,583,946	3,731,936	3,469,877	3,687,927	3,031,997	3,314,210	2,719,456	2,879,813	3,019,801	3,645,649
Operating grants and contributions	2,751,186	2,723,226	3,059,305	3,161,366	3,405,067	5,062,412	4,961,244	4,437,834	8,118,261	15,629,698
Capital grants and contributions	8,991,024	8,604,246	4,708,511	3,304,381	1,474,384	4,752,319	1,728,763	3,097,169	2,014,199	3,581,879
Total business-type activities	266,399,884	271,019,279	270,934,692	277,545,682	275,633,023	296,621,372	302,937,867	301,186,747	301,580,840	328,739,228
Total program revenues	284,100,373	286,765,901	287,273,599	292,907,330	296,736,280	318,368,790	323,239,228	319,646,868	319,937,454	357,060,082
Net (expense) / revenue										
Governmental activities	(29,094,245)	(31,775,009)	(29,508,941)	(29,585,529)	(26,242,810)	(28,647,939)	(34,686,299)	(38,681,521)	(40,925,883)	(29,732,954)
Business-type activities	34,269,756	24,851,014	28,028,817	20,607,251	31,340,007	25,084,530	16,256,059	12,644,657	10,464,820	22,725,051
Total net (expense) / revenue	5,175,511	(6,923,995)	(1,480,124)	(8,978,278)	5,097,197	(3,563,409)	(18,430,240)	(26,036,864)	(30,461,063)	(7,007,903)
General revenues										
Governmental activities:										
Taxes										
Property taxes	23,485,295	23,913,389	25,273,931	25,988,892	27,114,273	28,166,804	29,680,915	31,204,329	32,973,640	34,742,024
Sales taxes	6,935,154	6,655,355	6,648,615	7,996,943	7,831,295	7,711,124	7,681,519	7,991,619	8,470,509	10,351,681
Hotel / motel taxes	1,518,571	1,760,462	1,845,940	2,113,310	2,272,323	2,435,756	2,412,667	2,515,468	1,986,157	1,552,850
Unrestricted grants and contributions	17,040	17,726	17,819	19,108	20,527	20,565	22,146	23,589	54,366	21,126
Investment income	436,302	18,067	544,414	455,916	699,289	211,126	689,377	2,190,478	2,177,884	436,298
Other income	314,699	120,071	118,097	133,787	450,340	251,997	1,214,979	759,997	602,881	595,001
Gain on disposal of assets	127,182	16,084	25,501	63,228	140,825	118,389	6,039	-	-	(105,678)
Transfers	(223,314)	12,751	(18,401)	117,020	(13,399)	(465,996)	(1,604,405)	(222,839)	(376,965)	(1,036,017)
Total governmental activities	32,610,929	32,513,905	34,455,916	36,888,204	38,515,473	38,449,765	40,103,237	44,462,641	45,888,472	46,557,285
Business-type activities:										
Investment income	4,197,199	13,003,757	26,013,566	8,201,914	1,001,761	27,543,163	18,271,065	19,708,701	8,135,196	79,779,629
Other income	-	40,761	66,660	64,714	40,083	417,879	427,961	337,470	647,271	3,786,658
Gain on disposal of assets	5,164,193	35,091	551,139	25,700	-	48,479	12,078	8,354	-	(285,055)
Special item	-	-	-	-	-	-	-	-	-	-
Transfers	223,314	(12,751)	18,401	(117,020)	13,399	465,996	1,604,405	222,839	376,965	1,036,017
Total business-type activities	9,584,706	13,066,858	26,649,766	8,175,308	1,055,243	28,475,517	20,315,509	20,277,364	9,159,432	84,317,249
Total primary government	42,195,635	45,580,763	61,105,682	45,063,512	39,570,716	66,925,282	60,418,746	64,740,005	55,047,904	130,874,534
Change in net position										
Governmental activities	3,516,684	738,896	4,946,975	7,302,675	12,272,663	9,801,826	5,416,938	5,781,120	4,962,589	16,824,331
Business-type activities	43,854,462	37,917,872	54,678,583	28,781,259	32,395,250	53,560,047	36,571,568	32,922,021	19,624,252	107,042,300
Total change in net position	\$ 47,371,146	\$ 38,656,768	\$ 59,625,558	\$ 36,085,234	\$ 44,667,913	\$ 63,361,873	\$ 41,988,506	\$ 38,703,141	\$ 24,586,841	\$ 123,866,631

City of Ames
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ 96,235	\$ 73,623	\$ 68,428	\$ 90,538	\$ 141,713	\$ 172,236	\$ 237,381	\$ 240,990	\$ 240,978	\$ 198,600
Assigned	147,752	382,930	253,059	296,803	725,077	809,033	580,004	402,312	283,809	548,738
Unassigned	7,924,363	7,902,465	9,046,946	10,332,050	11,137,621	11,270,733	10,824,689	12,119,527	13,768,589	14,843,131
Total general fund	<u>\$ 8,168,350</u>	<u>\$ 8,359,018</u>	<u>\$ 9,368,433</u>	<u>\$ 10,719,391</u>	<u>\$ 12,004,411</u>	<u>\$ 12,252,002</u>	<u>\$ 11,642,074</u>	<u>\$ 12,762,829</u>	<u>\$ 14,293,376</u>	<u>\$ 15,590,469</u>
All other governmental funds										
Nonspendable	1,976,152	2,019,699	1,998,143	2,007,044	2,023,387	2,059,985	2,038,896	2,081,395	2,118,765	2,113,189
Restricted	24,621,403	47,672,976	30,630,963	31,882,923	30,000,397	31,507,537	32,769,654	35,581,189	43,100,229	45,804,577
Committed	1,399,913	1,547,185	1,461,826	1,397,635	2,013,730	1,978,585	1,988,318	2,064,956	2,213,310	2,276,719
Assigned	316,669	-	-	-	71,393	-	-	-	-	-
Unassigned	(308,456)	(669,214)	(448,098)	(1,811,003)	(2,479,002)	(2,741,760)	(1,309,206)	(2,483,786)	(3,841,578)	(6,760,549)
Total all other governmental funds	<u>\$ 28,005,681</u>	<u>\$ 50,570,646</u>	<u>\$ 33,642,834</u>	<u>\$ 33,476,599</u>	<u>\$ 31,629,905</u>	<u>\$ 32,804,347</u>	<u>\$ 35,487,662</u>	<u>\$ 37,243,754</u>	<u>\$ 43,590,726</u>	<u>\$ 43,433,936</u>

City of Ames
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 31,908,563	\$ 32,319,668	\$ 33,755,016	\$ 36,080,369	\$ 37,207,916	\$ 38,313,146	\$ 39,760,873	\$ 41,716,868	\$ 43,506,488	\$ 46,764,902
Special assessments	217,885	306,761	16,590	362,306	222,895	298,227	564,860	321,318	303,643	244,640
Licenses and permits	1,327,206	1,707,463	1,892,634	2,017,035	1,687,317	2,059,688	1,635,289	1,554,088	1,856,585	1,146,818
Intergovernmental	9,098,425	9,084,528	10,658,992	8,277,965	14,500,743	10,983,498	11,815,543	10,242,731	11,293,897	19,562,865
Charges for services	4,039,097	3,298,578	3,393,715	3,517,164	3,596,467	3,798,813	3,914,432	4,066,129	3,413,036	4,063,867
Fines and forfeitures	214,641	111,014	146,485	138,720	93,652	67,584	65,504	43,614	28,276	29,083
Investment income	320,693	70,115	419,786	404,297	529,364	169,673	530,341	1,598,321	1,579,072	309,365
Miscellaneous	3,027,255	1,219,633	863,337	825,429	852,639	930,506	1,856,014	1,231,347	1,064,583	595,063
Total revenues	50,153,765	48,117,760	51,146,555	51,623,285	58,690,993	56,621,135	60,142,856	60,774,416	63,045,580	72,716,603
EXPENDITURES										
Current:										
General government	2,405,265	2,906,491	2,720,623	3,308,736	2,655,547	3,520,312	3,806,110	2,965,150	3,031,260	3,405,595
Public safety	14,938,537	15,287,766	15,839,280	16,237,949	16,664,555	17,097,771	17,703,682	18,624,774	19,127,916	19,513,236
Public works	5,538,204	5,388,832	5,434,191	5,488,851	5,871,433	5,868,576	6,202,540	7,073,307	6,732,091	7,028,090
Health and social services	1,159,849	1,005,458	1,078,118	1,161,242	1,180,361	1,342,880	1,293,038	1,499,781	1,463,008	1,388,067
Culture and recreation	7,224,794	7,088,894	7,179,033	7,613,063	8,263,043	8,648,567	9,072,955	9,168,122	9,253,898	10,271,228
Community and economic development	2,870,859	2,363,783	2,481,609	2,875,879	2,909,942	3,464,575	3,249,583	4,028,589	3,448,039	6,376,268
Debt service:										
Principal	7,385,280	9,713,723	7,671,776	7,364,829	13,142,882	10,481,762	8,657,150	8,862,109	8,973,882	17,879,527
Interest and fiscal charges	1,389,368	1,440,738	1,815,272	1,765,082	1,995,674	2,064,652	2,067,672	2,120,728	2,158,844	2,263,676
Capital outlay	10,884,449	13,972,053	22,817,899	14,294,598	24,428,030	12,119,780	11,983,901	11,432,322	12,147,899	21,961,944
Total expenditures	53,796,605	59,167,738	67,037,801	60,110,229	77,111,467	64,608,875	64,036,631	65,774,882	66,336,837	90,087,631
Excess (deficiency) of revenues over (under) expenditures	(3,642,840)	(11,049,978)	(15,891,246)	(8,486,944)	(18,420,474)	(7,987,740)	(3,893,775)	(5,000,466)	(3,291,257)	(17,371,028)
OTHER FINANCING SOURCES (USES)										
Transfers in	8,476,754	8,695,389	8,725,886	9,917,519	13,410,870	10,665,237	10,451,681	10,702,128	10,890,297	13,690,066
Transfers out	(8,627,749)	(8,794,765)	(8,753,037)	(9,879,039)	(13,474,329)	(10,940,973)	(12,060,457)	(10,924,967)	(11,267,262)	(14,726,083)
General obligation bonds issued	6,675,000	30,455,000	-	9,395,000	11,435,000	6,890,605	6,985,000	7,490,000	10,520,000	9,500,000
Premium on general obligation bonds	12,885	1,302,774	-	238,187	901,045	475,349	602,484	610,152	1,025,738	1,249,757
Refunding bonds issued	-	2,090,000	-	-	5,150,000	2,130,000	3,990,000	-	-	7,929,118
Premium on refunding bonds	-	57,213	-	-	436,214	189,555	326,513	-	-	861,282
Payment to refunded bond escrow	-	-	-	-	-	-	(4,328,059)	-	-	-
Total other financing sources (uses)	6,536,890	33,805,611	(27,151)	9,671,667	17,858,800	9,409,773	5,967,162	7,877,313	11,168,773	18,504,140
Net change in fund balances	\$ 2,894,050	\$ 22,755,633	\$ (15,918,397)	\$ 1,184,723	\$ (561,674)	\$ 1,422,033	\$ 2,073,387	\$ 2,876,847	\$ 7,877,516	\$ 1,133,112
Debt service as a percentage of non-capital expenditures	19.2%	23.0%	21.0%	20.0%	28.2%	24.2%	20.1%	19.6%	19.8%	31.4%

City of Ames
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Utilities	Multi- Residential¹	Other Property¹	Less: Military Tax Exemption	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Taxable Value as a Percentage of Estimated Actual Assessed Value
2012	\$ 1,203,280,867	\$ 821,428,238	\$ 129,708,000	\$ 16,640,931	\$ -	\$ -	\$ 2,797,446	\$ 2,168,260,590	\$ 11	\$ 3,453,383,950	62.79%
2013	1,274,315,462	817,189,995	132,577,960	18,490,587	-	-	2,727,070	2,239,846,934	10.7213	3,485,543,532	64.26%
2014	1,343,486,699	836,448,468	130,392,785	18,309,505	-	-	2,667,806	2,325,969,651	10.8578	3,536,735,367	65.77%
2015	1,420,669,916	791,068,230	125,969,430	18,255,332	-	-	2,606,690	2,353,356,218	10.8554	3,604,369,966	65.29%
2016	1,552,353,357	757,802,880	120,629,790	16,686,705	-	-	2,514,090	2,444,958,642	10.6294	3,789,598,226	64.52%
2017	1,647,904,615	696,992,705	136,333,800	16,846,075	106,897,191	441,500	2,350,188	2,603,065,698	10.3733	4,052,418,330	64.23%
2018	1,731,394,279	705,942,764	137,021,310	19,179,323	109,617,206	609,200	2,323,334	2,701,440,748	10.3759	4,180,898,134	64.61%
2019	1,909,559,823	794,219,367	153,921,400	19,793,507	174,954,300	-	2,287,220	3,050,161,177	10.0686	4,632,139,435	65.85%
2020	2,019,762,039	823,143,900	157,933,848	22,030,395	215,828,400	-	2,179,804	3,236,518,778	10.0256	4,837,411,018	66.91%
2021	1,984,198,690	781,158,318	139,481,242	22,413,794	187,161,924	-	2,127,948	3,112,286,020	10.1468	5,022,730,334	61.96%

Source: Story County Auditor

¹ Fiscal year 2017 is the first fiscal year to have these classifications.

**City of Ames
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City Direct Rates					Overlapping Rates¹			Total Direct & Overlapping Rates
	General²	Public Transit	Employee Benefits	Debt Service	Total Direct Tax Rate³	Ames School District⁴	Consoli- dated County⁵	Area Vocational⁶	
2012	6.00441	0.63491	0.67239	3.53194	10.84365	14.51772	6.34859	0.59018	32.30014
2013	5.83418	0.65737	0.70627	3.52343	10.72125	14.47262	6.58192	0.58466	32.36045
2014	5.85539	0.64949	0.75345	3.59946	10.85779	14.34904	6.50266	0.69120	32.40069
2015	5.83299	0.65719	0.78331	3.58189	10.85538	14.34759	6.39469	0.65724	32.25490
2016	5.77474	0.65200	0.71216	3.49047	10.62937	14.20276	6.72830	0.67574	32.23617
2017	5.60071	0.64261	0.71908	3.41087	10.37327	14.34101	6.21998	0.72334	31.65760
2018	5.65041	0.65194	0.72660	3.34694	10.37589	14.34129	6.24271	0.67458	31.63447
2019	5.50149	0.63361	0.71534	3.21813	10.06857	14.34179	6.29920	0.69468	31.40424
2020	6.05031	0.62811	0.67923	3.19314	10.55079	14.34142	6.50310	0.65249	32.04780
2021	5.66051	0.63633	0.69970	3.15027	10.14681	14.34107	6.36403	0.63533	31.48724

¹ Overlapping rates are those of local and county governments that may apply to property owners within the City of Ames. Not all overlapping rates apply to all Ames property taxpayers.

² State law limits the maximum tax rate for the general fund to \$8.10 per thousand dollars of assessed valuation.

³ City Council sets the rate.

⁴ School district board of education sets the rate.

⁵ Story County board of supervisors, the county and city's assessors board, county agricultural extension board, and county hospital board set the rate.

⁶ Area community college sets the rate.

Source: Story County Auditor

**City of Ames
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Iowa State University Research Park	\$ 61,442,769	1	1.97%	\$ 26,139,500	5	1.21%
Barilla America Inc.	48,920,520	2	1.57%	41,429,000	1	1.91%
Campus Investors IS LLC	37,147,853	3	1.19%	39,509,414	2	1.82%
Clinic Building Company, Inc.	33,471,630	4	1.08%			
FPA6 University West LLC	25,248,643	5	0.81%			
GPT Ames Owner LLC	21,346,650	6	0.69%			
Dayton Park LLC	20,048,158	7	0.64%	22,602,900	8	1.04%
ACA Stadium View Student Housing Dst	19,689,156	8	0.63%			
Tailwind 1854 Madison LLC	17,678,739	9	0.57%			
CB at Ames LLC	17,560,701	10	0.56%			
Jensen Development Corporation				38,893,100	3	1.79%
University West Property Owner				29,638,600	4	1.37%
West Towne LC				24,595,900	6	1.13%
North Grand Mall Partners LLC				24,535,400	7	1.13%
Alexander LC				21,342,800	9	0.98%
Walmart Stores, Inc - Store 4256-00				20,300,000	10	0.94%
	<u>\$ 302,554,819</u>		<u>9.71%</u>	<u>\$ 288,986,614</u>		<u>13.32%</u>

Source: Story County Auditor

**City of Ames
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2012	\$	23,516,201	\$ 23,178,276	98.56%	\$ 5,943	\$ 23,184,219	98.59%
2013		24,018,714	23,540,944	98.01%	1,970	23,542,914	98.02%
2014		25,261,403	24,795,918	98.16%	2,516	24,798,434	98.17%
2015		25,557,159	24,772,538	96.93%	13	24,772,551	96.93%
2016		26,000,394	25,108,284	96.57%	-	25,108,284	96.57%
2017		27,044,391	25,919,190	95.84%	-	25,919,190	95.84%
2018		28,137,151	27,044,258	96.12%	-	27,044,258	96.12%
2019		29,467,293	28,805,839	97.76%	-	28,805,839	97.76%
2020		31,041,345	30,109,340	97.00%	-	30,109,340	97.00%
2021		31,838,298	30,756,123	96.60%	-	30,756,123	96.60%

Sources: Story County Auditor and City Finance Department

City of Ames
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities				Total Outstanding Debt	Percentage of Personal Income²	Population³	Per Capita
	General Obligation Bonds¹	General Obligation Bonds¹	Revenue Bonds¹	Notes Payable	Loans Payable				
2012	43,633,557	2,203,850	83,391,700	2,933,922	535,182	132,698,211	9.63%	58,965	2,250
2013	67,647,632	4,660,760	89,571,199	1,611,285	4,167,950	167,658,826	12.08%	58,965	2,843
2014	59,811,442	4,191,151	86,942,752	568,517	8,884,606	160,398,468	11.47%	58,965	2,720
2015	61,891,291	4,001,571	84,078,724	122,457	14,519,773	164,613,816	11.77%	58,965	2,792
2016	66,260,584	5,399,300	100,601,136	-	35,976,370	208,237,390	14.66%	58,965	3,532
2017	64,987,720	6,534,531	96,160,114	-	66,093,486	233,775,851	14.35%	58,965	3,965
2018	63,331,642	5,682,156	91,617,054	-	66,796,145	227,426,997	12.60%	58,965	3,857
2019	62,013,160	4,794,742	86,967,258	-	68,697,475	222,472,635	15.12%	58,965	3,773
2020	64,024,953	4,219,035	115,821,050	-	65,182,044	249,247,082	14.17%	66,258	3,762
2021	64,930,438	3,524,611	108,824,332	-	57,503,000	234,782,381	12.87%	66,361	3,538

¹ Presented net of original issuance discounts and premiums and deferred charges

² Personal income is presented on page 139

³ United States Census Bureau

City of Ames
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds¹	Less: Amounts Available in Debt Service Fund²	Total	Percentage of Estimated Actual Assessed Value of Property³	Per Capita⁴
2012	\$ 45,837,407	\$ 1,658,922	\$ 44,178,485	1.28%	749
2013	\$ 72,308,392	1,260,206	71,048,186	2.04%	1,205
2014	\$ 64,002,593	603,260	63,399,333	1.79%	1,075
2015	\$ 65,892,862	594,468	65,298,394	1.81%	1,107
2016	\$ 71,659,884	773,472	70,886,412	1.87%	1,202
2017	\$ 71,522,251	1,173,608	70,348,643	1.74%	1,193
2018	\$ 69,013,798	987,953	68,025,845	1.63%	1,154
2019	\$ 66,807,902	928,447	65,879,455	1.42%	1,117
2020	\$ 68,243,988	1,207,777	67,036,211	1.39%	1,012
2021	\$ 68,455,049	1,210,217	67,244,832	1.34%	1,013

¹ General bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums and deferred charges

² Amount restricted for debt service payments

³ See page 129 for property value data

⁴ See page 139 for population data

City of Ames
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes:			
Ames Community School District	\$ 100,095,000	98.25%	\$ 98,343,338
Gilbert Community School District	26,095,000	50.52%	13,183,194
Des Moines Area Community College ¹	45,425,000	5.88%	2,670,990
Nevada Community School District	10,995,000	0.23%	25,289
United Community School District	1,750,000	3.69%	64,575
Story County	9,841,204	59.36%	5,841,739
Other debt:			
Ames Community School District revenue bonds	18,618,000	98.25%	18,292,185
Gilbert Community School District revenue bonds	6,050,000	50.52%	3,056,460
Nevada Community School District revenue bonds	10,856,000	0.23%	24,969
Nevada Community School District capital notes	758,000	0.23%	1,743
United Community School District revenue bonds	2,300,000	3.69%	84,870
Subtotal, overlapping debt			141,589,352
City direct debt			64,930,438
Total direct and overlapping debt			<u>\$206,519,790</u>

¹ New jobs training certificates payable primarily from credits and incremental property tax revenue derived from jobs training program. The certificates are further secured by a back-up levy of general taxes.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Debt outstanding provided by each governmental unit. Applicable percentages calculated based on assessed value data from the Story County Auditor.

**City of Ames
Legal Debt Margin
June 30, 2021**

Legal debt margin for the fiscal year ended June 30, 2021:

Assessed value	<u>\$ 5,022,730,334</u>
Debt limit (5% of actual value)	\$ 251,136,517
Debt applicable to limit:	
General obligation bonds	<u>63,235,000</u>
Legal debt margin	<u>\$ 187,901,517</u>
Percentage of net debt margin available	<u>74.82%</u>
Percentage of net debt margin exhausted	<u>25.18%</u>

Year	Debt Limit	Outstanding Debt	Percentage of Net Debt Margin Available
2021	\$ 251,136,517	\$ 63,235,000	74.82%
2020	241,870,551	64,305,000	73.41%
2019	231,606,972	63,290,000	72.67%
2018	209,044,907	65,480,000	68.68%
2017	202,620,917	68,230,000	66.33%
2016	189,479,911	68,825,000	63.68%
2015	180,218,498	64,110,000	64.43%
2014	176,836,768	62,260,000	64.79%
2013	174,277,177	70,385,000	59.61%
2012	172,669,198	45,240,000	73.80%

Note: State of Iowa statutory debt limit is 5% of total actual assessed valuation.

**City of Ames
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Hospital Revenue Bond

Fiscal Year	Gross Revenues³	Less: Operating Expenses	Net Available Revenue	Debt Service¹		Coverage
				Principal	Interest	
2012	\$ 171,389,850	\$ 139,964,878	\$ 31,424,972	\$ 1,375,000	\$ 3,069,633	7.07
2013	175,011,409	145,546,625	29,464,784	1,915,000	3,682,094	5.26
2014	174,265,003	145,968,125	28,296,878	2,755,000	3,869,900	4.27
2015	184,201,460	147,149,250	37,052,210	2,825,000	3,803,608	5.59
2016	181,534,863	153,761,276	27,773,587	2,890,000	3,735,480	4.19
2017	189,926,814	162,011,472	27,915,342	3,070,000	3,172,934	4.47
2018	194,988,247	164,723,116	30,265,131	3,150,000	3,090,047	4.85
2019	192,530,036	169,574,256	22,955,780	3,235,000	3,004,771	3.68
2020	198,155,472	177,497,057	20,658,415	4,705,000	3,338,470	2.57
2021	210,825,315	183,857,117	26,968,198	5,525,000	3,494,356	2.99

Electric Revenue Bond

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	58,511,422	51,059,004	7,452,418	800,000	161,946	7.75
2017	64,339,637	53,697,044	10,642,593	625,000	343,556	10.99
2018	68,660,541	56,603,627	12,056,914	655,000	312,306	12.46
2019	68,342,980	58,076,088	10,266,892	685,000	279,556	10.64
2020	64,882,140	53,445,511	11,436,629	720,000	245,306	11.85
2021	64,127,039	54,062,711	10,064,328	760,000	209,306	10.38

City of Ames
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years

Sewer Capital Loan Note

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service²		Coverage
				Principal	Interest	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	-
2013	6,643,819	7,083,679	(439,860)	-	3,019	-
2014	7,491,746	5,809,744	1,682,002	128,000	20,300	-
2015	8,267,051	5,334,578	2,932,473	131,000	38,999	17.25
2016	8,370,811	4,751,416	3,619,395	134,000	44,520	20.27
2017	8,856,136	5,147,061	3,709,075	169,000	42,951	17.50
2018	9,175,876	5,934,923	3,240,953	172,000	51,001	14.53
2019	9,172,812	6,575,420	2,597,392	414,250	89,827	5.15
2020	7,754,405	5,207,127	2,547,278	415,332	119,105	4.77
2021	8,775,009	5,216,226	3,558,783	550,882	82,058	5.62

Water Capital Loan Note

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ -	\$ -	\$ -	\$ -	\$ -	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	9,584,813	5,560,459	4,024,354	-	64,982	-
2016	9,987,307	5,771,458	4,215,849	-	454,561	-
2017	10,502,276	6,141,051	4,361,225	-	857,786	-
2018	10,824,699	6,211,833	4,612,866	2,870,000	1,294,591	1.11
2019	11,121,859	6,917,507	4,204,352	2,927,000	1,287,070	1.00
2020	12,004,634	7,004,160	5,000,474	2,986,000	1,243,815	1.18
2021	12,824,209	7,003,022	5,821,187	352,191	26,683	15.36

¹ Debt service payments do not include payments to refund revenue bonds.

² 2013 was the year of issuance. Accordingly no principal payments were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenues.

³ Prior year gross revenues were restated to accurately reflect operating revenue.

**City of Ames
Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population¹	Per Capita Personal Income¹	Personal Income	School Enrollment²	Unemployment Rate³
2011	58,965	\$ 23,363	\$ 1,377,599,295	4,224	4.1%
2012	58,965	23,547	1,388,448,855	4,229	3.9%
2013	58,965	23,713	1,398,237,045	4,247	3.2%
2014	58,965	23,713	1,398,237,045	4,171	2.7%
2015	58,965	24,082	1,419,995,130	4,181	2.4%
2016	58,965	27,629	1,629,143,985	4,188	2.4%
2017	58,965	30,615	1,805,213,475	4,300	2.0%
2018	58,965	24,946	1,470,940,890	4,387	1.6%
2019	66,258	26,548	1,759,017,384	4,477	1.9%
2020	66,361	27,483	1,823,799,363	4,351	3.7%

¹ United States Census Bureau

² Ames School District

³ Iowa Workforce Development

**City of Ames
Principal Employers
Current Year and Nine Years Ago**

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Iowa State University	16,647	1	30.46%	14,427	1	29.38%
City of Ames	1,573	2	2.88%	944	4	1.92%
Mary Greeley Medical Center	1,407	3	2.57%	1,356	2	2.76%
Danfoss (1)	1,015	4	1.86%	650	7	1.32%
Iowa Department of Transportation	975	5	1.78%	962	3	1.96%
Hy-Vee Food Stores	725	6	1.33%	743	6	1.51%
McFarland Clinic, P.C.	675	7	1.24%	920	5	1.87%
Ames Community School District	650	8	1.19%	650	8	1.32%
Workiva	550	9	1.01%			
Hach Chemical	500	10	0.91%			
Ames Laboratories				472	9	0.96%
Wal-Mart				440	10	0.90%
Total			<u>45.23%</u>			<u>43.90%</u>

¹ Formerly Sauer-Danfoss

Sources: United States Department of Labor, City of Ames, and company inquiries.

City of Ames
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government:										
Management services	22.25	23.25	23.25	23.25	23.25	24.25	24.25	24.50	24.50	24.50
Finance	40.75	40.75	40.75	40.75	40.75	40.75	40.75	41.00	41.00	41.00
Planning and housing	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Administrative services ¹	-	-	-	6.50	6.00	6.00	5.00	5.00	5.00	5.00
Fleet services/facilities	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Transit	75.95	75.95	75.95	81.55	84.05	84.05	84.05	84.50	85.50	85.50
Fire/inspections	68.50	68.50	68.50	65.00	65.00	68.00	70.00	71.00	72.00	73.00
Police/animal control/parking	77.65	77.65	77.65	77.65	77.65	79.65	80.65	82.15	83.15	84.60
Library	31.50	31.50	31.50	35.25	35.50	35.75	35.75	36.50	37.00	37.00
Parks and recreation	19.50	19.50	19.50	19.50	19.50	25.00	25.00	25.00	25.00	26.75
Water and pollution control	41.50	41.50	41.25	40.05	40.05	40.30	40.30	40.00	40.00	38.00
Electric	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00
Public works:										
Administration	3.00	3.00	3.00	1.50	2.00	2.00	2.00	2.00	2.00	2.00
Engineering	14.00	14.00	14.00	14.00	15.75	15.75	14.75	14.75	14.75	14.75
Resource recovery	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Streets	19.00	19.00	19.00	19.00	19.00	22.00	22.00	22.00	22.00	22.00
Utility maintenance	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	12.00	13.00
Other	13.00	13.00	13.00	13.00	13.00	8.00	10.00	10.00	10.00	10.00
Hospital	1,064.00	1,092.00	1,082.00	1,050.00	1,071.00	1,067.00	1,082.00	1,086.00	1,117.00	1,143.00
Total	<u>1,615.10</u>	<u>1,644.10</u>	<u>1,633.85</u>	<u>1,610.50</u>	<u>1,636.00</u>	<u>1,642.00</u>	<u>1,660.00</u>	<u>1,667.90</u>	<u>1,703.40</u>	<u>1,732.60</u>

¹ Administrative services was formed with employees from the planning and housing, fire/inspections, and public works administration divisions.

Source: City Finance Department

City of Ames
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government:										
Number of licenses/permits processed	462	539	524	617	559	714	635	752	561	598
Police:										
Physical arrests	1,395	1,463	1,588	1,531	1,362	1,215	1,596	1,480	1,380	778
Parking violations	48,947	44,100	45,530	46,759	50,280	47,272	38,798	32,711	27,278	25,152
Traffic violations	4,068	3,204	2,543	2,981	2,451	2,614	2,834	2,328	2,092	1,667
Fire:										
Number of fires	188	137	150	107	126	89	116	80	82	117
Number of ambulance assists	2,178	2,325	2,471	2,464	2,442	2,663	2,646	2,857	2,473	2,064
Inspections	829	1,058	1,263	1,205	1,435	1,074	831	501	582	322
Library:										
Total circulation	1,343,758	1,222,547	1,205,620	1,255,953	1,304,434	1,280,305	1,222,360	1,220,180	961,602	854,397
Library visits	443,895	323,859	226,690	426,608	506,034	523,673	508,918	485,929	336,272	268,927
Parks and recreation:										
Total number of participant visits	320,533	287,504	294,978	279,103	293,757	255,227	280,766	281,420	187,725	157,593
Total number of activities	148	154	160	175	187	194	196	200	175	325
Resource recovery:										
Tons of refuse processed	53,731	48,244	27,878	50,035	41,646	45,598	37,124	33,173	33,511	40,040
Tipping fee per ton	52.75	52.75	52.75	52.75	52.75	52.75	55.00	55.00	58.75	58.75
Other public works:										
Blocks of streets crack sealed	110	92	123	90	66	73	65	81	88	20
Blocks of streets slurry sealed	-	-	11	22	36	33	30	-	-	56
Blocks of seal coat reconstruction	6	7	8	4	16	-	10	6	-	4
Hospital:										
Total admissions	9,617	8,768	8,289	8,298	7,867	8,368	8,510	8,267	8,230	8,082
Average percent of occupancy	56.3%	54.1%	52.1%	50.5%	49.3%	49.7%	50.2%	50.6%	52.1%	53.7%
Electric:										
Kilowatt hours produced at plant	307,447,978	318,394,938	282,348,784	278,471,640	243,388,530	244,149,566	222,873,411	167,189,716	176,914,000	245,972,108
Meters in service	24,844	25,141	25,353	26,023	26,232	26,475	27,324	27,348	27,613	27,701
Transit:										
Passengers	5,759,883	5,892,786	6,619,182	6,711,665	6,785,479	6,658,027	6,572,065	6,121,023	4,577,482	1,862,274
Total miles driven	1,412,162	1,384,270	1,493,983	1,599,493	1,658,443	1,635,781	1,649,762	1,516,271	1,437,907	1,432,914
Water:										
Billion gallons per year pumped	2.151	2.082	2.131	2.022	2.110	2.131	2.245	2.117	2.260	2.359
Utility locates performed	6,466	6,247	6,185	6,615	8,121	7,383	7,113	6,932	7,935	14,152
Water main breaks	18	42	47	19	19	18	42	46	19	1
Wastewater:										
Billion gallons per year treated	1.906	2.093	1.936	2.389	2.690	2.427	2.141	2.706	2.291	1.849

Sources: City departments and Mary Greeley Medical Center

City of Ames
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	11	11	11	11	11	11	11	11
Fire stations	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Total number of parks	36	37	37	37	37	36	36	38	38	38
Total number of park acres	1,213	1,224	1,227	1,227	1,227	1,223	1,224	1,230	1,230	1,230
Total number of athletic fields	18	18	18	18	18	18	21	21	21	21
Other public works:										
Miles of streets	272	288	290	291	291	300	305	305	249	252
Number of traffic signals	70	70	67	67	67	68	69	70	71	76
Number of signs	9,852	9,486	9,489	9,485	9,509	9,854	10,087	10,658	10,876	11,052
Hospital:										
Beds in operation	199	199	199	199	199	199	199	199	199	199
Transit:										
Buses owned	84	89	93	104	105	104	105	104	89	90
New buses purchased	7	2	-	6	9	5	3	1	-	3
Water:										
Miles of water mains	241	241	243	247	254	247	249	250	250	252
Fire hydrants	2,648	2,663	2,700	2,771	2,847	2,906	2,948	2,977	2,995	3,029
Wells	28	28	28	28	28	25	24	25	25	25
Wastewater:										
Sanitary sewer miles	202	202	203	204	204	210	211	212	212	213
Stormwater miles	263	265	260	263	271	276	277	278	279	284

Note: No capital asset indicators are available for general government, library, resource recovery, or electric functions.

Sources: City departments and Mary Greeley Medical Center



Compliance Section





**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
City of Ames, 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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Ames, Iowa (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 2, 2022. Other auditors audited the financial statements of Mary Greeley Medical Center (presented as an enterprise fund), as described in our report on the financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Other auditors also audited the financial statements of the Mary Greeley Medical Center Foundation, the discretely presented component unit. Those financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to those financial statements.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2021, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. 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.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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.



Dubuque, Iowa
September 2, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and
Members of the City Council
City of Ames, Iowa

Report on Compliance for Each Major Federal Program

We have audited the City of Ames, Iowa's (City), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Mary Greeley Medical Center (presented as an enterprise fund), which expended federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the Mary Greeley Medical Center because the Medical Center engaged other auditors to perform an audit of compliance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa
September 2, 2022

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Commerce			
Pass-through Program from Iowa State University			
Economic Development Cluster			
Investments for Public Works and Economic Development Facilities	11.300	05-01-05898	\$ 862,646
U.S. Department of Housing and Urban Development			
Direct program			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218		1,194,612
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218		475,714
Total CDBG - Entitlement Grants Cluster			1,670,326
Home Investment Partnership Program	14.239		20,737
Total U.S. Department of Housing and Urban Development			1,691,063
U.S. Department of Justice			
Direct program			
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		18,002
Bulletproof Vest Partnership Program	16.607		700
Edward Byrne Memorial Justice Assistance Grant Program	16.738		4,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738		3,840
Edward Byrne Memorial Justice Assistance Grant Program	16.738		2,396
			10,236
Total U.S. Department of Justice			28,938
U.S. Department of Transportation			
Direct program			
Airport Improvement Program	20.106		6,893
Airport Improvement Program	20.106		489,277
Airport Improvement Program	20.106		56,699
COVID-19 - Airport Improvement Program	20.106		7,771
			560,640

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation (continued)			
Highway Planning and Construction Cluster			
Pass-through program from			
Iowa Department of Transportation			
Highway Planning and Construction	20.205	21MPO-AAMPO	\$ 205,948
Highway Planning and Construction	20.205	TAP-U-0155(699)--8I-85, 19-TAP-122	158,999
Highway Planning and Construction	20.205	STP-U-0155(690)--70-85, STP-U-0155(697)--70-85	5,589,493
Total Highway Planning and Construction Cluster			5,954,440
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	21MPO-AAMPO	20,908
Federal Transit Cluster			
Direct program			
Federal Transit -- Capital Investment Grants	20.500		94,768
COVID-19 - Federal Transit - Formula Grants	20.507		6,126,089
Pass-through program from			
Iowa Department of Transportation			
Federal Transit - Formula Grants	20.507	2019-006-02-FY20	429,183
			6,555,272
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)	20.526	2019-007-00-015-FY18	1,221,589
Total Federal Transit Cluster			7,871,629
Transit Services Programs Cluster			
Pass-through program from			
Iowa Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2020-001-00-SFY20	33,753
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2020-001-01-SFY21	127,942
Total Transit Services Programs Cluster			161,695

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation (continued)			
Highway Safety Cluster			
Pass-through program from			
Iowa Department of Public Safety			
State and Community Highway Safety	20.600	PAP 20-402-M0AL, Task 01-00-00	\$ 2,354
State and Community Highway Safety	20.600	PAP 21-402-M0AL, Task 01-00-00	<u>28,072</u>
			<u>30,426</u>
National Priority Safety Programs	20.616	PAP 20-415b-M1HVE, Task 01-00-00	497
National Priority Safety Programs	20.616	PAP 21-405b-M1HVE, Task 01-00-00	<u>1,679</u>
			<u>2,176</u>
Total Highway Safety Cluster			<u>32,602</u>
Total U.S. Department of Transportation			<u>14,601,914</u>
U.S. Department of the Treasury			
Pass through program from			
Iowa Department of Administrative Services			
COVID-19 -Coronavirus Relief Fund	21.019	00225	1,574,725
Iowa Department of Cultural Affairs			
COVID-19 - Coronavirus Relief Fund	21.019	202112-10202	<u>5,000</u>
Total U.S. Department of the Treasury			<u>1,579,725</u>
U.S. Department of Health and Human Services			
Pass-through program from			
Iowa Department of Public Health			
Immunization Cooperative Agreements	93.268	5889I480	<u>12,555</u>

City of Ames, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Direct Program			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		\$ 36,325
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		99,274
Pass-through program from			
Iowa Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4386DR-IA, #66415	19,893
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4557DR-IA, #163508	7,274
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4557DR-IA, #163506	18,750
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4557DR-IA, #164261	<u>10,261</u>
			<u>191,777</u>
Pre-Disaster Mitigation	97.047	PDMC-2018--011	<u>176,980</u>
Total U.S. Department of Homeland Security			<u>368,757</u>
Total Federal Financial Assistance			<u>\$ 19,145,598</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Ames, Iowa, (City) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting – when they become a demand on current available financial resources in the governmental fund types and on the full accrual basis of accounting – when expenditures are incurred in the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient. There was no assistance provided to subrecipients during the year ended June 30, 2021.

Note 3 - Indirect Cost Rate

The City has not elected to use the 10% de minimis cost rate.

Part I: Summary of the Independent Auditor's Results:

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Investments for Public Works and Economic Development Facilities	11.300
CDBG Entitlement Grants Cluster	
Community Development Block/Entitlement Grants	14.218
Federal Transit Cluster	
Federal Transit – Capital Investment Grants	20.500
Federal Transit - Formula Grants	20.507
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)	20.526
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

Part II: Findings Related to the Financial Statements

2021-001 Material Audit Adjustments

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition: During the course of our engagement, we proposed material audit adjustments to unearned revenue and the Schedule of Expenditures of Federal Awards.

Cause: There is a limited number of office staff with varying levels of experience with the reporting requirements. This significantly limits the City's review procedures.

Effect: The effect of this condition was financial data not in accordance with generally accepted accounting principles.

Recommendation: We recommend that City staff continue to receive relevant training and that additional review procedures be implemented.

Views of Responsible Officials: Management will ensure proper training will take place across all areas within the accounting division to ensure there is understanding of policies and procedures. Cross training will take place and detailed standard operating procedures will be created/updated for every position within the accounting division to ensure proper controls are in place. Accounting is in the transition of hiring new experienced staff who will help achieve accurate accounting and reporting of financial statements.

Part III: Findings and Questioned Costs for Federal Awards

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting

2021-IA-A Certified Budget: Disbursements during year ended June 30, 2021 exceeded the amounts budgeted in the debt service function. Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under an annual or continuing appropriation."

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Views of Responsible Officials – We agree with the auditors' comments, and we will take action to improve the situation. The City of Ames' Finance Department will include budgeting for bond fees beginning during the Fiscal Year 2022/2023 time period.

2021-IA-B Questionable Expenditures: We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

2021-IA-C Travel Expense: No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

2021-IA-D Business Transactions: Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Ben McConville, Employee, Brother is owner of Iowa Concrete Leveling	Services	\$ 1,266

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction above does not appear to represent a conflict of interest since the total transaction was less than \$6,000 during the fiscal year.

2021-IA-E Restricted Donor Activity: No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2021-IA-F 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 insure the coverage is adequate for current operations.

2021-IA-G Council Minutes: No transactions were found that we believe should have been approved in the Council minutes but were not.

2021-IA-H Deposits and Investments: No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

Part IV: Other Findings Related to Required Statutory Reporting (continued)

- 2021-IA-I Revenue Bonds:** No instances of noncompliance with the provisions of the City's revenue bond resolutions were noted.
- 2021-IA-J Annual Urban Renewal Report:** The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.
- 2021-IA-K Tax Increment Financing:** The Special Revenue Tax Increment Financing Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate forms to request TIF property taxes.